

# Annual 2015 Budget

Approved  
December 10, 2014



Pierce County  
Library System

INFORMATION ■ IMAGINATION

Figure 0-1: GFOA Distinguished Budget Presentation Award



# PIERCE COUNTY LIBRARY SYSTEM

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## BOARD OF TRUSTEES

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

## BUDGET PREPARED BY DIRECTOR'S TEAM

Georgia Lomax  
Executive Director (2014 - )

Neel Parikh  
Executive Director (1994-2014)

Clifford Jo  
Finance & Business Director

Georgia Lomax  
Deputy Director (2006-2014)

Sally Porter Smith  
Customer Experience Director

## WITH ASSISTANCE FROM

Karim Adib  
Digital Experience Director

Lynne Hoffman  
Development Director

David Durante  
Customer Experience Manager

Lorie Erickson  
Facilities Director

Dale Hough  
Finance Manager

Judy Nelson  
Customer Experience Manager

Linda Farmer  
Communications Director

Melinda Chesbro  
Reading & Materials Director

Jennifer Patterson  
Customer Experience Manager

Chereé Green  
Staff Experience Director

Jaime Prothro  
Customer Experience Manager

## AND

Petra McBride  
Executive Assistant to the Director

## Library Locations/Hours of Operations/Phone

Library/Facility	Address	Hours of Operation				Phone
Anderson Island	11319 Yoman Road Anderson Island, WA 98303	Wed	11 a.m. - 3 p.m.			253-548-3536
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

To obtain copies of this document, please contact:

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

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

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

# Part 1 Introducing the 2015 Budget

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## Budget Messages

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**Pure Prayer** by Taija Perrycook  
2nd Place 7th/8th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## Board of Trustees Message

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**D**ear Pierce County Residents:

In 2014, the Pierce County Library System Board of Trustees had the distinct privilege of honoring outgoing Executive Director Neel Parikh for her 20 years of exemplary service to the system. At the same time we presided over a comprehensive national search process for the library's next leader. We are proud to welcome former Deputy Director Georgia Lomax as the new Executive Director.

We are confident in Georgia's leadership as we step into 2015. New advances in technology and changing customer interests will affect what and how the library delivers service. Georgia's experience and vision will serve the library system well during this time of transition. You will see some exciting new programs and services from your library this year. For example, we're piloting a program to offer Chromebook laptops for checkout at the South Hill and Sumner libraries.

You can also be assured that we will continue to pay attention to the things that matter:

- Helping the youngest in our midst prepare for school (and life) with solid language and literacy skills.
- Serving as one of the few remaining free connection points in your community.
- And helping you thrive with free classes, training and resources; whether for work, play or family.

Don't let anyone tell you that libraries are no longer important. Pierce County Library System plays a pivotal role in the South Sound community. We are committed to delivering vital library services to meet individual and community needs. As we serve you, we are ever mindful of our responsibility to make the best use of your tax dollars.



Sincerely,

Linda Hurley Ishem, Ph.D.  
Chair, Pierce County Library System Board of Trustees

## Retiring Director's Farewell Message

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

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

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

Branches remained open and operating hours stayed the same despite more than \$7.5 million in

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

Even though the revenue projections are positive in the short-term, we are not dismantling the changes put in place during the recession. The 2015 budget

builds on our strengths. We will continue to manage our funds strategically so we are better prepared to weather future periods of flat or declining revenues.

The world around us has changed. When I came to the Library System in 1994 there were no computers for the public, very few computers at reference desks and the World Wide Web was just being introduced in academia. Over the past two decades there have been enormous changes in the world of information and publishing. The past five years have seen the widespread use of mobile technology, eBooks, downloadable music and streaming video. Over the next decades, libraries will face challenges that are not only monetary but harken to the core of our existence and mission. We have been forced to reinvent ourselves over the years. This will not change. The services we offer and the way we deliver them must constantly change and evolve. At the same time it is important to maintain our core mission, deliver value to our communities and answer the question, "What is the Pierce County Library core business?"

Over the past few years we have developed a firm foundation to answer that question. We have a strong leadership team, talented and creative staff and strong community support. Community support is key to the Library's success. The future will require support from voters for



Neel Parikh, Retiring Executive Director

our levy or to improve facilities. Voter support raises the stakes for maintaining relevance and value in the community. Pierce County Library System has changed, grown and become respected both locally and nationally. Under the strong leadership, the Library will thrive in the future.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Neel Parikh', with a long, sweeping horizontal line extending to the right.

Neel Parikh  
Executive Director

## Executive Director's Message

**A**fter eight years as Pierce County Library System's Deputy Director, I am honored to have been chosen as the Library's fourth Executive Director and appreciate the opportunity to lead and steward its staff, services, resources and funding.

This is a good time to pause and assess where we are and what has changed over the past years of economic downturn. After a good look at where we now are, it's time to begin to look forward to what is next for our communities. In 2015, we will conduct a planning process to confirm what our communities value and want, and determine the next steps in providing a Library and services that will meet their expectations.

### 2015 Budget

The Library's property tax revenue, which provides 95% of its operating funds, will grow by 8.6% in 2015, adding \$2.1 million to the Library's budget. This is a higher than normal increase that we expect to experience in both 2015 and 2016 as taxing law allows the Library to collect up to its maximum tax rate of 50 cents per \$1000 assessed property value until revenue is restored to its pre-recession "highest lawful levy", which was \$28 million in 2010. After funding reaches its previous highest level, Library tax revenue is limited to no more than a 1% annual increase, plus any revenue from new construction.



Georgia Lomax, Executive Director

As we reach 2017 and beyond, we expect inflation to outpace the allowed 1% growth in revenue, so how we use the increases in 2015 and 2016 is important in positioning the Library for the future and to ensure sustainability in coming years when funding is flat or declining slowly.

### Budget Priorities

The 2015 budget priorities are as follows:

1. Provide up-to-date and future-oriented service and resources.
2. Address critical functions affected by the recession.
3. Map the future.

4. Ensure good stewardship of taxpayers' dollars.

In 2015 the Library will focus attention on building up-to-date technology and digital services, guided by a technology plan previously developed by staff with input from the public. A merged IT and Virtual Services Department will allow staff with technical and public services skills to focus on how best to use technology and electronic resources to serve customers and online users. During the recession, the materials budget was cut by 25% to close the budget gap. In 2015, \$240,000 will be restored to the budget and provide for growth in digital book purchases, and in adding books and materials that target the unique interests of customers in each branch.

During the recession, choices were made that allowed the Library to preserve services and maintain staffing to deliver those services. Funding of the Capital Improvement Fund was reduced (saving more than \$1 million since 2012), cash reserves were used (\$571,595 in 2013), and infrastructure and technology work was deferred to prevent further reductions in services and staffing. As a result, investments are now needed to rebuild funding for capital projects, to retain cash to sustain four months of operation between the April and October property tax collections, and to provide for postponed infrastructure and technology projects that support

services and use of the Library. There also will be a 1.8% general wage increase for staff.

During the recession, the Library implemented strategies to maintain open hours, to continue offering and developing services its communities needed, and to adjust to the new funding realities. It required evaluation and changes to processes, services and strategies. Library staff learned and developed new skills in how to approach offering services and providing value to the community. We will now apply these skills and approaches as we recover from the recession and determine how we proceed into the future. The Library will continue to make smart choices that support a sustainable future and act as stewards of the taxpayers' money. During 2015, the Library will

be planning for the future, revisiting its revenue and expenditure strategies, and creating a strategic action plan to guide the Library in developing and providing services in the coming years.

The Library is a place of learning and exploring, of reading and of stories. The stories are in the books that our buildings hold, they are the stories you write or read on mobile devices and computers, and they are the stories of the people who use the Library. This budget is the story of the Pierce County Library System. In its pages you will find what to expect in 2015, what happened in 2014, how we made choices and how our customers and community responded.

Respectfully submitted,



Georgia Lomax  
Executive Director

## I am the Song

I am the leaves that carry the breeze  
I am the shore that crashes upon waves  
I am the landscape that blankets the snow  
I am the fruit that bears the tree

I am the story that creates the writer  
I am the symphony that composes the musician  
I am the crowd that inspires the leader  
I am the wisdom that speaks the master

I am the truth that speaks the man  
I am the beauty that captures the words  
I am the freedom that craves the cornered  
I am the love that spreads the people  
I am the song that chants the world

---

**Claire Summa**  
Gig Harbor High School

**2014 Our Own Expressions**  
**11th & 12th Grade Poetry Winner—1st place**



## Budget in a Page

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

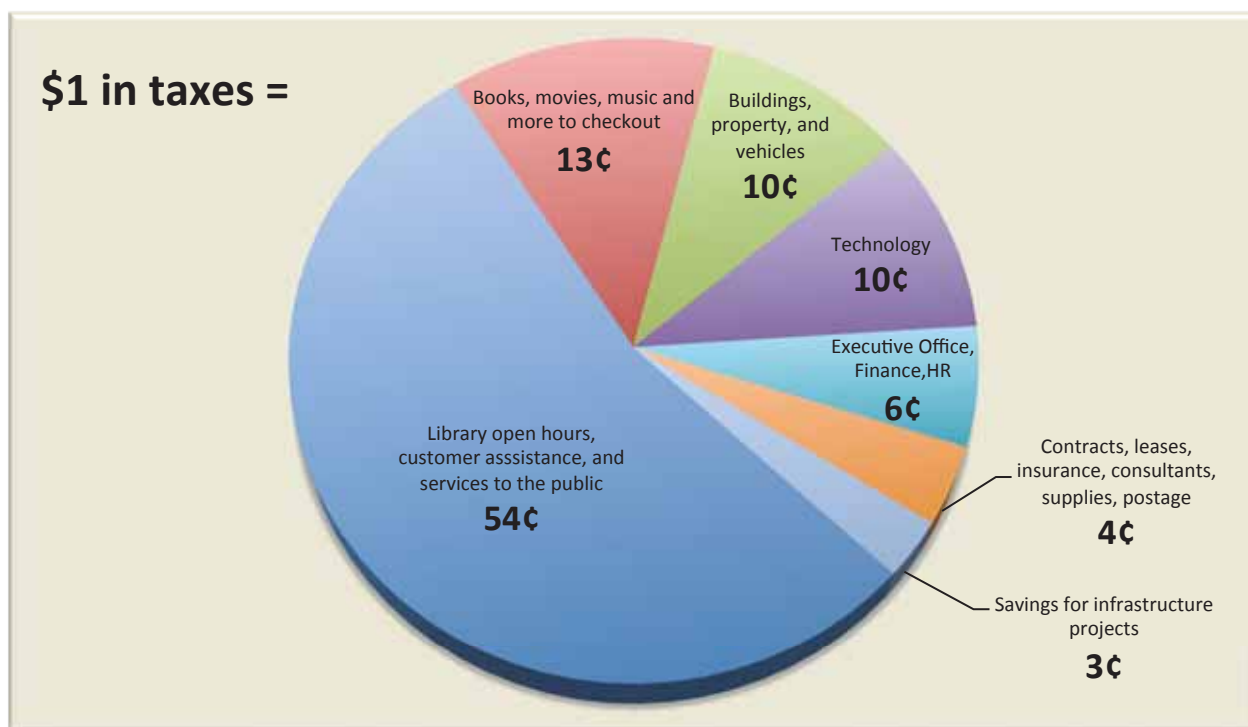
After three years of property value declines, property values increased by 8.56% with a corresponding year-to-year budgeted revenue increase of 9.94%. The Library's mill rate, the rate used to levy taxes on properties, remains at its statutory limit of 50 cents per \$1,000 assessed property value and will stay there for at two to three years. For 2015, the Library will not use cash reserves. The budget is presented as balanced by fiscal policy: source of all revenues and use of fund balances equals expenditures.

The Library's financial recovery will occur during a two to three year period until it reaches the statutory maximum received in 2010. Afterwards, property tax revenue will increase by 1% plus a small amount from new construction.

In 2015, the Library will conduct a Strategic Planning process that will determine service priorities and outcomes for the next five years. In 2016, Library finances will be positioned to support implementation of the strategic plan.

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/11)
<b>OPERATING BUDGET</b>			
New Revenues .....	\$ 25,122,388	\$ 25,526,372	\$ 28,063,748
Use of Fund Balance .....	571,595	127,663	0
Total Available Funds .....	25,693,983	26,654,035	28,063,748
Less:			
Operating costs .....	24,995,025	25,398,771	27,221,836
Set-asides & Transfers .....	495,689	255,264	841,912
Total Expenditures .....	25,490,714	26,654,035	28,063,748
<b>Net of Revs &amp; Exps.....</b>	<b>\$ 203,269</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>CAPITAL IMPROVEMENT BUDGET</b>			
New Revenues .....	\$ 122,473	\$ 160,000	\$ 0
Transfers from General Fund .....	459,689	255,114	841,912
Use of Fund Balance .....	1,375,101	808,886	1,027,588
Total Available Funds .....	1,957,263	1,224,000	1,869,500
Less:			
Capital project costs .....	1,957,263	1,224,000	1,869,500
<b>Net of Revs &amp; Exps.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>DEBT SERVICE FUND</b>			
Revenues .....	\$ 123	\$ 0	\$ 0
Expenditures .....	0	0	0
<b>Net of Revs &amp; Exps.....</b>	<b>\$ 123</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>2015 Combined Fund Balances (Cash Reserves)</b>			
<b>General, Capital Improvement, and Debt Service Funds</b>			
Begin Balances, Jan 1 .....	\$ 14,484,529	\$ 11,473,222	\$ 10,668,640
Net of all revs, exps, transfers .....	(3,011,307)	(804,582)	(1,027,588)
End Balances, Dec 31 .....	\$ 11,473,222	\$ 10,668,640	\$ 9,641,052

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



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## The Library: Organized to Serve the Community

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**Leading Leaves** by Lara Riekana

3rd Place 11th/12th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## 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 Competencies (see page 112). 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.

### Leadership Team

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

### Customer Experience Team

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

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

Figure 1-2: Management Teams

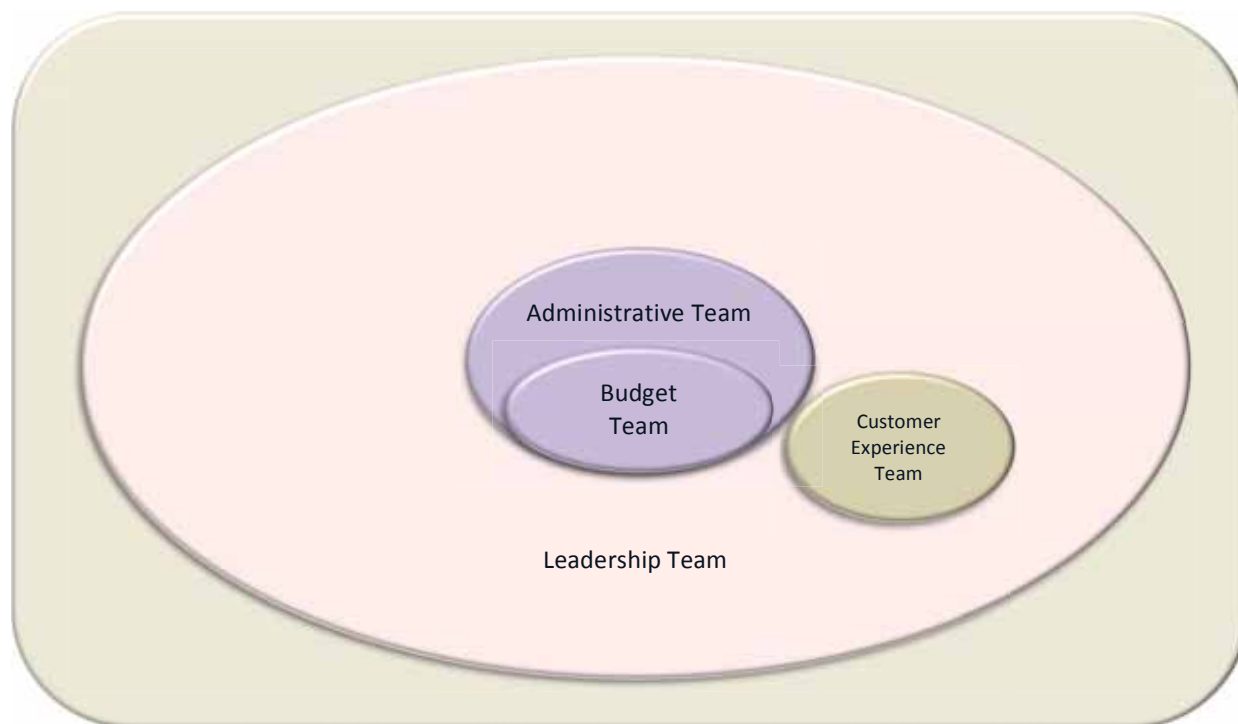


Figure 1-3: 2015 Organizational Chart-Operations View

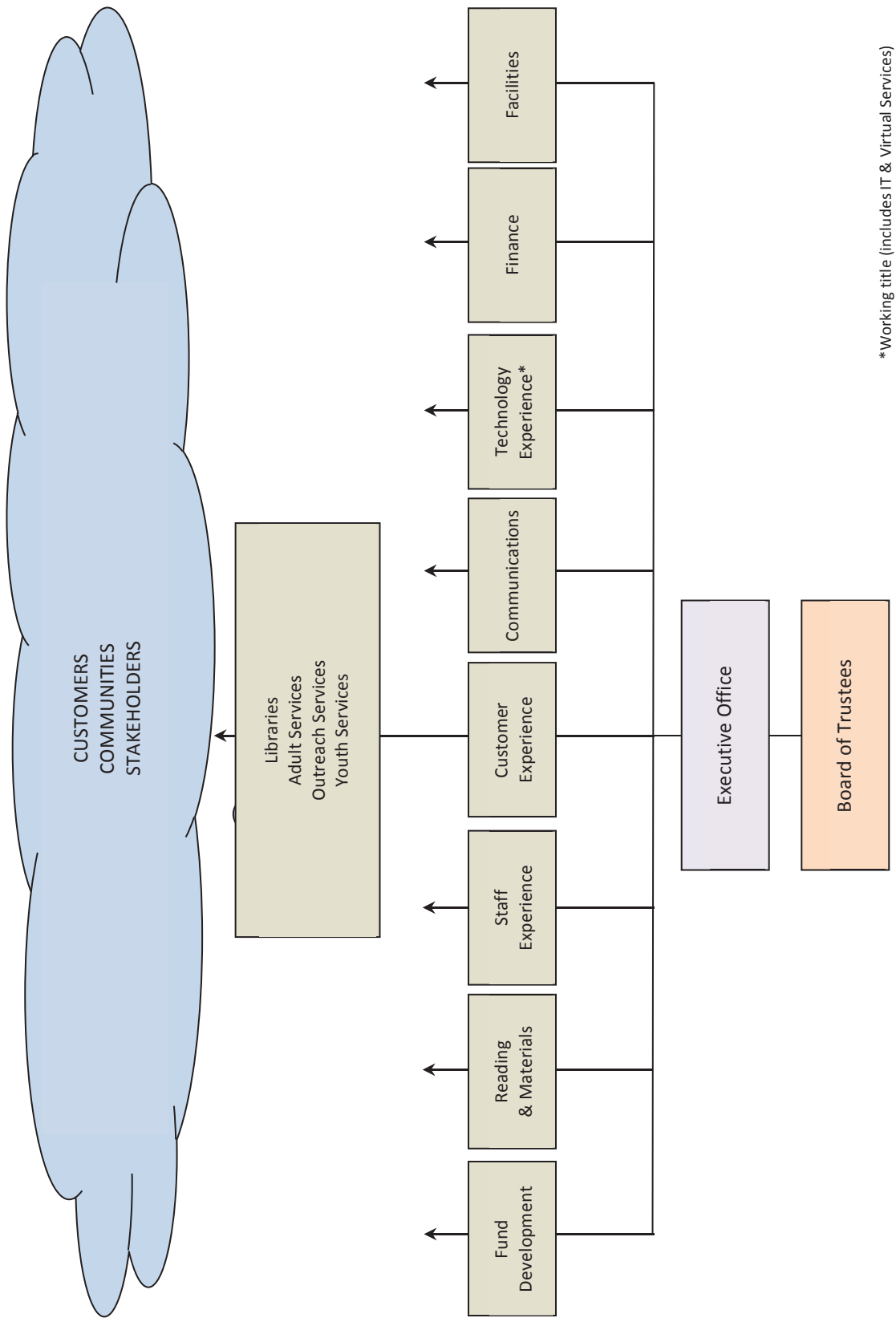
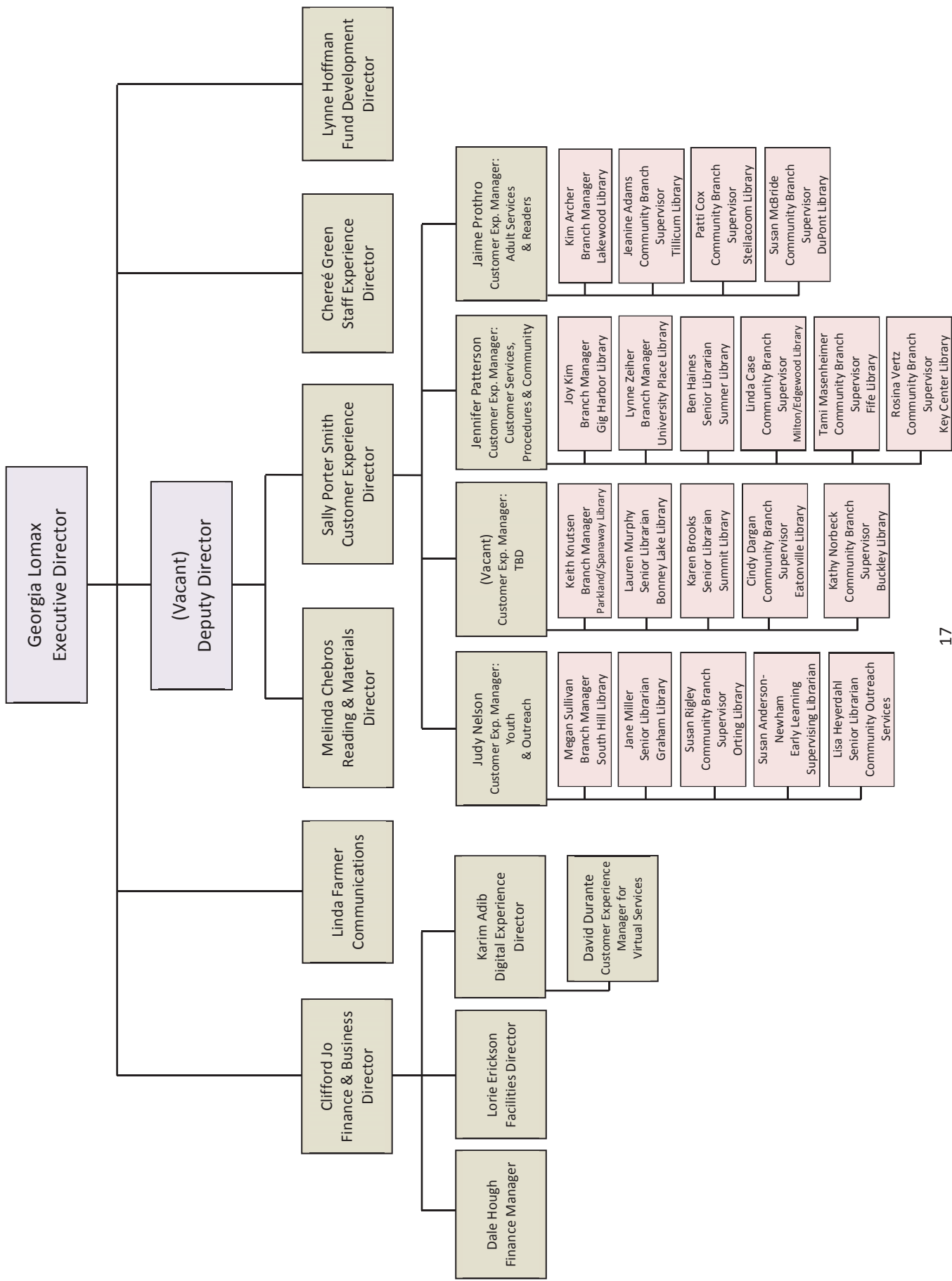


Figure 1-4: 2015 Organizational Chart-Leadership View



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## Mission / Vision / Values

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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 (2013 - 2015)**

2013 LIBRARY PRIORITIES	2014 LIBRARY PRIORITIES	2015 LIBRARY PRIORITIES
<b>Maintain core services voters called for in the 2006 levy:</b> maintain library services and aspects of the levy promises as much as possible.	<b>Maintain core services voters called for in the 2006 levy:</b> maintain library services and aspects of the levy promises as much as possible.	<b>Address critical functions affected by the recession:</b> Re-invest in postponed infrastructure and technology projects, rebuild capital and cash funds, evaluate organizational fitness.
<b>Good stewardship of the taxpayers dollar:</b> Use sound judgment in expending the taxpayers dollar.	<b>Good stewardship of the taxpayers dollar:</b> Use sound judgment in expending the taxpayers dollar.	<b>Ensure good stewardship of taxpayer's dollars:</b> Make smart choices that support a sustainable future. Develop service, revenue and capital strategies for 2017 and beyond.
<b>Provide up to date and future-oriented service:</b> Keep the library contemporary, innovating and providing services and resources customers expect	<b>Provide up to date and future-oriented service:</b> Keep the library contemporary, innovating and providing services and resources customers expect	<b>Provide up-to-date, future-oriented service and resources:</b> Keep the Library contemporary, innovating and providing what the community and customers expect and value.
<b>Build a customer base for the Future:</b> customer focus is a major priority of the library	<b>Build a customer base for the Future:</b> customer focus is a major priority of the library	<b>Map the future:</b> Develop an action plan to continue core services and guide service development and direction for the future.

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

The 2015 Library priorities are further articulated in the Executive Director's budget message (see page 11).

### Discrepancy

Death  
Radiant, Ambient  
Embrace, Enclose, Insinuate  
Reverie, Entwinement, Struggle, Schism  
Beguile, Allure, Sunder  
Turbulent, Chaotic  
Life

Myles Moulton  
Bellarmine Preparatory

**2014 Our Own Expressions  
9th & 10th Grade Poetry Winner—2nd place**

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## Finance

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**Stuck Inside** by Kirsten Kennedy  
1st Place 11th/12th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## Fiscal Principle, Policy, and Practices

**P**ierce 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 valued 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 (strategic framework), and then to the department heads with instructions to craft their budgets accordingly. The priorities for 2015 are:

1. Provide up-to-date, future-oriented service and resources.
2. Address critical functions affected by the recession
3. Map the future
4. Ensure good stewardship of taxpayer's dollars

Priorities 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 Leadership Team. Beginning in 2015, the Library is focused on the key measures (called the "Gray Book") to analyze information related to the Library's communities and make strategic decisions important to services and the Library's future.

### 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 101) 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 Budget 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 Efficiencies to Help Serve Customers chapter (see page 500).

### Strategic Management

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

### Operations Team Planning

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

### Executive Review

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

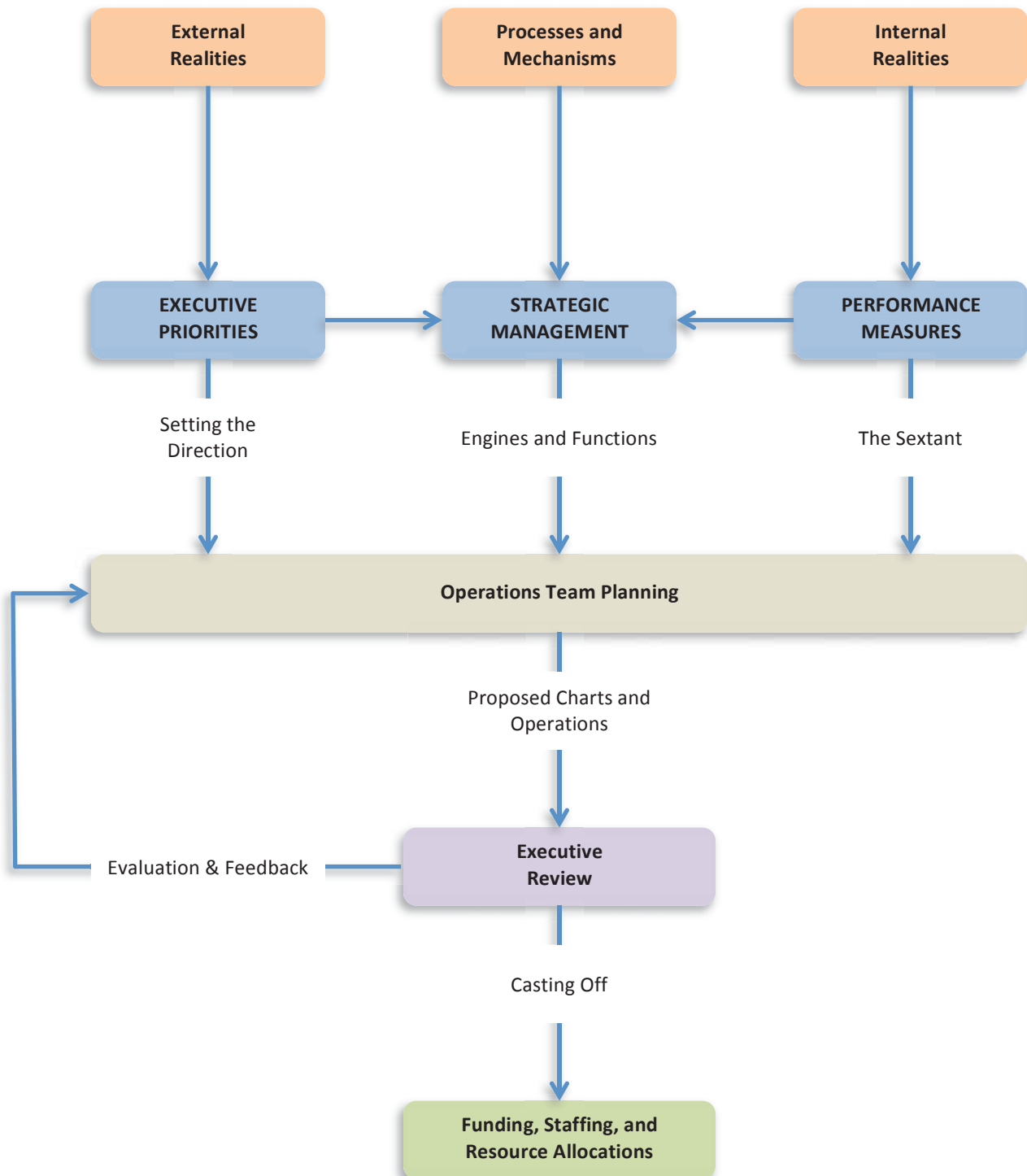
### The Budget

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

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

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

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



## Budget Method and Sequence

Pierce County Library's 2015 budget was developed for maintaining services from the Executive Director's four priorities, including services created by the voter-approved 2006 levy lid-lift.

### Director's Team's Approach

The Director's Team does not approach departmental budgets using traditional budgeting assumptions (i.e., next year = current year + inflator). Instead, it applies proven techniques from activity-based budgeting. This ensures that:

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

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

### Budget Method

The 2015 budget was developed by applying the following method:

1. The Administrative Team discussed service priorities, fiscal realities, and developed strategies.
2. Managers were advised to plan and budget for 2015 services during the 2014 mid-year budget process.
3. Projected revenues were calculated in July 2014, from initial indicators of property value assessments.

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



Pierce County Treasurer Assessor provided one amended certificate, which was submitted.)

18. The 2015 budget book was published in February 2015, and made available to the public via the website.

The Director's Team's principle objective during the final weeks of the budget process is to tactically balance the Operating Budget, the Capital Improvement Budget, and Fund Balances/Cash Reserves. Changes in any one area will impact the others. Because the Library tightly manages current and future cash flow (given moving projections), the selection of budget proposals and funding requests are

ranked, and then decided upon with the explicit understanding that calculations for the final budget must preserve the integrity of the three areas as established in proven practices (see page 22). See figure below.

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

**Figure 1-6: Conceptual Triad of Budget Elements**

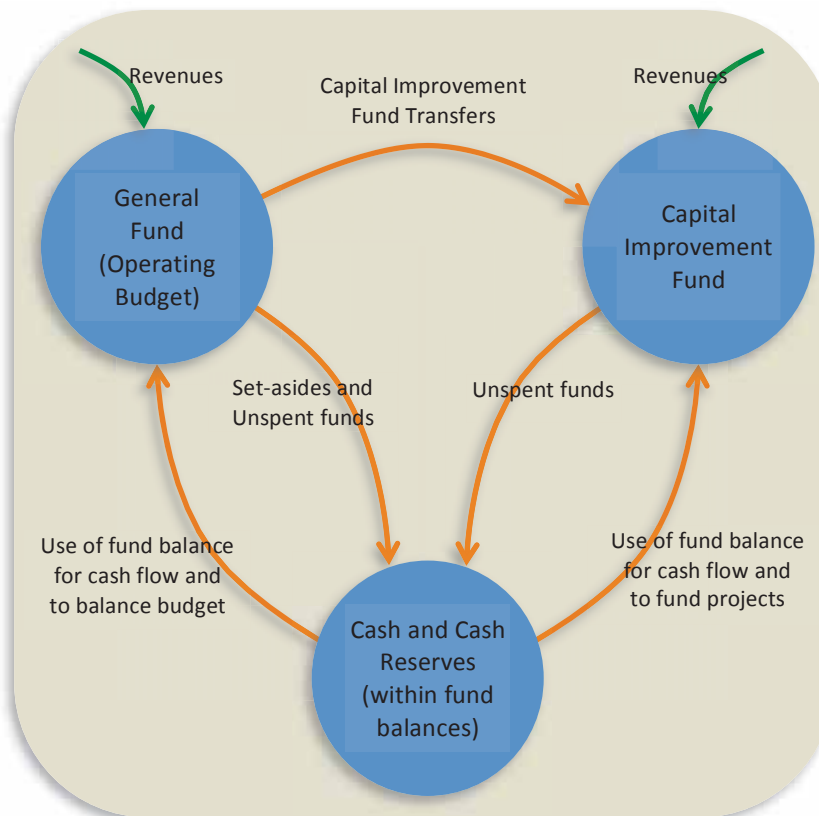
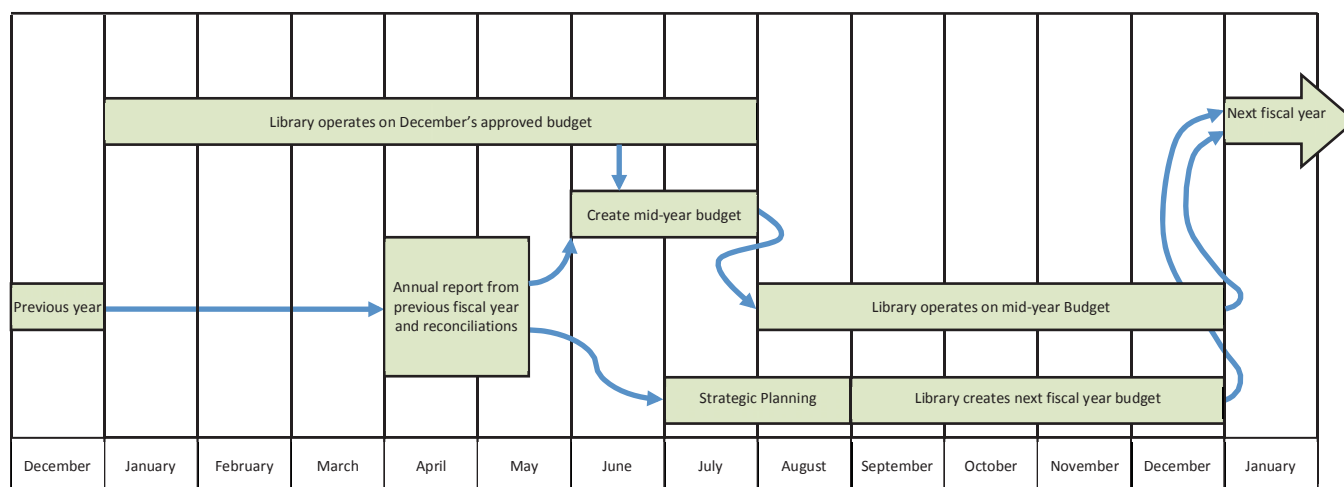




Figure 1-7: Budget Process Summary

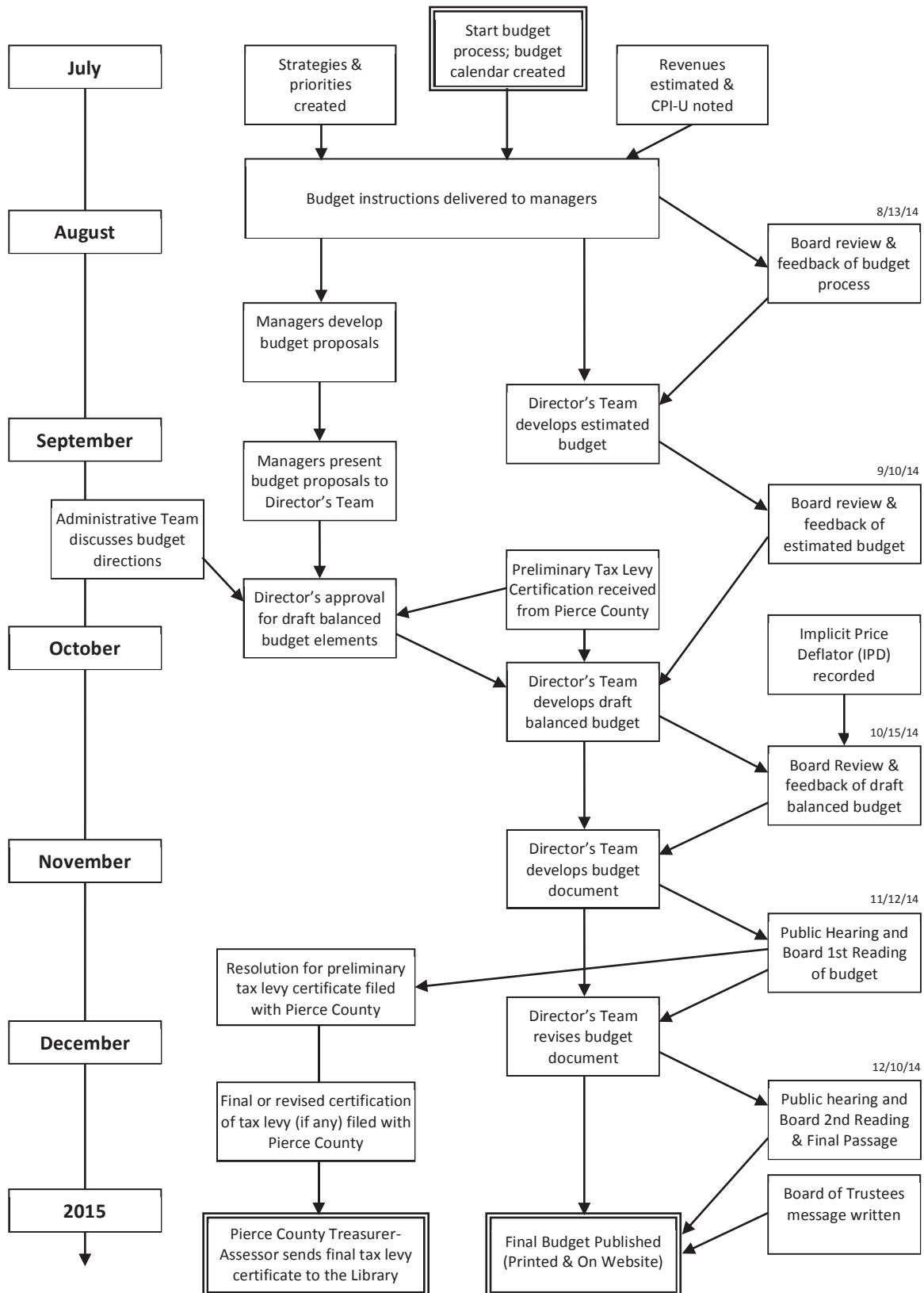


The above chart shows the general flow of budget-planning tasks, alongside implementations of budgets.



**Hmong Girl, Sapa, Vietnam** by Bao Nguyen  
1st Place 9th/10th Grade Winner of the 2014 Our Own Expressions Drawing Contest

Figure 1-8: Budget Process &amp; General Timeline



## 2015 Combined Funds Budget

**Table 1-2: Combined Funds Budget (Expenditures)**

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
General Fund (Operating) .....	\$ 25,490,714.37 .....	\$ 25,654,035 .....	\$ 28,063,748 .....	9.39%
Capital Improvement Fund .....	1,957,262.65 .....	1,224,000 .....	1,869,500 .....	52.74%
Debt Service (minor fund—unbudgeted) .....	0 .....	0 .....	0 .....	0.00%
<b>TOTAL FUNDS BUDGET</b>	<b>\$ <u>27,447,977.02</u></b>	<b>\$ <u>26,878,035</u></b>	<b>\$ <u>29,933,248</u></b>	<b><u>11.37%</u></b>

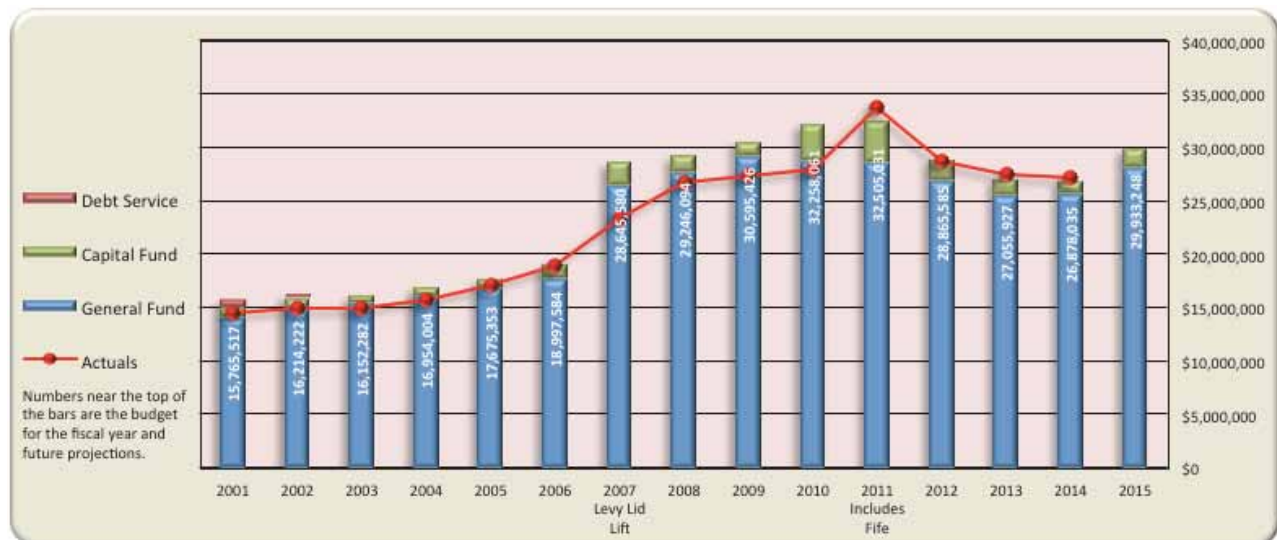
For 2015, the combined funds budget is \$29,933,248. Note that the Debt Service Fund remains unused because the Library carries no debt. Unlike the operating budget, the capital budget varies greatly from year to year, depending on capital improvements approved by the Board of Trustees. See table and chart below for the historical combined budget.

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

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

	2011 FINAL (12/10)	2012 FINAL (12/11)	2013 FINAL (12/12)	2014 BUDGET (12/11)	2015 BUDGET (12/10)
General Fund (Operating) .....	\$ 28,564,891 .....	\$ 26,869,885 .....	\$ 25,423,927 .....	\$ 25,654,035 .....	\$ 28,063,748
Capital Improvement Fund .....	3,940,140 .....	1,995,700 .....	1,632,000 .....	1,224,000 .....	1,869,500
Debt Service Fund .....	0 .....	0 .....	0 .....	0 .....	0
<b>TOTAL</b>	<b>\$ <u>32,505,031</u></b>	<b>\$ <u>28,865,585</u></b>	<b>\$ <u>27,055,927</u></b>	<b>\$ <u>26,878,035</u></b>	<b>\$ <u>29,933,248</u></b>

**Figure 1-9: Combined Funds Budget & Actuals**



## Financial Administration of the Budget

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

### Accounting method

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

### Fiscal year

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

### Funds

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

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

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

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

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

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

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

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

Table 1-4: Department Use of Funds

DEPARTMENT	2015 GENERAL FUND	2015 CAPITAL IMPROVEMENT FUND	2015 DEBT SERVICE FUND
Executive Office .....	✓	✓	
Customer Experience .....	✓	✓	
Materials and Reading .....	✓		
Finance .....	✓	✓	✓
Technology Experience .....	✓	✓	
Facilities Management .....	✓	✓	
Communications .....	✓		
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](http://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](http://www.sao.wa.gov).

### **Financial System**

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

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



## Strategic Planning & Measures

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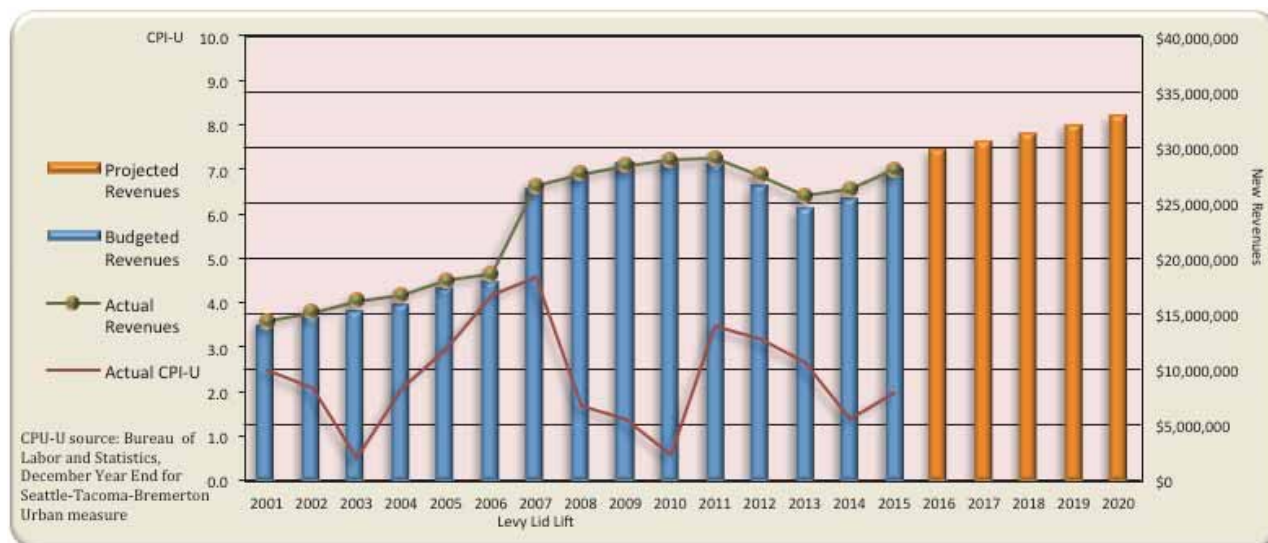
**100 Cobblestone Way** by Cailleigh Gainey  
3rd Place 7th/8th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## 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 increase during the next two to three years as the Library returns to its highest statutory level in 2010, and then level off to slow growth. At the end of 2014, the CPI-U from December 2013 to December 2014 was 1.7% 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.

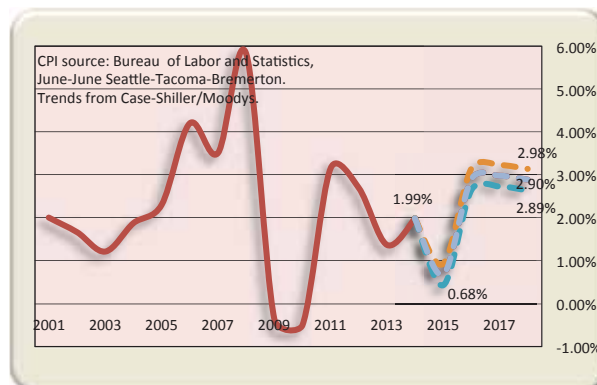
### Long-Term Outlook—2016 and Beyond

Property values are predicted to recover from 2008's decline over the next two to three years and then normalize. To determine future property values, the Library uses the Case-Shiller index for all of Pierce County (Case-Shiller data is purchased from Moody's Analytics). The Library uses this projective data for to create trend analysis to match it with actual property value assessments. The County Assessor's preliminary property value increase showed a 8.56% increase, which compares favorably to the Case-Shiller data for Pierce County at 9.63% increase. Cash-Shiller data suggests future property value increases of around 5% to 8% per year. Pierce County housing values are

anticipated to increase. At the end of 2015 we will measure the accuracy of the Case-Shiller data by comparing to the Treasurer-Assessor's levy certificate, and make necessary adjustments.

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 2015 and is estimated between 0.4% and 0.9%. In 2016, the range is between 2.6% and 3.1%.

Figure 1-11: Regional CPI-U Trend



By 2017 or 2018, revenues are projected at 2% while expenses increase faster.

### 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 future years. 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.
- 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 according to Library priorities.

#### **Strategic Studies**

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

- Implementing improvements to data gathering and analysis, so that managers can efficiently and effectively monitor key elements of their operations and make changes quicker.
- Surveying our customers to understand what they value and what is less important.
- Implementing a technology plan to deliver 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.
- Beginning a program to identify and eliminate work and inefficiencies that does not serve the customer.

#### **Balancing the 2015 Budget**

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

- Increasing the materials budget .....\$ 278,000
- Restoring the capital transfer to 3% .....587,000
- Reducing the adjustment to personnel.....72,000 costs to match projected actuals to 2.5%
- Added leadership training & surveys .....182,000
- Increasing network bandwidth .....300,000
- Investing in technology .....369,000
- Net of all other changes .....612,000
- TOTAL .....\$2,400,000

#### **General Library Strategies**

See the next section regarding the Strategic Framework.

## 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*).

Prior to 2013, the Library employed the Balanced Scorecard as its principle method for organizing and developing strategy. In 2013, the Balanced Scorecard was replaced with the Strategic Framework as leadership's method to drive strategy. For 2015, results from the Strategic Planning process will generate new strategies and possibly new frameworks, which will be presented in the 2016 budget.

The Strategic Framework is provided as an image on the following page, as a flow from having an internal vision for the community, leading into its principles and tools, as then focused into the four key areas that the Library strives to serve, and finally emerging as a statement for the community.

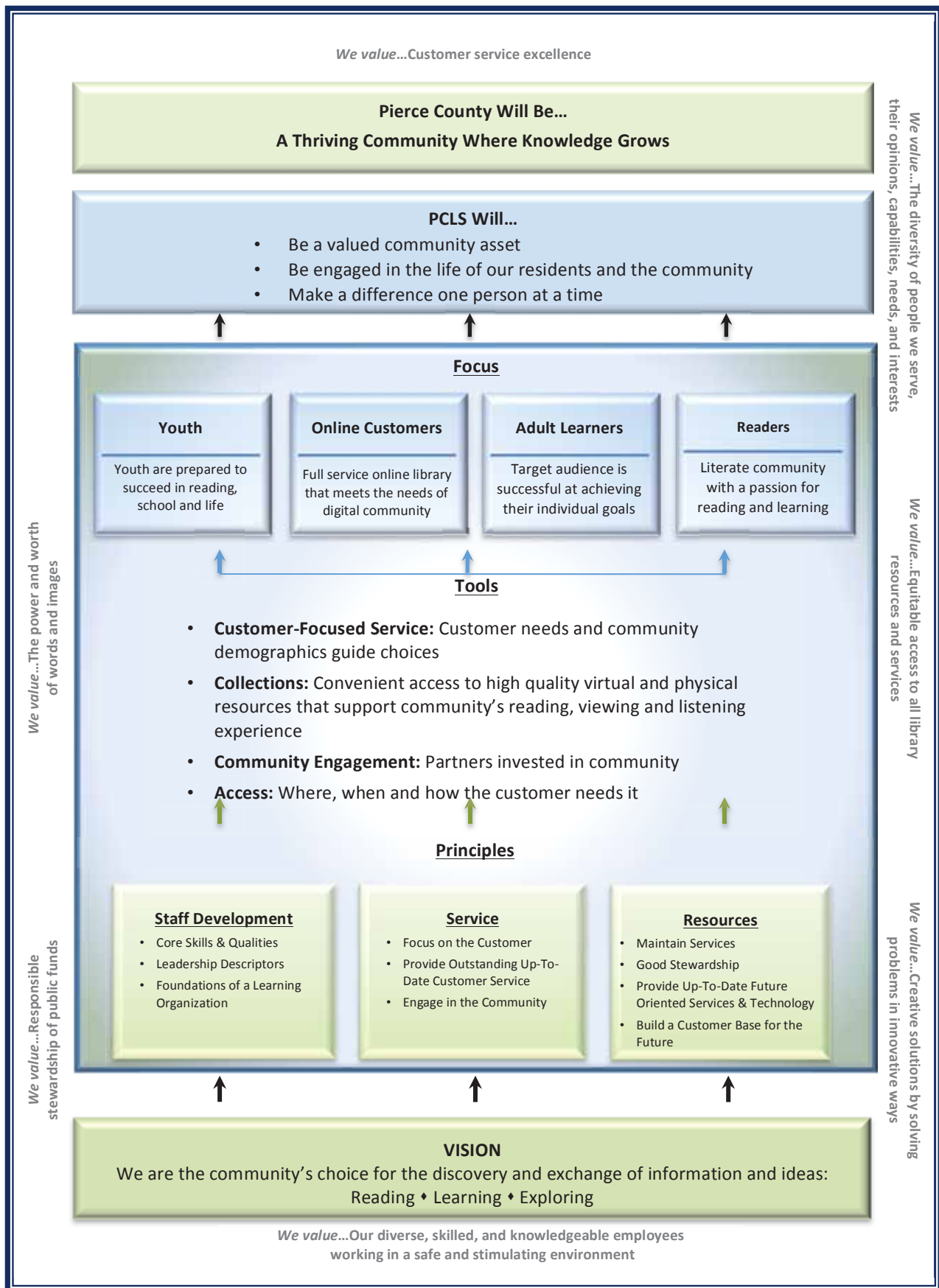
### Bliss

The eternal radiance of clouds  
 In an infinite  
     cerulean sky of hope  
         Join with the serene waters.  
 As the soothing sound of  
 sails unite with the breeze,  
     like two intertwining hands.  
 Innocent of the boundless doubts that  
     drift along  
         with life.

**Fiona Macdonald**  
 Gig Harbor High School

**2014 Our Own Expressions**  
**9th & 10th Grade Poetry Winner—1st place**

Figure 1-12: Strategic Framework



**System Measures**

In 2014, a new system of metrics was created around fundamentally important measures to Pierce County Library System. These measures assist in

driving key decisions. Below is a table of measures, divided into five areas that address the Balanced Scorecard's four areas (Run the Business, Serve the Customer, Manage Resources, and Skilled Staff).

**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  <b>102.0%</b>	Total checkouts <sup>1</sup>  <b>6,906,394</b>	Rating overall customer satisfaction  <b>NA<sup>4</sup></b>	Personnel <sup>2</sup> costs as percent of total operating budget  <b>70.9%</b>	Staff turnover rate  <b>2.42</b>
Cost per checkout  <b>\$3.79</b>	Total visits <sup>3</sup>  <b>2,325,547</b>	Overall customer satisfaction with staff  <b>NA<sup>4</sup></b>	Number of active donors  <b>1,084</b>	% of training cost to payroll cost <sup>2</sup>  <b>0.13%</b>
# of consecutive years without an audit finding  <b>31</b>	Active cardholders as a percent of population  <b>50.6</b>	% of customers who would recommend the Library to others  <b>NA<sup>4</sup></b>	Contributions from gifts, grants, and giving  <b>\$534,568</b>	% of customers rating customer service by staff as good or excellent  <b>NA</b>
Total open hours per week  <b>973</b>	Total annual unique users  <b>113,405</b>	Total checkouts of downloadable items  <b>632,167</b>	#of months of operational expenses in fund balance  <b>4</b>	
Operating expenditures per capita  <b>\$46.38</b>	Questions answered per capita  <b>0.20</b>	# of minutes downtime of critical technology  <b>NA<sup>5</sup></b>	# of years of capital improvement funding available  <b>5+</b>	
Average age of facilities  <b>24 years</b>				

**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.
4. No Customer survey conducted in 2014.
5. Data not available for 2014.

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	STRATEGIC PLANNING PROCESS CONDUCTED IN EARLY TO MID 2015 WILL DRIVE NEW STRATEGIC TASKS		· (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		· 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  
IPD = Implicit Price Deflator

CIP = Capital Improvement Plan  
ACT = Action required

MTG = Board of Trustees meeting  
CPI-U = Consumer Price Index-Urban AT = Administrative Team

# Part 2 Library Services

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## 2015 Services

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**Together from the Start** by Celine Conkle  
2nd Place 7th/8th Grade Winner of the 2014 Our Own Expressions Drawing Contest

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## Serving Communities

Public libraries exist to serve. Libraries help people meet the challenges and opportunities of day to day living—from the ordinary task of finding the right resource to solve today’s problem to the challenge of assisting individuals to take on the next responsibility of life.

To be responsive to people’s needs, the Library must provide convenient, easy access beyond the library’s open hours. The Library must be online, mobile and flexible with access how and when people need it. Providing staff assistance in the community as well as online services, Wi-Fi, public Internet computers and loanable technology such as laptops are strategies that the Pierce County Library System deploys to create “any-time” opportunities. And, when residents need expertise beyond the scope of Library personnel, the Library forms partnerships to bring needed services to fruition.

In 2013, the Library undertook an annual planning process that sought to understand the priorities and needs of each community and examine how the library could help them achieve their goals. Staff used a community asset mapping process that incorporated government and school information, results from previous community engagement initiatives, and market segmentation information.

Engaging all staff in the process, the result yielded specific, targeted plans for each community as well as system-wide programs and services.

In 2014, the Library executed these plans. Highlights include:

- The Library leveraged partnerships to extend early learning opportunities to children throughout the county while broadening access to engaging, hands-on experiences in the fields of Science, Technology, Engineering and Math.
- Job seekers and entrepreneurs discovered learning opportunities and resources to build skills while those seeking to increase financial acumen, gain citizenship, assistance in choosing health coverage, and tax assistance had only to visit their libraries to find library partners to assist them.
- Digital learners gained access to Microsoft IT Academy lessons and certification while Do-It-Yourself-ers and Makers found both online and in-library learning opportunities to meet their varied interests. The Library partnered with other

community-based organizations to convene two regional events, one focusing on technology (MakerFest) and the other on homesteading (DIYfest), to bring together more than 800 people who wanted to learn and share their expertise.

- Forty-two percent of children age 5 to 9 participated in the Library’s extensive Summer Reading program that provided families’ engaging activities designed to reduce summer reading loss. Readers of all ages had options to explore and celebrate their own reading:
  - o Through a Paul G. Allen Grant, the Library launched Scout, an online reading and community engagement program with adults logging over 9,000 books in the course of the summer and participating in over 29,000 online activities.
  - o Children and teens logged more than 6.5 million minutes of reading.
  - o Teens completed more than 12,700 online activities as part of the Teen Summer Reading Challenge.

In 2015, Pierce County Library System will continue its commitment to youth, families and adults:

- The Library will leverage relationships with other youth-oriented organizations to provide children, teens, parents and adults working with youth the resources, services and programs that assist young people in successfully navigating the emotional, academic and social tasks of childhood and adolescence to emerge prepared to assume adult responsibilities.
- Through the “Every Child A Card,” campaign the Library will continue to partner with school districts to ensure every child has access to their public library. In 2014, 17,000 children and teens were issued cards through the partnership.
- The Library will expand the reach and impact of its 2015 Summer Reading with the goal of increasing minutes read from 6.5 million to 10 million; participation from 42 percent to 50 percent; and the age range from 5-9 to 6-10. Through a partnership with UW Tacoma, children will continue to have opportunities to explore career choices through hands-on experiences during the summer.

- Transitioning servicemen and women will have opportunities on base and in the Lakewood community to develop marketable job skills. Through a Washington State Library grant and in partnership with RallyPoint/6 and Workforce Central, Pierce County Library System will provide Open Labs for transitioning veterans to prepare for and test for Microsoft certification through Microsoft IT Academy.
- Adults will Get Smart with Online Classes with access to certified online learning with Lynda.com that includes video courses in business, education, photography, web development and media. The online learning program Treehouse will provide courses in website and mobile app development, coding and computer languages. Adults and middle school students who prefer in-person training will have opportunities to participate in four coding classes and camps.
- Through a Workforce Central grant, job seekers will receive specialized training to increase job skills. The program allows job seekers to check out Chromebook laptops and learn on their own time in addition to providing regular, staffed meet ups. Job seeker workshops and individual assistance will be scheduled throughout the county, including rural areas with limited local services.
- A county-wide collaboration of government, colleges and community-based organizations will provide workshops and networking opportunities to serve the growing number of small business entrepreneurs serving Spanish speaking communities. Entrepreneurs and small business owners will continue to have access to library meeting room space for training augmented by library resources and classes for small business owners.
- In celebration of the U.S. Open, Pierce County Library will host golf programs and mini golf tournaments in libraries throughout Pierce County ending with a final tournament in University Place. Additional programming will include booklists, movie tie-ins and a commemorative Chambers Bay Home of Championship Golf library card.

## System Measures: 2008 – 2014

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	2008	2009	2010	2011	2012	2013	2014
Service Area <sup>1</sup> Population		497,000	522,000	534,000	544,000	550,000	554,000	558,000	564,000
Mill Rate Levy (per \$1,000 Assessed Value)		40.02¢	44.25¢	44.33¢	46.95¢	50.00¢	50.00¢	50.00¢	50.00¢
Operating Expenditures	Per Capita	\$53.04	\$54.53	\$52.64	\$51.94	\$48.50	\$45.56	\$48.50	\$46.38
	Total	\$27,686,105	\$29,120,826	\$28,634,961	\$28,564,891	\$26,869,885	\$25,423,927	\$26,869,885	\$26,157,845
Open Hours		737	918	918	926	973	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	2008	2009	2010	2011	2012	2013	2014
Visits to Libraries (Door counts)	Per Capita	-	4.37	4.92	4.93	4.78	4.53	4.07	4.12
	Total	-	2,280,289	2,624,887	2,682,141	2,631,464	2,507,764	2,271,627	2,325,547
Active Cardholders	New	30,650	51,135	54,634	50,566	55,775	55,495	47,318	62,296
	Total	197,709	212,831	240,629	244,650	250,290	251,034	250,091	285,292
	% of Population	39.8%	40.8%	45.1%	45.0%	45.5%	45.3%	44.8%	50.6%
Unique Customers <sup>1</sup>	Total	104,023	115,778	149,806	124,771	126,820	155,869	125,099	113,405

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:

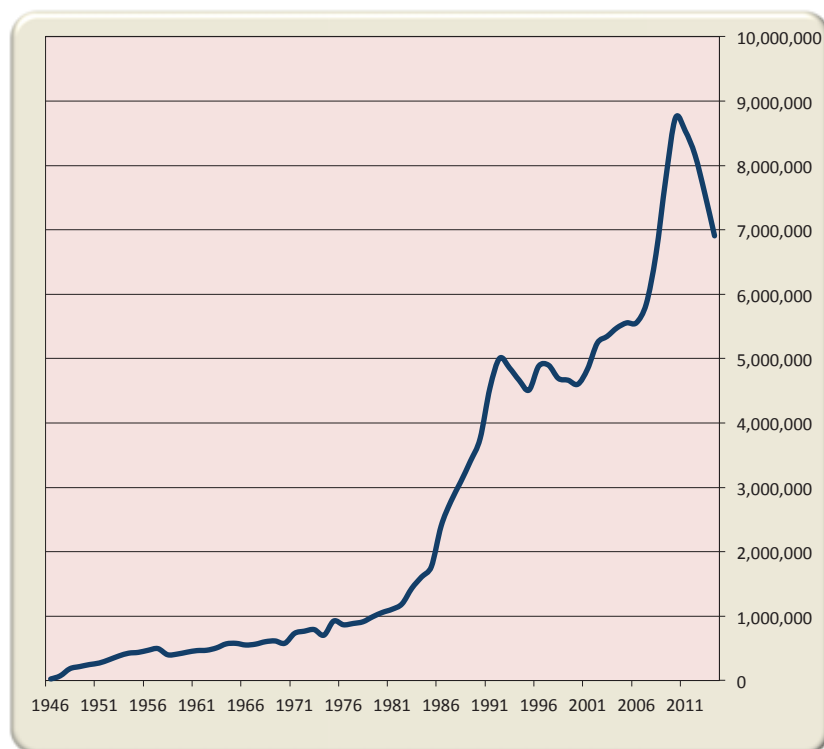
**Table 2-3: Materials Statistics**

Measureable		2006 Pre-Levy	2008	2009	2010	2011	2012	2013	2014
Materials Expenditures	Per Capita	\$5.93	\$8.43	\$8.42	\$8.34	\$8.39	\$7.49	\$5.91	\$6.04
	Total	\$2,945,334	\$4,398,545	\$4,495,037	\$4,556,650	\$4,614,145	\$4,146,795	\$3,297,075	\$3,405,305
Items Checkout	Per Capita	11.3	12.7	14.7	16.1	15.5	14.7	13.5	12.2
	Total	5,606,253	6,603,498	7,865,324	8,762,736	8,534,808	8,161,990	7,538,951	6,906,394
Downloadable Checkout	Total	5,354	29,943	55,310	107,053	268,990	539,582	601,716	632,167
Checkouts Per Customer	Average	53.9	57.0	52.5	70.2	67.3	52.4	60.3	60.9
Catalog Visits	Total	-	815,445	2,031,062	2,391,263	1,618,938	2,207,068	2,074,968	2,123,345

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 - 2014**



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	2008	2009	2010	2011	2012	2013	2014
Live Homework Uses	Total	-	11,262	11,132	14,321	11,581	7,303	7,073	6,524
Children/Teen Items Checkout	Total	1,084,998	2,504,464	2,762,714	2,136,459	2,265,353	2,185,356	2,050,049	1,909,420
Children Events/Classes	Total	1,755	3,157	3,411	2,972	2,749	2,548	3,127	3,700
	# Attending	56,336	90,219	99,367	88,488	90,225	82,265	82,170	107,272

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	2008	2009	2010	2011	2012	2013	2014
Public Computers	Total	95	239	241	384	527	567	604	473
	Per 1,000 Capita	0.19	0.46	0.45	0.71	0.96	1.02	1.08	0.84
Web Visits	Total	-	1,673,954	2,556,007	2,955,758	2,880,420	2,644,376	2,389,016	2,097,905
Computer Classes	Total	0	551	175	381	380	379	338	494
	# Attending	0	803	749	1,780	1,800	1,919	1,879	2,285
Reference/Research Questions Answered	Per Capita			0.51 <sup>1</sup>					
	Total	286,710	300,875	267,352 <sup>1</sup>	249,177 <sup>2</sup>	250,000 <sup>2</sup>	146,318 <sup>2</sup>	139,667	110,604
Database Uses	Total	-	89,418	139,776	912,762	900,000	539,224	517,063	329,989

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

Cry me an ocean.  
Build me a ship,  
With a dry inside and a flag raised high.  
Sail me away.

Cry me a river.  
Build me a bridge,  
With towers tall and a deck that's strong.  
Walk me away.

Cry me a rainfall.  
Build me a house.  
Give it rock hard walls and no roof at all.  
Wash me away.

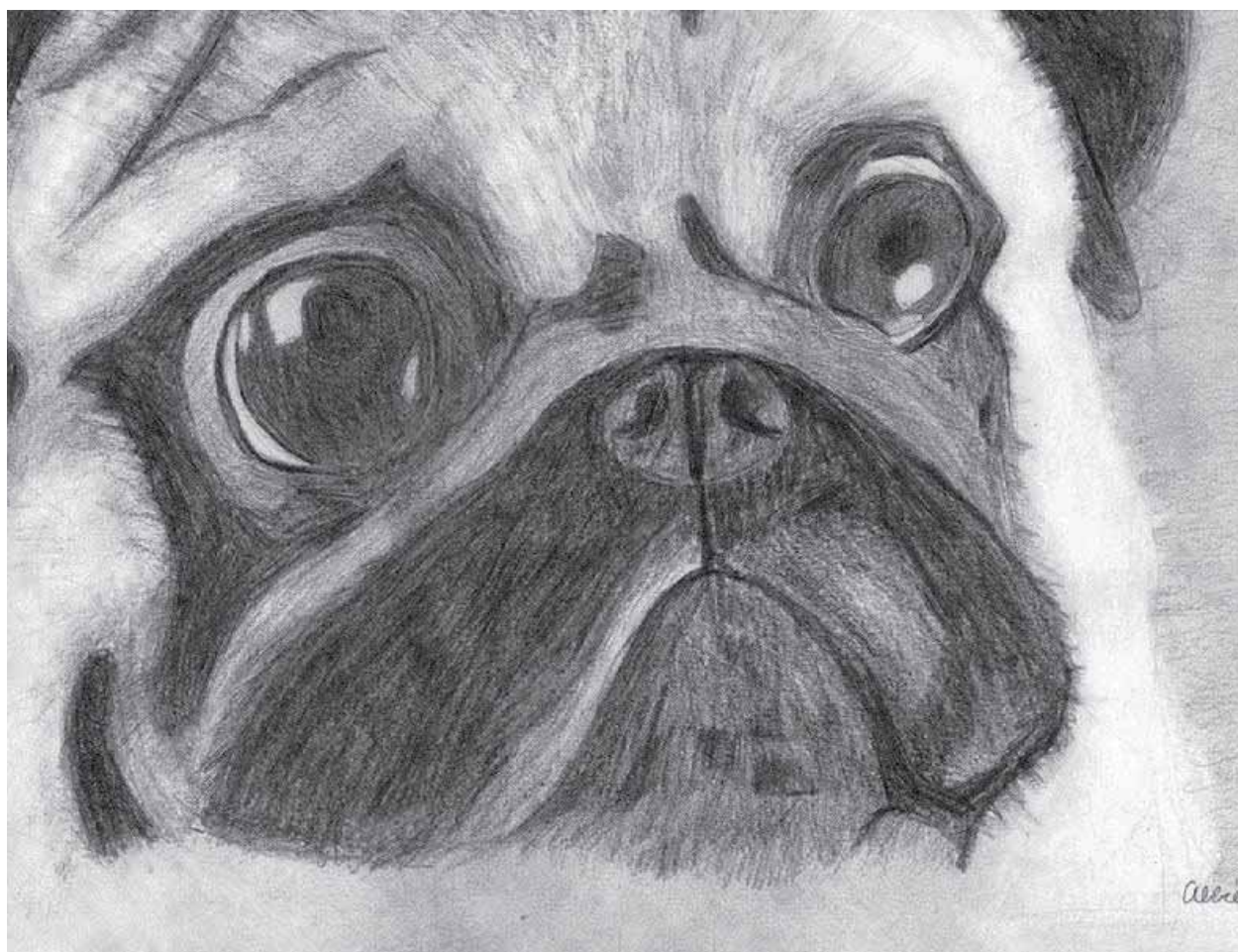
**Emily Saletan**  
Charles Wright Academy

**2014 Our Own Expressions**  
**7th & 8th Grade Poetry Winner—1st place**

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## Efficiencies to Help Serve Customers

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**Pug** by Abbie Welch  
2nd Place 9th/10th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## Efficiency, Savings, and Improvement

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**D**uring the recent years of economic downturn, the Library made significant efficiencies to help reduce cost of doing business. Staffing, equipment, process efficiencies were garnered as the Library worked to balance the budget.

As the economic recovery begins, the Library will not return to an inefficient model and will look rigorously at adding more resources, particularly staff. Instead, a new way of conducting efficient and effective work is imperative. While implementing efficiencies and cost-savings will continue, managers are now looking for ways to:

1. Eliminate tasks and activities that do not contribute to serving the customer, and
2. Recover employee time from elimination of work.

For example, if each employee is spending 2 minutes per week filling out a specific form related to work when it could be done in 1 minute or no time, 18,000-36,000 minutes in a year could be recovered, which is the equivalent of 0.14 to 0.28 FTE.

If it takes an average of 15 minutes of total labor (ordering, central handling, delivery to branches, stocking, actually replacing, disposal, etc) to replace toner an average of 4 times per year per printer/copier, that's about 18,000 minutes—0.14 FTE. Using high-capacity toner cartridges that only need replacing 2 time per year could save 300 hours of overall work.

By working on many of these kinds of across-the-board efficiencies, the Library can recover considerable work (thousands of hours) that can be redirected to serving the customer, saving labor time/costs, or running projects.

In 2015, leadership and staff will identify opportunities for recovering staff time and implement efficiencies.

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# Part 3 General Fund

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## 2014 Operating Budget Summary

**Table 3-1: 2015 Operating Budget Summary**

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

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 2015 operating budget is presented in the above table as a balanced budget where expenditures match new revenues and use of fund balance.

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

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## Revenues

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**A Baker's Inspiration** by Collin Walker  
2nd Place 9th/10th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## Summary of Revenues and Revenue Assumptions

**Table 3-2: Summary of all Revenues**

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

Notes:

1. Includes Foundation donations.

### Revenue Projections

The 2015 budget was developed based on revenue projections for 2016–2019. Because 94.9% of the Library's budget is derived from property tax and state law strictly regulates property tax collections, it is essential for the Library to project revenues in advance to plan spending for the current budget in light of budgets expected in future years.

Revenue projections were developed in the context of two assumptions:

1. 50¢ per \$1,000 assessed property valuation will remain the levy limit for the taxing district.
2. Revenue growth for 2016 and 2017 is projected at 5% - 7% as housing values continue to recover in Pierce County. By 2017, the Library anticipates it will reach its prior maximum levy, which was in 2010.
3. After 2017, revenue is projected to increase by 1% plus new construction, due to growth limitation enacted in Washington State law.

By law, the Library may collect up to 50¢ for every \$1,000 of assessed property value. The Library district's property tax rate is based on property values. The 2014 property values increased by 8.56% for 2015 tax collection. When developing future year projections, the Library projected that property values would continue to increase between 2016 and 2019.

The 8.56% increase for tax collections in 2015 is better than the Library previously projected (a decline). The Library continues to refine revenue projections for 2016–2019. The Library projects property values are

set to increase for 2016 by around 4%. It is unclear whether property value increases will remain stable.

The mill rate (also known as millage) is calculated after a district's property taxes have been assessed according to state laws. The mill rate works in inverse: it is driven up when property values decrease, or down when property values increase. However, at no time may the district collect more than 50¢ for every \$1,000 of assessed property value. The 8.52% decline in property values for 2011 collection drove the mill rate up from 46.95¢ to 50¢. The increase in values by 8.56% in 2014 continues to keep the Library above the 50¢ mill rate. As a result, the Library can only collect the 50¢ applied to the assessed value. The overall property tax revenue collections from 2014 to 2015 will increase by nearly \$2.1 million (calculated using the 2014 final certificate issued in January 2014, differenced to the 2015 preliminary certificate issued in September 2014). Based on projections for increased property values, the overall revenue for the Library is expected to increase by \$2.8 million combined for 2016 and 2017 (the specifics for each year will depend on how fast property values recover for 2016), and thereafter will increase between \$700,000 and \$800,000.

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.

### **2015 Revenue Assumptions**

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

The Government Finance Officers Association (GFOA) Best Practices recommends analyzing revenue trends and forecasts. Although it doesn't specify how many prior years to report, for discussing 2015 revenues the starting point is set generally at or after 2002 (some begin 2001), when state law was changed to provide only 1% increase in property taxes over the previous year.

On the next page is a table showing budgeted revenues from 2010 through 2015. It provides a six-year listing of revenues (going beyond exceeding the promise to maintain the Levy Lid-Lift goals for six years). The plan was that after 7 years, the Library would have strived to maintain the Levy Lid-Lift

promises/goals, while taking into consideration fiscal realities. A chart on the next page is also provided to show the comparison of budget, actuals, and projections of revenues (2001 – 2020).

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

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

Due to the cyclical nature of revenue receipts versus the regularity of expenditures, there will be temporary shortfalls in the available operating budget (generally in April and October). To fund these shortfalls, the General Fund Balance and if necessary, an inter-fund loan from the Capital Improvement Fund will be used to finance these shortfalls. More information on this is discussed in the Cash Flow Analysis chapter (page 101).

The pie chart below shows the breakdown of revenues by category. The Library's majority of revenues from property taxes stay steady between 94% and 97%. For 2015 the proportion is 94.86%.

**Figure 3-1: Source of Revenues**

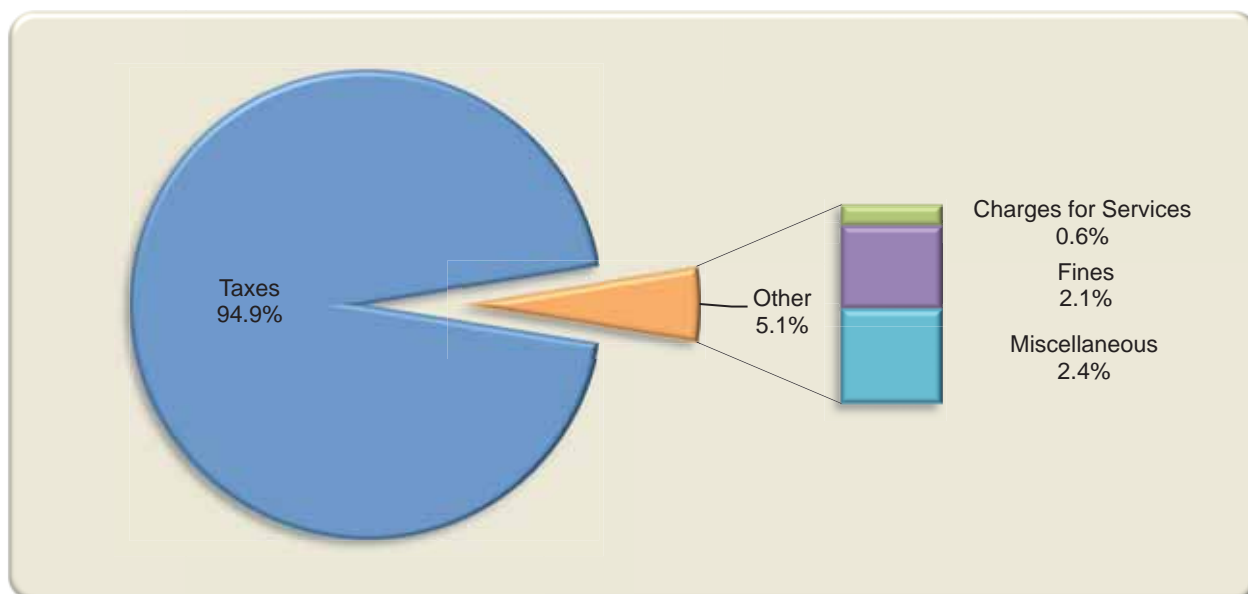
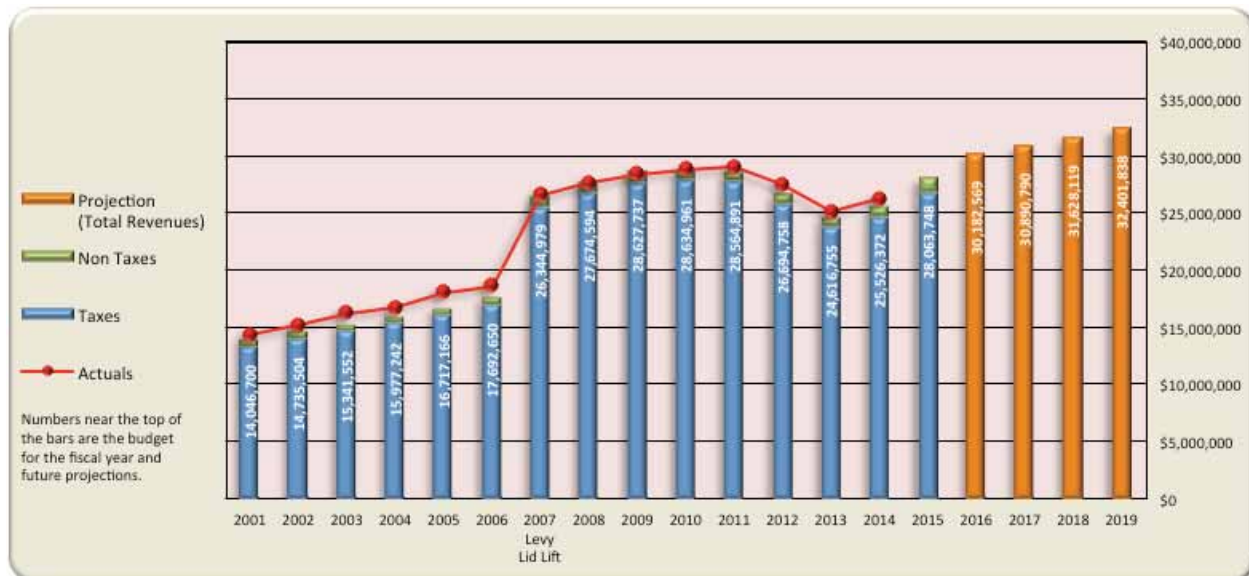


Table 3-3: 2010-15 General Fund Revenue (Final Budgets—Board Approved in December)

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

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



## Property Taxes and Other Taxes

### Taxes

\$ 26,620,748

**Table 3-4: 2015 Tax Revenues**

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

Local property taxes constitute 94.9% of total 2015 revenues. The breakdown of these taxes is provided in the above table.

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

A history of the tax base is provided as follows:

For Year	Property Tax Base	%Change
2015 .....	\$ 53,156,946,492	8.56%
2014 .....	48,964,088,146	2.94%
2013 .....	47,566,193,799	-8.82% <sup>1</sup>
2012 .....	52,166,456,544	-6.79%
2011 .....	55,964,407,888	-5.11%
2010 .....	58,984,142,315	-5.00%
2009 .....	62,085,405,469	3.34%
2008 .....	60,077,557,821	13.37%
2007 .....	52,990,993,065	25.02%
2006 .....	42,385,528,523	20.00%
2005 .....	35,306,548,741	9.25%
2004 .....	32,318,475,182	6.39%
2003 .....	30,377,319,365	3.84%
2002 .....	29,255,137,258	8.25%
2001 .....	27,025,182,627	-

**Notes:**

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

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

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

### Revenue Increases

State law allows the Library to increase its revenues by up to 1% over the previous year, so long as it does not exceed the 50¢ per \$1,000 calculation, also set in state law. Voters restored the levy rate for 2007 to 48¢. In October 2014 the Implicit Price Deflator (IPD, another limiter) was recorded at 1.591%. If the IPD is less than 1%, to collect 1% more than the previous year the Board would need to override the IPD rule. Because the IPD is positive, no Board action is required to override it. Regardless, because of the 50¢ limitation, the IPD is not a factor.



Figure 3-3: 2015 Tax Levy Calculation—Preliminary Certificate



## Pierce County

**Mike Lonergan, Assessor-Treasurer**

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

### PRELIMINARY TAX LEVY LIMIT 2014 FOR 2015

RURAL LIBRARY  
> 10,000

#### REGULAR TAX LEVY LIMIT:

	2010
A. <u>Highest regular tax which could have been lawfully levied beginning with the 1985 levy</u> [refund levy not included] times limit factor (as defined in RCW 84.55.005).	28,026,013.05
	1.01
	28,306,273.18
B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).	751,513,170
	0.500000000000
	375,756.59
C. Current year's state assessed property value in original district if annexed less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).	777,679,533
	777,679,533
	0.00
	0.500000000000
	0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)	28,682,029.77

#### ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	28,682,029.77
	53,156,946,492
	0.539572561223
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00
	0.539572561223
	0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)	28,682,029.77

#### LEVY FOR REFUNDS:

H. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (D or G + refund if any)	28,682,029.77
	118,118.09
	28,800,147.86
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)	28,800,147.86
J. Amount of levy under statutory rate limitation.	53,156,946,492
	0.500000000000
	26,578,473.25
K. LESSER OF I OR J	26,578,473.25

### New Construction

New construction varies year to year, depending on property improvements generated by construction (such as new homes, apartments, etc.). For every \$1,000 of new construction, the Library may levy at its current levy rate (50¢ for 2015). State law does not apply the 1% limit for revenues received from new construction. New construction can have a significant effect on revenues, as the values can contribute between 2% and 4% of revenue growth. However, when the Library is at its statutory limit of 50 cents per \$1,000 assessed valuation, no revenues from new construction can be collected. Below is a breakdown that shows new construction values:

For Year	New Construction	PCLS Revenue	% of Budget
2015	751,513,170	\$ 0	0.00%
2014	664,868,196	0	0.00%
2013	688,832,368	0	0.00%
2012	447,391,586	0	0.00%
2011	508,485,021	0	0.00%
2010	759,965,065	408,506	1.43%
2009	1,494,356,425	660,926	2.31%
2008	1,789,938,371	859,170	3.10%
2007 <sup>1</sup>	1,769,575,840	709,401	0.00%
2006	1,519,842,131	696,437	4.09%
2005	1,092,187,309	519,261	3.22%
2004	841,593,691	420,797	2.63%
2003	1,026,298,566	513,149	3.34%

Notes:

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

### Calculation of Mill Rate ("Millage")

The district's property value is used to calculate the levy rate of assessment (mill rate) of individual properties and the amount the Library will receive for

regular property taxes. The statutory limit for taxes is 50 cents per \$1,000 of assessed valuation. Recent mill rates were as follows (table at bottom includes projected mill rates):

For Year	Calculated Mill Rate
2015	\$ 0.5000
2014	0.5000
2013	0.5000
2012	0.5000
2011	0.5000
2010	0.4695
2009	0.4437
2008	0.4425
2007	0.4800 <sup>1</sup>
2006	0.4002
2005	0.4560
2004	0.4766
2003	0.4862

Notes:

1. Voter approved.

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

### Final Revenue Calculation for Property Taxes

**Property Taxes Current** ..... \$ 25,674,805

**Property Taxes Delinquent**..... \$ 872,943

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

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

Year	Mill Rate		Assessed Value		Base Property Taxes				New Construction	
	Actual	Projected	\$ Value	Change	Actuals	Projection	Difference	Change	Actuals	Projection
2011	0.5000		55,964,407,888	-8.52%	27,982,204		215,816	0.78%	15,923	
2012	0.5000		52,166,456,544	-6.79%	26,083,228		(1,898,976)	-6.79%	-	-
2013	0.5000		47,566,193,799	-8.82%	23,783,097		(2,300,131)	-8.82%	-	-
2014	0.5000		48,964,088,146	2.94%		24,482,044	698,947	2.94%	-	-
<b>2015</b>	<b>0.5000</b>		<b>53,156,946,492</b>	<b>8.56%</b>	<b>26,578,473</b>	<b>26,578,473</b>	<b>2,096,429</b>	<b>8.56%</b>	<b>-</b>	<b>-</b>
2016		0.5000	56,877,932,746	7.00%	28,438,966	28,438,966	1,860,493	7.00%	-	-
2017		0.4871	59,835,585,249	5.20%	29,146,356	29,146,356	707,390	2.49%		423,000
2018		0.4747	62,947,035,682	5.20%	29,882,820	29,882,820	736,464	2.53%		445,000
2019		0.4576	66,975,645,966	6.40%	30,654,648	30,654,648	771,828	2.58%		473,000

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

Once a major source of revenues, private harvest tax steadily declined between 1998 and 2003, had a resurgence in 2004 (see following table) through 2007, and then dropped to less than half in 2008. In 2015 the Library is projected to receive approximately the same as 2014. This source of revenue is not in the Library's control.

<u>Year</u>	<u>Private Harvest Revenue</u>
2015 (estimated).....	\$ 50,000
2014 (projected) .....	50,000
2013 .....	70,214
2012 .....	70,352
2011 .....	71,846
2010 .....	35,710
2009 .....	74,516
2008 .....	66,671
2007 .....	168,198
2006 .....	133,861
2005 .....	125,977
2004 .....	109,022
2003 .....	43,110

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

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

## Non-Tax Revenues

### Intergovernmental

\$ 0

**Table 3-6: 2015 Intergovernmental Revenues**

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

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

**Indirect Federal Grants ..... \$ 0**

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

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

**Other Intergovernmental (summarized)..... \$ 0**

The Library does not budget for the other line items; they are instead recognized during the mid-year budget process.

### Charges for Services

\$ 156,000

**Table 3-7: 2015 Charges for Services**

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

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

**Photocopy Fees..... \$ 30,000**

All libraries provide photocopiers for public use. The fee of 10¢ per copy will remain for 2015.

**Fax Fees ..... \$ 21,000**

Fax services are now available and charged.

**Printer Fees ..... \$ 105,000**

All libraries offer laser printers for customers to print from the computers. 10¢ per page is charged.

**Other Charges for Services (summarized)..... \$ 0**

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

**Library Fines**

\$ 600,000

**Table 3-8: 2015 Fines**

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

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

**Library Fines ..... \$ 600,000**

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

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

cards. When this service was offered, there was no offsetting decrease noted in the total of collections in the libraries.

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

Beginning in 2012, fines have seen a declining trend, accompanying lower circulation. This is anticipated to continue and future revenue has been lowered.

**Figure 3-4: Library Fines Budget & Actuals**

**Other Revenues**

\$ 310,500

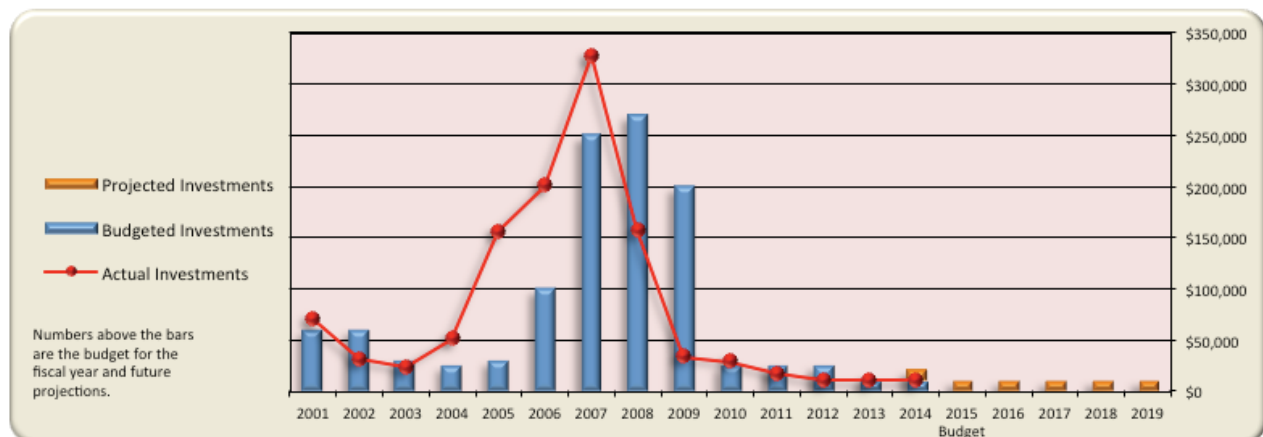
**Table 3-9: 2015 Other Revenues**

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

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

**Investment Income ..... \$ 10,000**

On a weekly basis, the Library invests any substantial amounts of excess cash available after calculating the immediate expenditure needs. This line item was significantly reduced in 2012 to reflect significantly low interest rates, which continue in 2015. See chart below.

**Figure 3-5: Investment Budget & Actuals**

**Foundation Donations ..... \$ 350,000**

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

**Book Sale Revenue ..... \$ 20,000**

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

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

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

**E Rate Reimbursement ..... \$ 250,000**

ERate is a federally supported program that provides substantial reimbursements to schools and libraries for network, Internet connectivity, and equipment costs. The Library has participated in ERate since 2000. The Library estimates its annual telecommunications costs and applies for the reimbursement. Because the federal program is a July 1 to June 30 calendar year, some of the increased reimbursements are not seen until the following fiscal year.

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

The Library will budget rebates from use of purchase/credit cards. When paying invoices, the Library makes every attempt to pay using US Bank purchase cards. When the balance is paid within 30 days, the Library receives 1% “cash back” rebates. Revenue has increased as a result of paying large invoices, such as construction projects and contracts, with purchase/credit cards.

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

This includes government sales of real estate (land and buildings), equipment, street vacations, timber sales.

**All Other Revenues (summarized) ..... \$ 0**

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



## Total Budgeted Revenues

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

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

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



## Expenditures

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**Abandon** by Savannah Bohl  
3rd Place 9th/10th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## Summary of Expenditures and Assumptions

**Table 3-11: 2015 Operating Expenditure Summary**

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
<b>EXPENDITURES</b>				
Personnel .....	\$ 18,102,325.32	\$ 18,837,686	\$ 19,897,279	5.62%
Maintenance & Operations .....	3,562,108.67	3,284,010	3,769,484	14.78%
Materials .....	3,330,591.38	3,277,075	3,555,073	8.48%
SUBTOTAL	24,995,025.37	25,398,771	27,221,836	7.18%
<b>SET-ASIDES &amp; TRANSFERS</b>				
ELECTION SET-ASIDE .....	\$ 0.00 <sup>1</sup>	\$ 0	\$ 0	0.00%
CONTINGENCY .....	0.00 <sup>1</sup>	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND .....	495,689.00	255,264	841,912	229.82%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER .....	0	0	0	0.00%
SUBTOTAL	495,689.00	255,264	841,912	229.82%
<b>TOTAL EXPENDITURES</b>	<b>\$ 25,490,714.37</b>	<b>\$ 25,654,035</b>	<b>\$ 28,063,748</b>	<b>9.39%</b>

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 2015 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. Managers met with the Budget 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. Personnel costs are based on the labor agreement. The June-June CPI-U for Seattle-Tacoma-Bremerton area, used for calculating the Cost of Living Adjustment (COLA), was recorded at 2.0%, which at 90% by Union Contract translates to 1.8%. Cost of medical benefits usually rises faster than inflation, at times by more than 10%.

Between 2005 and 2014, the Library's contribution rate to retirement costs increased by 409%. These rates are set by the Legislature, and has a dramatic effect on the budget. The Library anticipates that the Legislature will further increase the rates later this year and in the future. (See Benefits, under Personnel section, below.)

Traditionally the Library has allocated 16% of revenue for materials (books, music, movies, magazines, downloadable materials, etc.). In 2012 the Library conducted a comprehensive evaluation of the materials budget, studying how it could best support what customers want. Through research on current use, customer demand and a review of related statistics and data, the Library identified how to reduce the budget by about \$1 million, while still providing a vibrant collection. 2015 adds more to the electronic sources.

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

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

Table 3-13: 2015 Expenditures—BARS Summary Level

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

## Notes:

- 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.
- The Contingency budget item is by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies this item explicitly in the General Fund.

## Personnel

\$ 19,897,279

**Table 3-14: 2015 Personnel Detail**

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

**Notes:**

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

Personnel costs account for over 71% of expenditures and pay for staffing the Library to meet its mission and goals. The total change for 2015 from 2014 is 5.62%. The Library is reducing the bottom line personnel budget by 2.5% (\$510,187) to account for the realities of personnel changes through the year. While the Library budgets by position, when retirements, resignations, or terminations occur, filling the vacancies takes time and incoming employees are hired generally at lower salary steps than the departed employees. Therefore, by applying an adjustment to the personnel budget to match projections, the Library can reduce its budget without causing budget hardship. A study of budget to actual for the past 10 years (2002-2011) shows that on average actuals came in 5% less than budget. In 2013 and 2014 the Library applied a 3% reduction, but now needs to be reduced to 2.5%. The Library will be monitoring this through 2015 and may make adjustments in the mid-year process.

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

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

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

**Substitute Hours ..... \$ 315,515**  
Substitute hours are used to pay individuals who are "on-call" and have no regularly assigned hours to cover illness, vacations, and other staffing needs.

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

**Overtime ..... \$ 5,400**  
 Overtime costs are established by Managers for emergency or unusual situations that require an hourly employee to work beyond the 40-hour workweek. Library management keeps overtime costs low and reduced it for 2015.

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

The 2014 Legislature passed retirement rates for 2014 and 2015. Therefore the Library will budget at the State Actuary's Office expected analysis (11.18% for 2016-18). Rates can and have had a major impact on

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

July 2017 - June 2018: 11.180%

July 2016 - June 2017: 11.180%

**July 2015 - June 2016: 11.180%**

**July 2014 - June 2015: 9.210%**

July 2013 - June 2014: 9.210%

July 2012 - June 2013: 7.250%

July 2011 - June 2012: 7.250%

July 2010 - June 2011: 5.310%

July 2009 - June 2010: 8.310%

July 2008 - June 2009: 8.310%

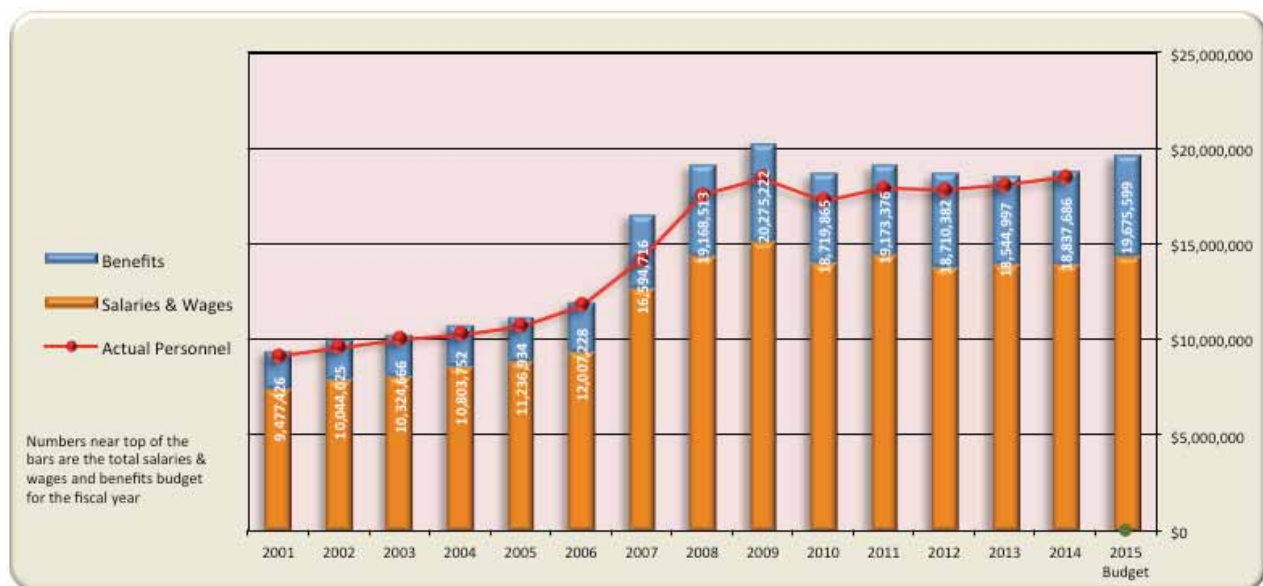
July 2007 - June 2008: 5.940%

July 2006 - June 2007: 3.065%

July 2005 - June 2006: 2.195%

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 <sup>1</sup>	2013 FINAL (12/12)	2014 FINAL (12/11)	2015 FINAL (12/10)	2015 FTEs w/ MLS/MLIS <sup>2</sup>
Executive Office .....	5.00	5.00	5.00	2.00
Customer Experience .....	182.31	183.91	183.70	48.00
Reading & Materials .....	26.70	26.00	28.78	9.00
Business Operations				
Finance .....	6.75	6.00	6.00	
Facilities Management .....	19.21	20.93	19.85	
Technology Experience .....	12.00	12.20	12.20 <sup>4</sup>	
Communications <sup>3</sup> .....	6.10	5.85	5.85	
Fund Development .....	2.50	2.75	2.75	
Staff Experience .....	4.75	4.00	4.80	
<b>TOTAL FTE COUNT .....</b>	<b><u>265.32</u></b>	<b><u>266.64</u></b>	<b><u>268.93</u></b>	<b><u>59.00</u></b>
Change in personnel by FTE from previous year	-8.12	1.32	2.29	+0.97
	-3.32%	0.50%	0.86%	7.02%

**Notes:**

1. See chapter on department narratives for a breakdown of budgets by department.
2. MLS or MLIS: Masters of Library Science or Library Information Science graduate degree, a requirement to hold the title "Librarian".
3. Formerly, Marketing & Community Relations
4. In 2015, Technology Experience will be implementing the Technology Plan, which may include adjustments to technology staffing

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 116).

### **Changes in Overall Staffing (2012-2015)**

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.

In 2015, the Library will be implementing the Technology Plan, which may include provisions for adjusting technology staffing, to include additional positions. No other major staffing changes are anticipated in the Library.

## Maintenance & Operations

\$ 3,769,484

**Table 3-16: 2015 Maintenance & Operations Detail**

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



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

**Supplies ..... \$ 322,100**

The Supplies category includes office and operating supplies, custodial supplies, maintenance supplies, materials processing supplies, audiovisual and book processing supplies, supplies for the Summer Reading Program, and audio/visual replacement parts. The amount budgeted is 4.7% more than budgeted last year, due to the increased need for maintaining facilities.

**Fuel..... \$ 47,000**

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

**Smalls Tools & Minor Equipment ..... \$ 82,000**

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

**Professional Services ..... \$ 546,184**

This category includes services provided by a private business or agency. In addition to the services of attorneys, accountants, and consultants, it includes software consultants, interpreters, trainers, maintenance-related services, etc. This increased by 45.6% due to adding leadership training, coaching, and surveys.

**Communications..... \$ 496,300**

Communications include all Library mailings (postage, Federal Express, UPS, courier services); voice communication service (monthly service and long distance, TDD, and cellular); costs associated with the high speed network lines connecting all Library computers together and to the Internet; leased telephone lines used in support of Internet access; and costs associated with having landline phone lines for security alarm monitoring. Communications increased by 149%, which includes substantial improvements to security, stability, and performance of the computer network.

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

50% of connectivity costs from the Federal E-rate program either as direct reimbursement or applied to telecommunication provider's monthly statements. E-rate reimbursements are projected to be similar to 2013.

**Travel ..... \$ 73,250**

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

## Winter

When the world is sleeping,  
When the frost is creeping,  
And the day is short,  
And the horses snort,  
When the light is dim,  
And the cold prowls in,  
And the warmth takes leave upon a whim  
When the stars are bright,  
And the geese take flight,  
When the snowflakes fall,  
And the silver ice begins to crawl,  
Winter is walking up the path,  
He's knocking at our door.

Taija Perrycook  
Home School

2014 Our Own Expressions  
7th & 8th Grade Poetry Winner—2nd place

**Advertising ..... \$ 43,000**

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

**Operating Rentals/Leases ..... \$ 422,250**

This includes leases of the remaining fleet of copy machines, and leases for the DuPont Library and Milton/Edgewood Library, and UP Library condominium agreement costs. The amount budgeted increased by 5.2%.

**Insurance ..... \$ 189,500**

This includes all insurance for the Library's real and personal property, vehicles, fidelity, errors and omissions, employment practices, umbrella plan, commercial crime, cybercrime, differences in conditions, earthquake and underground storage tanks. 2014 levels are maintained.

**Utilities ..... \$ 333,500**

Utilities include electricity, natural gas, water, sewer, and refuse collection for all Library facilities. In 2003, the Facilities Management Department implemented significant energy conservation projects throughout the system, which continue to result in dramatic year-to-year offsets of significant rate increases. The amount budgeted is 9.3% more than 2014. Sewer rates increased considerably due to county waste water improvement projects.

**Repair & Maintenance ..... \$ 1,048,300**

This category includes commercial repair of the Library's office equipment; fees for the maintenance and service contracts for the Polaris Integrated Library System (ILS) software and related hardware; telecommunications system, personal computer and peripheral maintenance, elevator service, heating, ventilation and air conditioning preventive maintenance; and unscheduled commercial repairs, septic tank cleaning, and pest control. The budget increased by 11.7% due in large part to covering maintenance costs for HVAC contracts.

**Training ..... \$ 44,750**

Training includes non-travel costs for attendance at classes, seminars, and conferences. The training

budget is 92.5% more due to planned conferences and training for 2015.

**Intergovernmental..... \$ 17,000**

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

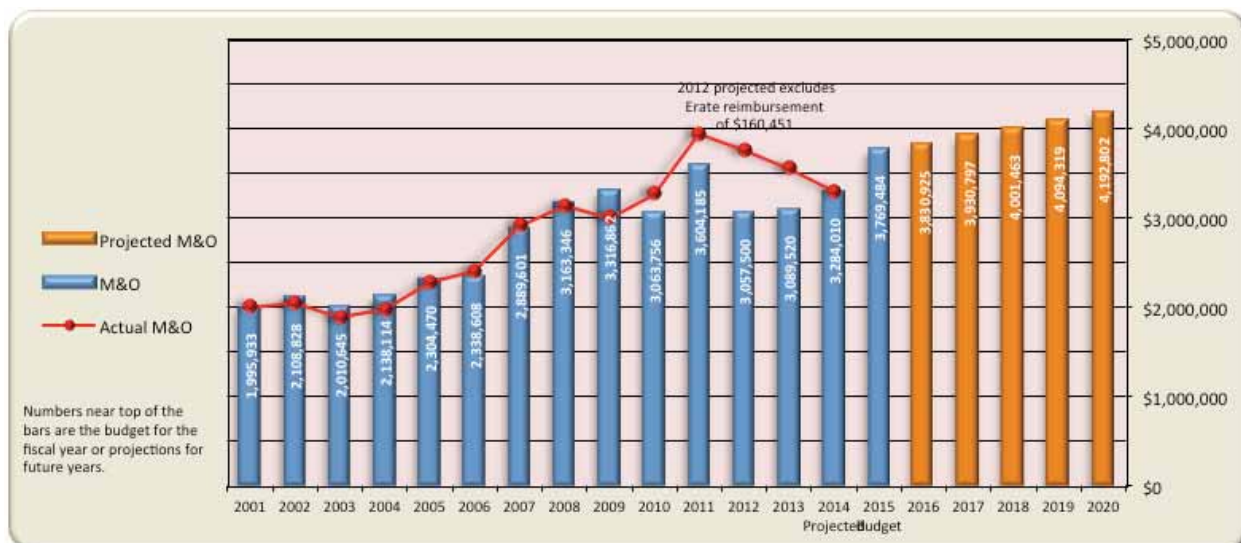
**Interest Expense ..... \$ 0**

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

**Miscellaneous..... \$ 104,350**

This category includes memberships in ALA, WLA, and PNLA, and dues for local Chambers of Commerce and other groups; sales tax payable on photocopies/printers and graphics sales, use tax on out-of-state purchases, and sewer assessments/surface water management fees. It also includes fees for driving records requests, bad debt expenses/bank fees, and charges associated with the collection of fines, and other charges at the branches. This category decreased by -12.4% due to adjusting costs of bank and ePay fees.

**Figure 3-7: Maintenance & Operations Budget & Actuals**



## Books, Movies, Music, and Downloadables (Materials)

\$ 3,555,073

**Table 3-17: 2015 Materials Detail**

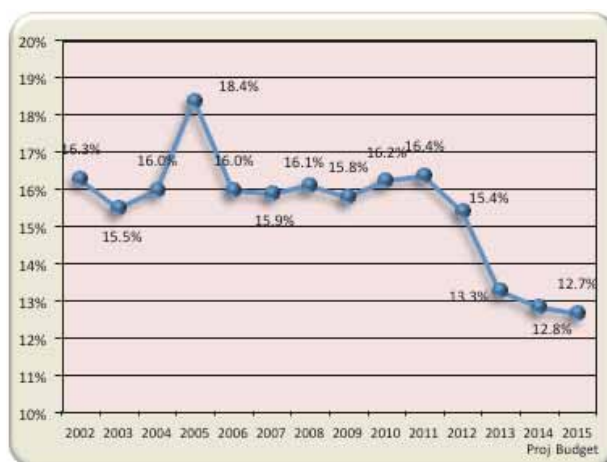
	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
534xx Total Materials .....	\$ 3,323,730.06	\$ 3,277,075	\$ 3,555,073	8.48%
53401 Adult Materials .....	\$ 827,054.87	\$ 827,684	806,000	-2.62%
53402 Serials .....	1,369.18	0	0	0.00%
53403 Periodicals .....	66,306.83	80,000	88,135	10.17%
53405 Juvenile Books .....	472,223.71	496,458	544,279	9.63%
53406 Professional Collection .....	18,228.41	20,000	4,200	-79.00%
53407 International Collection .....	83,013.19	76,000	60,000	-21.05%
53408 Audiovisual Materials - Adult .....	831,432.50	816,000	842,000	3.19%
53409 Audiovisual Materials - Juvenile .....	97,981.55	102,040	94,000	-7.88%
53411 Electronic Info Sources .....	186,609.26	170,355	379,068	122.52%
53412 Reference Serials .....	19,277.00	36,414	18,000	-50.57%
53413 Electronic Services .....	200,996.86	244,124	149,391	-38.81%
53414 Electronic Collection .....	352,395.15	255,000	417,000	64.53%
53464 Vendor Processing Services .....	161,061.26	153,000	153,000	0.00%
53490 Collection Projects .....	5,780.29	0		
53499 Gifts - Materials .....	6,861.32	0		
<b>TOTAL MATERIALS</b>	<b>\$ <u>3,330,591.38</u></b>	<b>\$ <u>3,277,075</u></b>	<b>\$ <u>3,555,073</u></b>	<b><u>8.48%</u></b>

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.

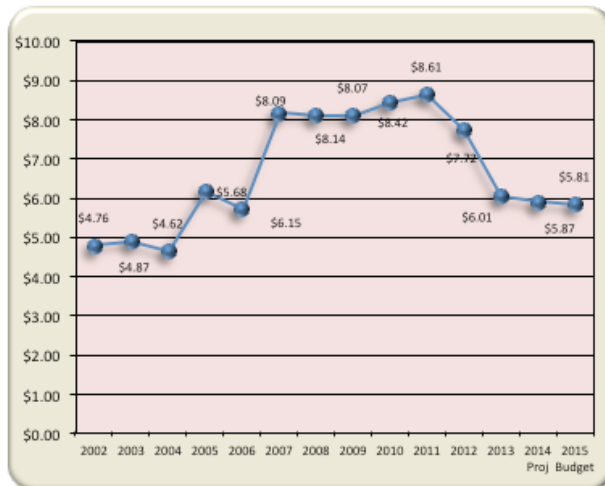
**Figure 3-8: Materials Budget History (2002 - 2015)**



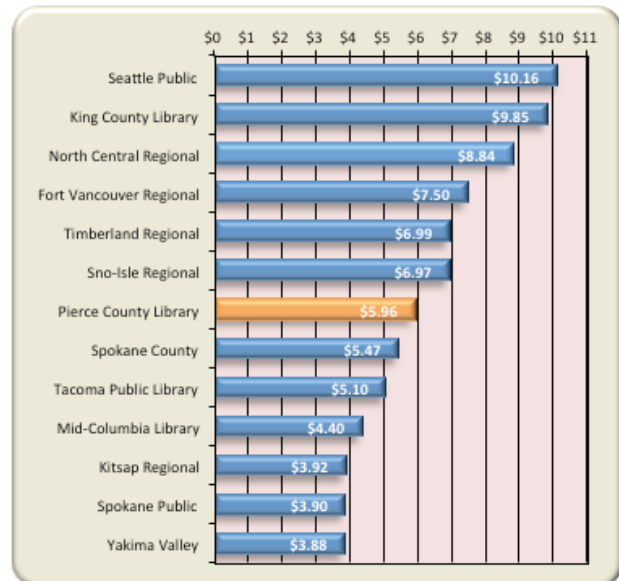
The 2015 Materials budget is 12.7% of new revenues. Figure above shows the historical funding of Materials as a percentage of each year's new revenues. The spike in the 2005 Materials budget is due to a carrying forward of unexpected 2004 unexpended funds (the catalog system replacement project delayed purchasing and receipt of materials).

Figure below shows PCLS's Materials budget per capita, which is an effective measure of our focus on our collection. The figure at right gives a comparison of our budget along with that of other local libraries. We are 3rd out of the 13 regional libraries for the second year in a row. It's a great spot for us. The 2015 materials expenditure per capita is estimated to be \$5.81 per capita.

**Figure 3-9: Materials Expenditures Per Capita History (Actuals 2002 - 2013)**



**Figure 3-10: Materials Expenditures Per Capita Comparison (2013)**



Source: Washington State Library

In 2012 the Library was reported as third among the above libraries, at \$7.64 per capita. Due to budget reductions in 2013, the Library dropped to the middle at \$5.96 per capita.

## Other Set-Asides & Transfers

\$ 814,912

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

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

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**

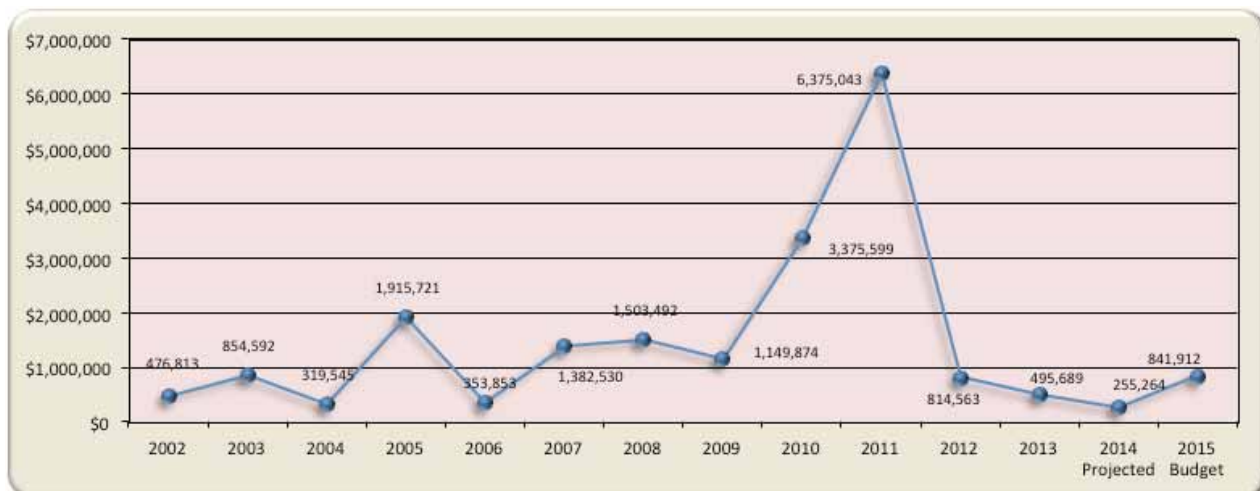
The Library uses contingency as a floating variable to calculate cash-solvency to pay April's bills two fiscal years ahead. Having set-aside enough in unrestricted reserves, and given that the Library's budget is decreasing, no cash needs to be set-aside to cover cash

flow shortfalls. For 2015, this means that enough restricted funds are available to plan for paying April 2015's bills. The Library's goal is to maintain at least 2% cash-to-revenues in the unrestricted fund balance, and this line item will be used when restricted funds need to be replenished.

### **Transfers to Capital Improvement Fund ..... \$ 814,912**

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

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

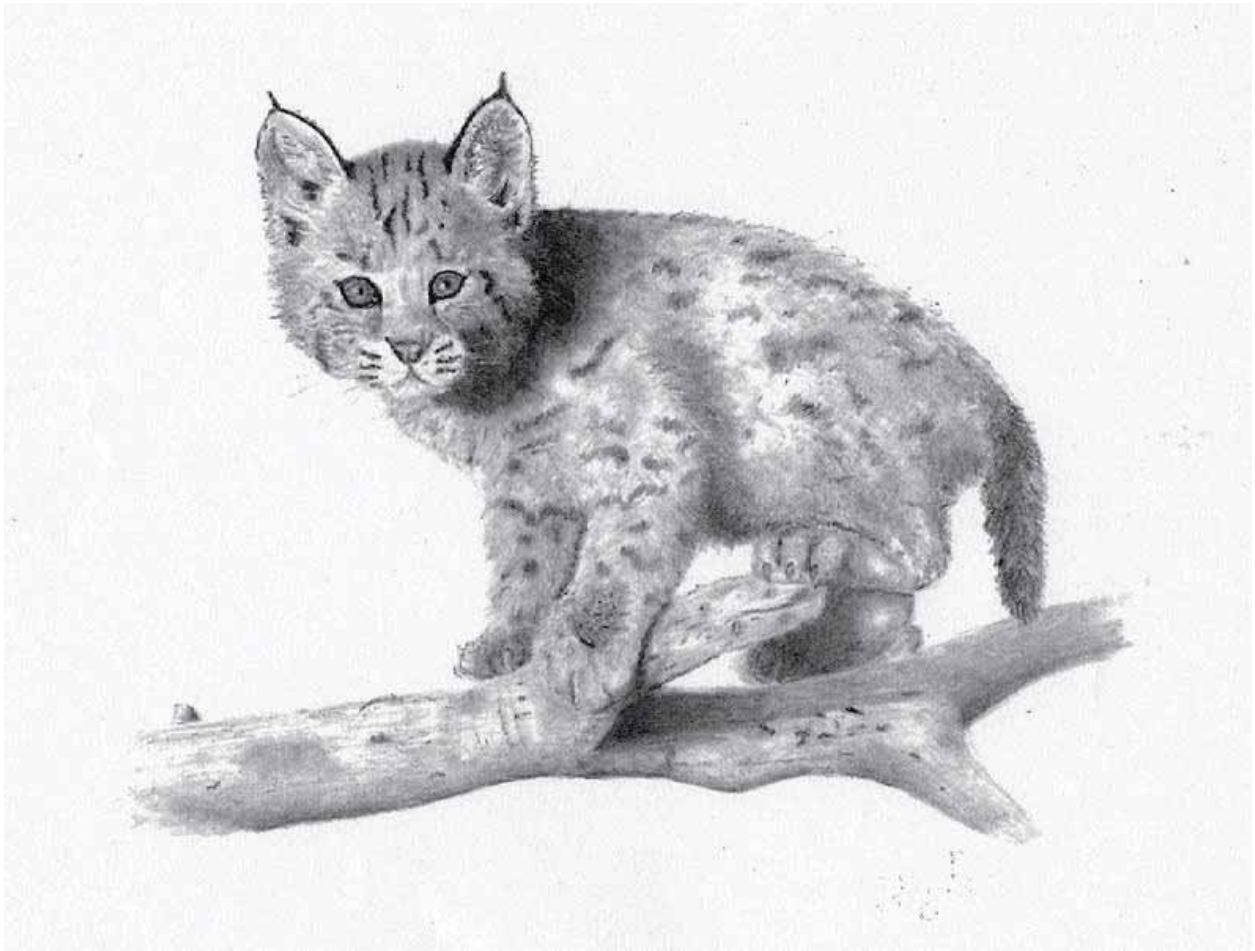


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## General Fund Balance

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**Baby Bobcat** by Trevor Kvinsland  
3rd Place 7th/8th Grade Winner of the 2014 Our Own Expressions Drawing Contest

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## General Fund Balance

**Table 3-19: 2015 General Fund Balance Summary**

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
<b>Beginning Fund Balance, January 1</b>	<b>\$ 9,763,236.64</b>	<b>\$ 10,033,175</b>	<b>\$ 8,535,073<sup>1</sup></b>	<b>-14.93%</b>
<b>Less: RESERVE COMMITMENTS</b>				
Operational needs for first 4 months (calculated).....	6,978,486.00	6,967,636	6,314,343	-9.38%
Reserve for future election .....	360,000.00	360,000	360,000	0.00%
<b>TOTAL RESERVE COMMITMENTS</b>	<b>7,338,486.00</b>	<b>7,327,636</b>	<b>6,674,343</b>	<b>-8.92%</b>
<b>Available unrestricted funds at beginning of year</b>	<b>3,334,918.29</b>	<b>2,705,539</b>	<b>1,860,730</b>	<b>-31.23%</b>
<b>INFLOWS</b>				
Set aside from operating budget for min. of 2% goal.....	0.00	0	0	0.00%
Other inflows .....	0.00	0	0	0.00%
<b>TOTAL OF INFLOWS</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>OUTFLOWS</b>				
Use of cash reserves to balance budget .....	571,595.00	127,663	0	0.00%
Transfers to CIF from previous year-end results.....	0.00	0	TBD	
Transfers to CIF for critical project needs.....		1,500,000	TBD	-100.00%
<b>TOTAL OF OUTFLOWS</b>	<b>571,595.00</b>	<b>1,627,663</b>	<b>0</b>	<b>-100.00%</b>
<b>Net unrestricted fund balance at end of year</b>	<b>2,763,323.29</b>	<b>1,077,876</b>	<b>1,860,730</b>	<b>72.63%</b>
% of following year revenues	8.32%	3.84%	6.16%	60.42%
<b>Add: UNUSED/REPLENISHED RESERVE COMMITMENTS</b>				
Operational needs for first 4 months (replenished) ....	6,978,486.00	6,967,636	6,314,343	-9.38%
Reserve for future election .....	360,000.00	360,000	360,000	0.00%
<b>TOTAL UNUSED RESERVE COMMITMENTS</b>	<b>7,338,486.00</b>	<b>7,327,636</b>	<b>6,674,343</b>	<b>-8.92%</b>
<b>Subtotal Fund Balance at end of year</b>	<b>10,101,809.29</b>	<b>8,405,512</b>	<b>8,535,073</b>	<b>1.54%</b>
<b>RESULTS OF FISCAL YEAR OPERATIONS</b>				
Use of fund balance to cover shortfall (for operations) .	571,595.00	127,633	0	-100.00%
New revenues .....	25,122,388.07	25,526,372	28,063,748	9.51%
Less Expenditures and budgeted transfers.....	25,490,714.37	25,654,035	28,063,748	9.39%
<b>NET OF OPERATIONS.....</b>	<b>203,268.70</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Add: Estimated difference between budget & actuals <sup>2</sup> .....	NA	129,561	TBD	-100.00%
Warrants & sales tax payable, benefit accruals, adj .... (271,903.49)		TBD	TBD	0.00%
<b>Ending Fund Balance, December 31</b>	<b>\$ 10,033,175.50</b>	<b>\$ 8,535,073<sup>1</sup></b>	<b>\$ 8,535,073</b>	<b>0.00%</b>

**Notes:**

1. The 2014 year-end fund balance is estimated; numbers are finalized with the annual report in April 2015.
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 2015 beginning fund balance. This estimated difference was calculated as of the end of December 2014.

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**

\$ 8,535,073

The fund balance is estimated at nearly \$9 million. The actual amount is reconciled and released in the annual April annual report.

**Reserve Commitments**

\$ 6,674,343

**Operational needs for first 4 months ..... \$ 6,314,343**

The Library calculates that approximately \$6.3 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 2015 is estimated to be 6.2%, 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**

\$ 0

**Use of cash reserves (fund balance) .....\$ 0**

For the past three years the Library budgeted cash reserves to balance the budget after making significant reductions in many areas. For these years, using some cash reserves prevented further layoffs and maintained services. For 2015, due to restoring

considerable property taxes, cash reserves will not be used.

**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 2014 may be identified and transferred in 2015. 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**

\$ 8,535,073

**Net effect on general fund balance ..... 0**

The Library projects that there will be no change to the fund balance at year end.

**Conclusion**

The General Fund unrestricted fund balance—at 7.67%—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 remains concerned about future cash flow, and encourages the Library to reserve aside cash as much as possible to ensure that the Library does not diminish its product during times of significant economic stress.

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# Part 4 Other Funds

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## Capital Improvement Fund

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**From the Darkness** by Tiana Neuerburg  
2nd Place 11th/12th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## 2015 Capital Improvement Budget Summary

**Table 4-1: 2015 Capital Improvement Budget Summary**

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
<b>FUNDING SOURCES</b>				
Use of fund balance .....	\$ 1,339,100.49	\$ 808,886	\$ 1,027,588	27.04%
Transfers from General Fund .....	495,689.00	255,114	841,912	230.01%
New revenues .....	122,473.16	160,000	0	-100.00%
<b>TOTAL FUNDING SOURCES</b>	<b>1,957,262.65</b>	<b>1,224,000</b>	<b>1,869,500</b>	<b>52.74%</b>
<b>EXPENDITURES</b>				
Total project expenditures .....	1,957,262.65	1,224,000	1,869,500	52.74%
<b>TOTAL EXPENDITURES</b>	<b>1,957,262.65</b>	<b>1,224,000</b>	<b>1,869,500</b>	<b>52.74%</b>
<b>NET OF FUNDING SOURCES &amp; EXPENDITURES</b>	<b>\$ <u>0.00</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b><u>0.00%</u></b>

**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.

### 2015 Strategy

The Library applies an efficient and effective 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 2015–2019.

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**

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
<b>FUND BALANCE</b>				
Use of fund balance .....	\$ 1,339,100.49	\$ 808,886	\$ 1,027,588	27.04%
<b>TRANSFERS</b>				
Budgeted GF transfer from operating budget .....	495,689.00	255,114	841,912	230.01%
GF transfers from prior fiscal year savings <sup>1</sup> .....	0.00			
Transfers for critical project needs .....	0.00	1,500,000 <sup>1</sup>		-100.00%
TOTAL TRANSFERS .....	495,689.00	1,755,114	841,912	-52.74%
<b>NEW REVENUES</b>				
New revenues .....	122,473.16	160,000	0	-100.00%
<b>TOTAL FUNDING SOURCES</b>	<b>\$ 1,957,262.65</b>	<b>\$ 2,724,000</b>	<b>\$ 1,869,500</b>	<b>-31.37%</b>

4. The \$1.5 million transfer was conducted in December 2014 to be used for funding 2015-16 technology projects.

### Funding Sources

\$ 1,869,500

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

**F**unding for capital projects comes from three sources:

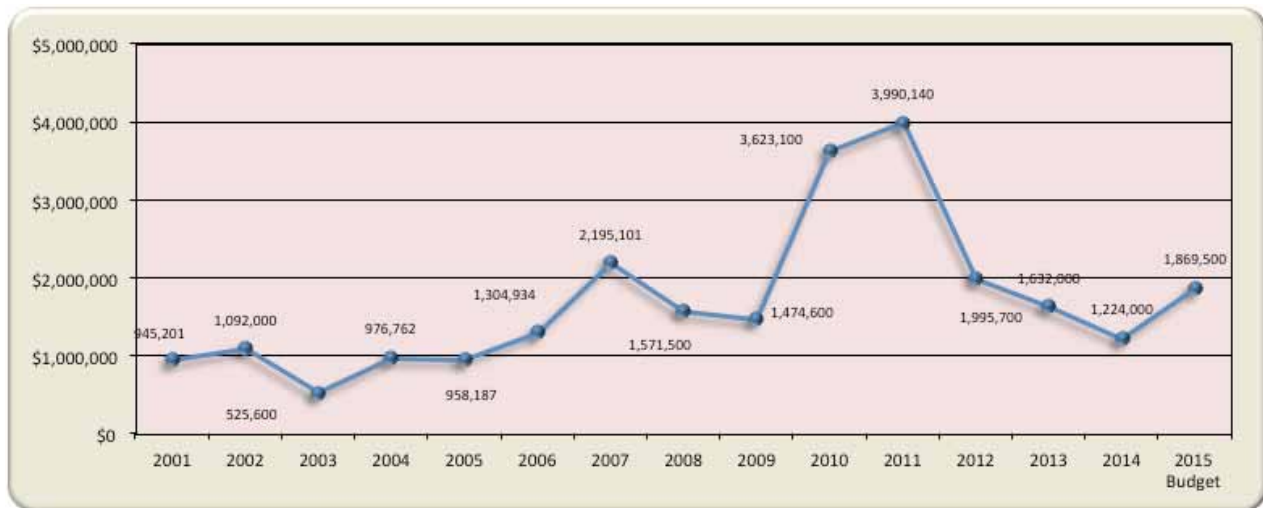
1. Fund balance of the Capital Improvement Fund.
2. Funds transferred from the General Fund:
  - a. Minimum 3% (up from 1% in 2014) of General Fund revenues. More may be transferred due to needs.
  - b. Funds transferred from the General Fund due to unanticipated revenues and savings, backfilling funding 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 2015 is \$1,745,223.

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

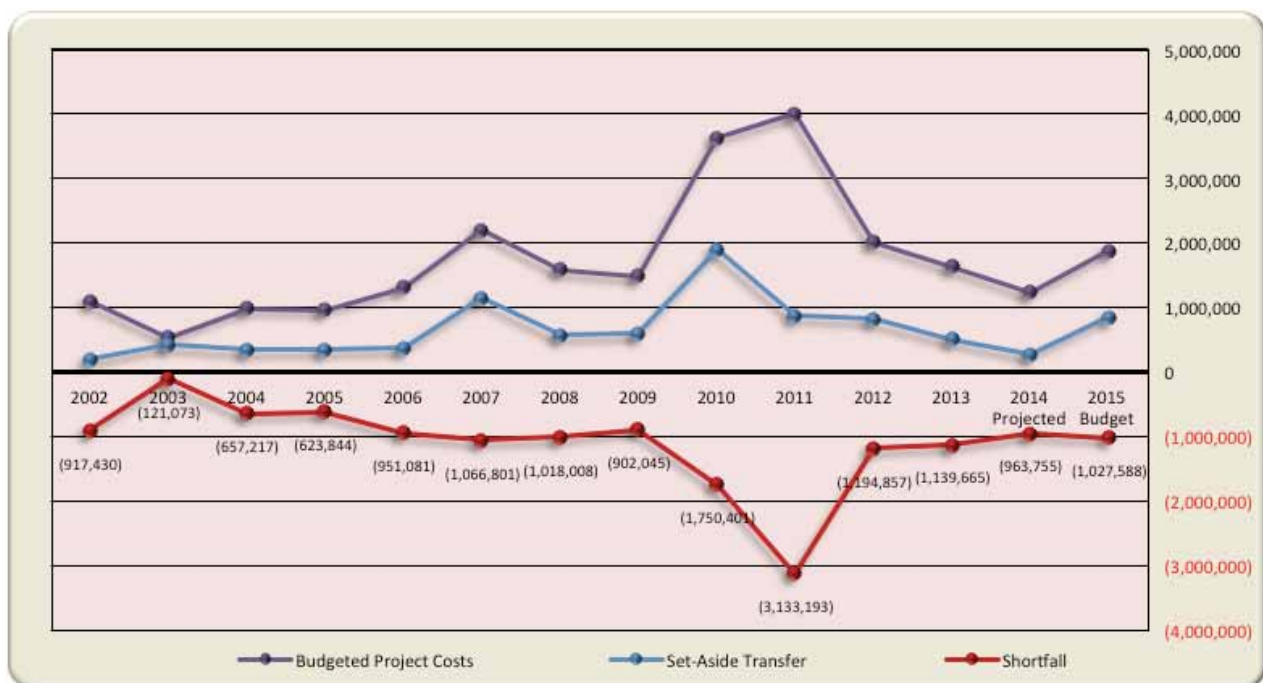
Figure 4-1: Capital Project Budget History (Excludes Carry Forwards)



Prior to 2011, the Library had budgeted the capital improvement fund transfer at 3% of revenues. Historically, a 3% transfer fell short of budgeted expenditures by as much as \$1 million, at times considerably more. To make up for the shortfall, the Library relied on unanticipated revenues and savings to backfill the shortfall. Should the Library budget funds

for the yearly capital projects, the operating budget would be impacted considerably, and substantial reductions could be necessary. Due to severe budget shortfalls, the Library reduced the transfer back to 2% for 2013 and to 1% in 2014. In 2015, it was restored to 3%.

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



At the end of 2014, it is estimated that the Capital Improvement Fund balance will be approximately \$2 million. Adding monies to be received in 2015 transfers from the Operating Budget, the total available funding is approximately \$2.9 million.

**Budgeted General Fund Transfer..... \$ 841,912**

The budgeted transfer from the General Fund was restored from 1% to 3% of General Fund New Revenues. This calculation excludes any use of General Fund balance to balance the operating budget.

**Use of fund balance ..... \$ 1,027,588**

The Capital Improvement budget uses its Capital Improvement Fund cash balance to pay for projects that exceed new revenues. For 2015, the Library is expecting to budget some funds from the Capital Improvement fund balance. After factoring in the annual transfer, about 50% of the Capital Improvement Fund balance will be needed to fund 2015 projects. This assumes no mid-year transfer occurs.

**Transfers from prior fiscal year savings ..... \$ TBD**

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

**New revenues .....\$ 0**

The Library anticipates no new revenues.

## Capital Improvement Plan—Project Expenditures

### 2015 Capital Improvement Plan Projects

\$ 1,869,500

**Table 4-3: Capital Budget Summary—Project Expenditures**

Capital Project Categories	2015 BUDGET	2016 ESTIMATED	2017 ESTIMATED	2018 ESTIMATED	2019 ESTIMATED
Commitments .....	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Service improvement projects .....	158,000	70,000	20,000	20,000	20,000
Major maintenance .....	425,500	176,800	80,100	67,500	119,900
Vehicles .....	10,000	66,000	91,000	10,000	74,000
Technology plan .....	1,119,000	599,500	91,000	33,000	465,000
Other capital projects .....		250,000	350,000		
<b>SUBTOTAL .....</b>	<b>1,822,500</b>	<b>1,182,300</b>	<b>752,100</b>	<b>250,500</b>	<b>798,900</b>
Contingency (2% with \$25k min, by exec approval) .....	37,000	26,000	25,000	25,000	25,000
<b>TOTAL CAPITAL PROJECT BUDGET .....</b>	<b>\$ 1,869,500</b>	<b>\$ 1,308,300</b>	<b>\$ 777,100</b>	<b>\$ 275,500</b>	<b>\$ 823,900</b>

**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

\$ 158,000

#### **Restroom Maintenance (GHM, BLK, SMT, EAT) ..... \$ 30,000** *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. The scope of these projects were considerably reduced as restrooms require branch closures.

#### **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; 2015 is the second year.

#### **Help Desk Upgrades (UP) ..... \$ 58,000** *Strategies..... (Relevance)*

The University Place Library's help desk center on the public floor requires retrofitting the furniture, layout, and location.

#### **Wayfinding (GIG, PKS)..... \$ 20,000** *Strategies..... (Relevance)*

Over the next five years, libraries will have improved signage and improvements to help customers find their way through the facilities. Two to four libraries per year will be worked on.

### Major Maintenance

\$ 425,500

#### **Carpet Extractor..... \$ 16,000** *Strategies..... (Preserve)*

The Facilities Maintenance department will replace its aging carpet extractor. Carpet extractors speed the process of removing carpeting and reduce costs of having to pay a contractor to do this task.

**Carpet Replacement (GIG) ..... \$ 114,500**  
*Strategies..... (Preserve)*

The Gig Harbor Library carpeting is failing and is a safety hazard. It will be replaced in 2015.

**Gutter Replacement (PAC, GIG)..... \$ 43,000**  
*Strategies..... (Preserve)*

Gutters in two locations need significant repairs and replacements to preserve the condition of the roof and prevent water runoff damage.

**HVAC Replacement (BLK) ..... \$ 155,000**  
*Strategies..... (Preserve, Efficiency)*

**Lighting Upgrades in Parking Lots (KC, SH, BUC)... \$ 37,000**  
*Strategies..... (Preserve)*

The Library will add or reworking lighting in parking lots to improve safety in security at three locations.

**Sealcoat All Parking Lots (2015) ..... \$ 60,000**  
*Strategies..... (Preserve)*

Parking lots in all locations need to be sealed to protect the function and aesthetic for customers and staff to use. The project is in year two of three year implementation.

**Vehicles**  
**\$ 10,000**

**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.*

**Technology Plan Implementation**  
**\$ 1,119,000**

From October 2012 through December 2013, the Library carried out a comprehensive technology planning process, involving staff from multiple areas of the Library, surveys, customers, and consultants. Originally, the Library anticipated beginning the project in 2014; however, some of the plan's core elements needed rework. The final technology plan's needs focused on creating a stable and secure network and systems environment, improving network bandwidth (offset by E-Rate reimbursements), replacing extremely old computer equipment, and positioning

the Library to begin working on major virtual services development.

**Public PCs (2015)..... \$ 157,000**

Many computers used by the public (especially the self-service checkout PCs) are very old, approaching 10 years. These computers must be replaced in 2015. They will then be replaced every four years through the ongoing implementation of the technology plan funded by the CIP.

**Staff PCs (2015)..... \$ 157,000**

Staff PCs are extremely old in some cases, and there are too many models that the Library must support, which makes service and upgrades very time consuming. These computers must be replaced in 2015. They will then be replaced every four years through the ongoing implementation of the technology plan funded by the CIP.

**Servers & Storage ..... \$ 450,000**

To develop websites, applications, and virtual services, the infrastructure must be replaced. These include higher performance services and storage systems.

**Network Switches ..... \$260,000**

The current network does not provide stability and security in a manner that the Library needs. Network redundancy needs to be implemented and "smarter" network equipment needs to be installed. This equipment helps separate secure traffic from unsecure traffic, and improves the overall stability of all the data traffic that flows within the network and to/from the Internet. Due to E-Rate changes, the Library is analyzing the amount of these purchases may be reimbursed through the federal government's E-Rate program. The reimbursement could be as high as 50%.

**Network Appliances..... \$ 33,000**

Network appliances are devices residing on the network that provide sundry services, such as filtering, searching, and performance improvements.

**Contingency**  
**\$ 37,000**

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 (2016 - 2019)**

**Technology Plan (2016) ..... \$ 599,500**  
Year Two of implementation.

**Finance/HR System Replacement (2016) ..... \$ 100,000**  
The current electronic system for handling human resource needs, including electronic timesheets, needs to be improved.

**Communications Printer (2016) ..... \$ 150,000**  
The large production printer that the Communications Department uses to print high volume output may need to be replaced in 2016. The original system was purchased in late 2008 with an anticipated useful lifespan (and return on investment) of about seven years, if not longer.

**Other 2016 Projects ..... \$ 458,800**  
Projects include furnishings, wayfinding, parking lot repairs, rekeying all doors at all facilities, and vans. UP Payment and contingency are included.

**Anticipated 2017 Projects ..... \$ 777,100**  
Projects include year three of the technology plan, wayfinding, small carpet replacements, a new delivery van, and the potential need to replace the entire HR/finance system (which would be 10 years old). UP Payment and contingency are included.

**Anticipated 2018 Projects ..... \$ 275,500**  
Projects include year four of the technology plan, wayfinding, and unanticipated repairs. UP Payment and contingency are included.

**Anticipated 2019 Projects ..... \$ 823,900**  
Projects include year five of the technology plan, wayfinding, vans, and unanticipated repairs. UP Payment and contingency are included.

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



Table 4-4: 5-Year Capital Improvement Projects (2015 - 2019)

	2015 BUDGET	2016 ESTIMATED	2017 ESTIMATED	2018 ESTIMATED	2019 ESTIMATED
<b>COMMITMENTS</b>					
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
<b>SERVICE IMPROVEMENT PROJECTS</b>					
Restroom Maintenance (GHM, BLK, SMT, EAT) .....	30,000				
Replace Aging Furnishings .....	50,000	50,000			
Helpdesk Upgrades (UP) .....	58,000				
Wayfinding (GIG & PKS in 2015) .....	20,000	20,000	20,000	20,000	20,000
TOTAL SERVICE IMPROVEMENT PROJECTS .....	158,000	70,000	20,000	20,000	20,000
<b>MAJOR MAINTENANCE</b>					
Carpet Extractor .....	16,000				
Carpet Replacement (GIG in 2015) .....	114,500		14,000		
Gutter Replacement (PAC, GIG) .....	43,000				
HVAC Replacement (BLK in 2015) .....	155,000				51,000
Lighting Upgrades in Parking Lots (KC, SH, BUC) .....	37,000				
Seal Coating of Parking Lots .....	60,000	60,000			
Systemwide Rekey .....		52,000			
Unanticipated Future Needs (past experience) .....		64,800	66,100	67,500	68,900
TOTAL MAJOR MAINTENANCE .....	425,500	176,800	80,100	67,500	119,900
<b>VEHICLES</b>					
Vehicle Replacements .....	0	56,000	81,000	0	64,000
Vehicle Repair Contingency .....	10,000	10,000	10,000	10,000	10,000
TOTAL VEHICLES .....	10,000	66,000	91,000	10,000	74,000
<b>TECHNOLOGY PLAN IMPLEMENTATION</b>					
Public PCs (Very Old PCs, eg., Express Check) .....	157,000				157,000
Public PCs .....		407,000			
Staff PCs .....	219,000				219,000
AWE Children's PCs .....		3,500	91,000		
Servers + Storage .....	450,000	100,000			
Laptops .....		75,000			75,000
Tablets .....		14,000			14,000
Network Switches (>50% Erate reimb) .....	260,000				
Wireless Network .....				21,000	
Firewalls .....				12,000	
Network Appliances .....	33,000				
TOTAL TECHNOLOGY PLAN IMPLEMENTATION .....	1,119,000	599,500	91,000	33,000	465,000
<b>OTHER CAPITAL PROJECTS</b>					
Finance/HR System Replacement .....		100,000	350,000		
Communications Printer .....		150,000			
TOTAL OTHER CAPITAL PROJECTS .....		250,000	350,000		
SUBTOTAL CIP .....	1,832,500	1,282,300	752,100	250,500	798,900
Contingency (2% with \$25k min, by exec approval) .....	37,000	26,000	25,000	25,000	25,000
<b>TOTAL CAPITAL PROJECT BUDGET .....</b>	<b>\$ 1,869,500</b>	<b>\$ 1,308,300</b>	<b>\$ 777,100</b>	<b>\$ 275,500</b>	<b>\$ 823,900</b>

Note: 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: 2015 Capital Improvement Fund Balance Summary**

	2013 <u>ACTUALS</u>	2014 <u>FINAL (12/11)</u>	2015 <u>BUDGET (12/10)</u>	% CHANGE 2014 <u>FINAL TO 2015</u>
<b>Beginning Fund Balance, January 1</b>	<b>\$ 2,727,680.56</b>	<b>\$ 1,356,481</b>	<b>\$ 2,050,000<sup>2</sup></b>	<b>51.13%</b>
<b>INFLOWS</b>				
Budgeted GF transfer from operating budget .....	495,689.00	255,114	841,912	230.01%
GF transfers from prior fiscal year savings <sup>1</sup> .....	0.00	TBD	TBD	
Transfers for critical project needs .....	0.00	1,500,000 <sup>4</sup>		-100.00%
<b>TOTAL INFLOWS</b>	<b>495,689.00</b>	<b>1,755,114</b>	<b>841,912</b>	<b>-52.03%</b>
<b>Available funds during fiscal project year</b>	<b>3,223,369.56</b>	<b>3,111,595</b>	<b>2,891,912</b>	<b>-7.06%</b>
<b>OUTFLOWS</b>				
Use of inflows to fund projects .....	495,689.00	255,114	841,912	230.01%
Use of fund balance to cover shortfall .....	1,461,573.65	808,886	1,027,588	27.04%
<b>TOTAL OUTFLOWS</b>	<b>1,957,262.65</b>	<b>1,224,000</b>	<b>1,869,500</b>	<b>52.74%</b>
<b>Subtotal Fund Balance at end of year</b>	<b>1,266,106.91</b>	<b>1,887,595</b>	<b>1,022,412</b>	<b>-45.84%</b>
<b>RESULTS OF FISCAL YEAR PROJECTS</b>				
Use of inflows to fund projects .....	495,689.00	255,114	841,912	230.01%
Use of fund balance to cover shortfall .....	1,461,573.65	808,886	1,027,588	27.04%
New revenues .....	122,473.16	160,000	0	-100.00%
Less: Expenditures .....	1,957,262.65	1,224,000	1,869,500	52.74%
<b>TOTAL RESULTS OF FISCAL YEAR PROJECTS</b>	<b>122,473.16</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Add: Estimated difference between budget & actuals <sup>3</sup> .....	NA	162,405	TBD	-100.00%
Add: Warrants & sales tax payable, adj .....	(32,099.52)	TBD	TBD	0.00%
<b>Ending Fund Balance, December 31</b>	<b>\$ <u>1,356,480.55</u></b>	<b>\$ <u>2,050,000<sup>2</sup></u></b>	<b>\$ <u>1,022,412</u></b>	<b><u>-50.13%</u></b>

**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 2014 year-end fund balance is estimated; numbers are finalized with the annual report in April 2015.
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 2015 beginning fund balance. This estimated difference was calculated at the end of November 2014.
4. The \$1.5 million transfer was conducted in December 2014 to be used for funding 2015-16 technology projects.

### 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



## Grandfather's Institution

Shriveled, hunched, shaking residents, with cirrus hair; wispy and white  
 Confused and clouded eyes wet with tears  
 Memories lost and blank  
 Small wet drops tumble down fragile faces in frustration

Tears run from dwindling guardian's lifeless eyes  
 Relatives' hearts sink like capsized ships  
 Patients pruned and immobile reach with boney hands in comfort

Doomed inmates howl in desperation  
 Shrieks of discomfort in the dreary setting  
 Kith and kin drown in the sea of sorrow

Bitter cleansers eradicate illnesses  
 Scent of urine lingers throughout  
 The stench of institutional slop swirls the hall

Salty drops fall into sobbing traps

**Michelle Smith**  
 St. Charles Borromeo

**2014 Our Own Expressions**  
**7th & 8th Grade Poetry Winner—3rd place**

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## Bonds, Debt, and Debt Service Fund

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**Reflection** by Nani Woodard

3rd Place 9th/10th Grade Winner of the 2014 Our Own Expressions Drawing Contest

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## 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 2014, typical bond rates remain between 5% and 6%.

Library District assessed value:	\$ 53,156,946,492
Legal GO bond capacity:	x 0.005000
Maximum GO bond capacity:	\$ 265,784,732
Current outstanding bonds:	- \$ 0
Available bonding capacity:	\$ 265,784,732

The Library therefore may issue general obligation bonds of up to \$265,784,732. For the property owner with average property value of \$225,000, 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:	\$ 53,156,946,492
Legal Councilmanic bond capacity:	x 0.001000
Maximum Councilmanic capacity:	\$ 53,156,946
Current outstanding Councilmanic bonds:	- \$ 0
Available Councilmanic capacity:	\$ 53,156,946

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 2015 is approximately \$83,600. Because the Library has no outstanding debt, only minimal, passive activity in this fund will occur in 2015.

### 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: 2015 Debt Service Fund Balance Summary**

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
<b>Beginning Fund Balance, January 1</b>	<b>\$ 83,443.80</b>	<b>\$ 83,567</b>	<b>\$ 83,567<sup>1</sup></b>	<b>0.00%</b>
<b>INFLOWS</b>				
GF transfers.....	0.00	0	0	0.00%
All other inflows.....	0.00	0	0	0.00%
<b>TOTAL INFLOWS</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Available funds during fiscal year</b>	<b>83,443.80</b>	<b>83,567</b>	<b>83,567</b>	<b>0.00%</b>
<b>OUTFLOWS</b>				
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%
<b>TOTAL OUTFLOWS</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Subtotal Fund Balance at end of year</b>	<b>83,443.80</b>	<b>83,567</b>	<b>83,567</b>	<b>0.00%</b>
<b>RESULTS OF FISCAL YEAR ACTIVITY</b>				
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.....	123.41	0	0	0.00%
Expenditures.....	0.00	0	0	0.00%
<b>NET OF OPERATIONS.....</b>	<b>110.79</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Add: Estimated difference between budget & actuals <sup>2</sup> .....	NA	0	0	0.00%
Add: Warrants & sales tax payable, adj.....	0.00	0	0	0.00%
<b>Ending Fund Balance, December 31</b>	<b>\$ 83,567.21</b>	<b>\$ 83,567<sup>1</sup></b>	<b>\$ 83,567</b>	<b>0.00%</b>

Notes:

1. The 2014 year-end fund balance is estimated; numbers are finalized with the annual report in April 2015.
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 2015 beginning fund balance. This estimated difference was calculated at the end of November 2014. A positive number means a surplus is expected.

**Beginning Fund Balance**  
\$ 83,567

**Inflows**  
\$ 0

The fund balance is estimated at just over \$83,000. The actual amount is not known until the annual report is issued in April 2015.

**General Fund transfers .....** \$ 0  
No transfers will occur for 2015.



**Other inflows.....\$ 0**

No other inflows are budgeted or anticipated.

**Outflows**

\$ 0

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

No use will occur in 2015.

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

No use will occur in 2015.

**All other outflows .....\$ 0**

None budgeted nor anticipated for 2015.

**Ending Fund Balance**

\$ 83,567

**Net effect on general fund balance .....\$ 0**

No change is anticipated for 2015.

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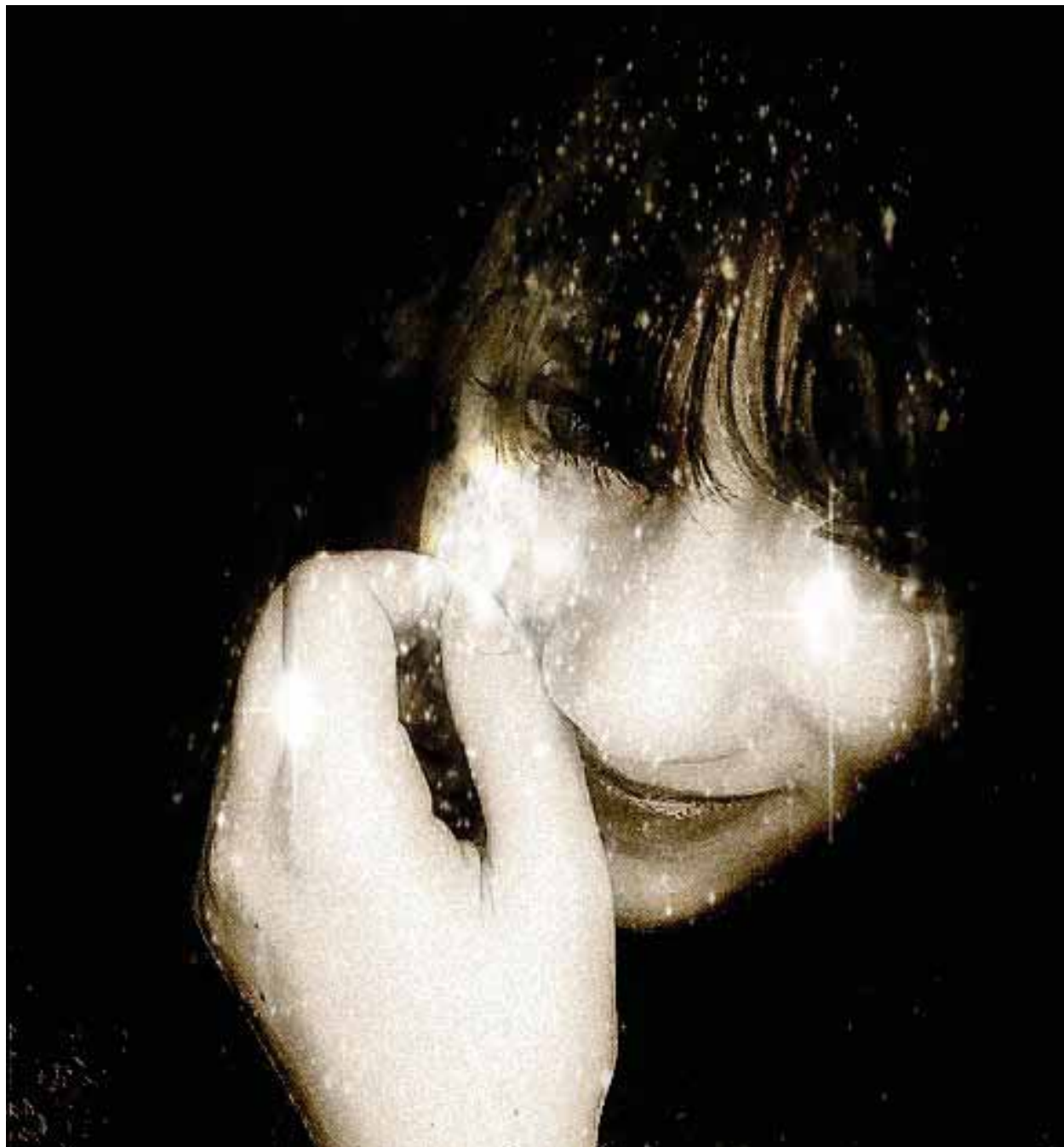
# Part 5 Cash Flow and Funds

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## Cash Flow, Budgeting, and Funds

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**Struck** by Meg Low

1st Place 9th/10th Grade Winner of the 2014 Our Own Expressions Photography Contest

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## 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.

### Eulogy for a Starship

The cold expanse of space before,  
Our blighted Earth behind,  
The Ark flew on, and bore within  
The last of all mankind.

Her battered body bleeding air  
From battle scars she bore,  
The Ark limped on, towards brighter stars  
And safer, kinder shores.

Far from the red and dying light  
Of Earth's still-sputtering Sun  
The Ark's own crippled core gave up,  
Her beating heart undone.

Above the skies of our new home,  
Her lifeboats launched and gone,  
The Ark's old engines slept at last,  
Still pointed towards the dawn.

**Matthew Pfefferle**  
Covenant High School

**2014 Our Own Expressions  
11th & 12th Grade Poetry Winner—2nd place**

Table 5-1: 2015 - 2019 Cash Flow Summary

REVENUES & EXPENDITURES					CASH					Strategy for Balancing Budget	
Fiscal Year	Budgeted Revenues	\$/ Rev Change	Budgeted Expenditures	Budget Shortfall	Total of Cap. Imp. Transfers	Jan 1 Beginning Reserves (est)	Operating Reserves (approx 4 mos)	Jan 1 Beginning Unrestricted Cash Rsrvs (est)	Less: Cash Use	Dec 31 Ending Unrestricted Cash Rsrvs (est)	% of Next fy Revs
2014	25,526,372	3.70% 909,617	25,654,035	(127,663)	255,264	9,838,846 <sup>2</sup>	6,967,636 - + 360,000 <sup>1</sup> 7,327,636	2,511,210	- 127,663 =	2,383,547	8.99%
2014 Mid-Year	26,024,508	5.72% 1,407,753	26,024,508	0	260,245	10,033,175	7,068,256 - + 360,000 <sup>1</sup> 7,428,256	2,604,919	- 0 =	2,604,919	8.63%
2015	28,063,748	9.94% 2,537,376	28,063,748	0	841,912	8,535,073	6,314,343 - + 360,000 <sup>1</sup> 6,674,343	1,860,730	- 0 =	1,860,730	6.16%
2016	30,182,569	Projected 7.55% 2,118,821	30,028,051	154,518	905,477	8,535,073	6,791,078 - + 360,000 <sup>1</sup> 7,151,078	1,839,246	- 0 =	1,839,246	5.95%
2017	30,890,790	2.35% 708,221	31,605,450	(714,660)	926,724	8,535,073	6,950,428 - + 360,000 <sup>1</sup> 7,310,428	1,224,645	None = - Expected	1,224,645	3.87%
2018	31,628,119	2.39% 737,329	32,573,319	(945,200)	948,844	8,535,073	7,116,327 - + 360,000 <sup>1</sup> 7,476,327	1,058,746	None = - Expected	1,058,746	3.27%
2019	32,401,838	2.45% 773,719	33,567,397	(1,165,559)	972,055	8,535,073	7,290,414 - + 360,000 <sup>1</sup> 7,650,414	884,659	None = - Expected	884,659	2.66%

## Notes:

1. Set-aside for a future potential election.
2. Estimate as of December 2014. Final will be available in May 2015, when the 2014 fiscal report is issued to the State Auditor.
3. Estimate will change based on property values and operating costs.

The above table's design and purpose is to call out the budgeting challenges over the next four years, and note the impact to operating reserves and unrestricted reserves. It also lays out the general strategy by which the Library is applying to close the shortfall. This tool is used by the Board of Trustees to assist in their understanding of the problem facing the Library, and the effects of decisions. The key concern this chart draws forward is how 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)**

	2015 BUDGET	2016 ESTIMATED	2017 ESTIMATED	2018 ESTIMATED	2019 ESTIMATED
<b>Beginning Capital Improvement Fund Balance, Jan 1 (est) .....</b>	<b>\$ 2,050,000<sup>1</sup></b>	<b>\$ 1,191,114</b>	<b>\$ 1,033,096</b>	<b>\$ 1,220,682</b>	<b>\$ 1,422,174</b>
Capital Improvement New Revenues & Transfers.....	841,912	1,155,477	926,724	948,844	972,055
<b>Available Funds:.....</b>	<b>2,891,912</b>	<b>2,177,889</b>	<b>1,796,313</b>	<b>1,968,057</b>	<b>2,664,612</b>
Capital Improvement Expenditures (Capital Project Budget).....	1,869,500	1,308,300	777,100	275,500	823,900
<b>Ending Capital Improvement Fund Balance, Dec 31 (est).....</b>	<b>\$ 1,022,412</b>	<b>\$ 869,589</b>	<b>\$ 1,019,213</b>	<b>\$ 1,692,557</b>	<b>\$ 1,840,712</b>

Notes:

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

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

REVENUES & EXPENDITURES					CASH					
Fiscal Year	Budgeted Revenues	%/ \$ Rev Change	Budgeted Expenditures	Cap. Imp. Budget Shortfall	Jan 1 Beginning Cash Reserves (est)	Less: Cash Use	Add: Unused Revenue	Dec 31 Ending Cash Reserves (est)	% of Next fy Revs	
2015	841,912	123.51% 581,667	1,879,500	-1,027,588	2,050,000	-	+ -	= 1,022,412	88.48%	
2016	1,155,477	37.24% 313,565	1,308,300	-152,823	1,022,412	-	+ -	= 869,589	93.83%	
2017	926,724	-19.80% -228,753	777,100	-	869,589	- 0	+ 149,624	= 1,019,213	107.42%	
2018	948,844	2.39% 22,120	275,500	-	1,019,213	- 0	+ 673,344	= 1,692,557	174.12%	
2019	972,055	2.45% 23,211	823,900	-	1,692,557	- 0	+ 148,155	= 1,840,712	TBD	

Notes:

1. Estimate as of December 2014. Final will be available May 2015, when the 2014 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 2015 and 2019, future projects—especially major maintenance—can quickly draw down the Capital Improvement Fund. As allowed per the Fiscal Management policy, the Library may transfer unanticipated revenues and savings during the year, typically done when the annual fiscal report is completed, or during the mid-year budget process.

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

## Summary of Fund Balances

**Table 5-4: Summary of Fund Balances**

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND
<b>2014 Beginning Fund Balance, Jan 1 .....</b>	<b>\$ 10,033,174 .....</b>	<b>\$ 1,356,481 .....</b>	<b>\$ 83,567</b>
<b>2015 Beginning Fund Balance, Jan 1 (est).....</b>	<b>\$ 8,535,073 .....</b>	<b>\$ 2,050,000 .....</b>	<b>\$ 83,567</b>
Add: 2015 New Revenues & Transfers .....	28,063,748 .....	841,912 .....	0
<b>2015 Available Funds:.....</b>	<b>36,598,821 .....</b>	<b>2,891,912 .....</b>	<b>83,567</b>
Less: 2015 Expenditures .....	28,063,748 .....	1,869,500 .....	0
<b>2015 Ending Fund Balance, Dec 31 (est) .....</b>	<b><u>\$ 8,535,073</u> .....</b>	<b><u>\$ 1,022,412</u> .....</b>	<b><u>\$ 83,567</u></b>

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

# Part 6 Library Departments

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Pierce County  
Library System

INFORMATION ■ IMAGINATION

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## The Departments



**Noah's Ark** by Hanbi Hyon  
2nd Place 11th/12th Grade Winner of the 2014 Our Own Expressions Drawing Contest

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## Library Departments and their 2015 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 2015, the Library will operate eight organizational departments. The principle change is that the IT Department and Virtual Services staff was combined into a single department. A Digital Experience Director was hired and reports to 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**

<b>Executive Office</b>	Includes the Executive Director and Deputy Director.
<b>Customer Experience</b>	Includes Youth Services, Adult Services, and Operations; runs 19 libraries.
<b>Reading &amp; Materials</b>	Purchases materials for customers; operates delivery and administrative receiving.
<b>Technology Experience</b>	Includes IT and Virtual Services staff.
<b>Business Operations</b>	Includes Finance, Facilities Management, and Technology Experience
<b>Communications</b>	Includes marketing, graphics, communications, and volunteers
<b>Fund Development</b>	Includes Foundation-related work and grant writing.
<b>Staff Experience</b>	Includes human resource management, labor relations, and training.

Table 6-2: Departmental Expenditure Budgets—General Fund

DEPARTMENT	2013 ACTUALS	2014 FINAL (12/12)	2015 BUDGET (12/11)	% CHANGE 2014 FINAL TO 2015
Executive Office .....	\$751,049.97 .....	\$ 701,118 .....	\$ 708,712 .....	1.08%
Customer Experience <sup>1</sup> .....	11,966,043.09 .....	12,914,349 .....	13,172,396 .....	2.00%
Reading & Materials .....	5,194,064.13 .....	5,274,319 .....	5,580,923 .....	5.81%
Business Operations				
Finance .....	973,614.70 .....	867,498 .....	901,981 .....	3.97%
Facilities Management .....	2,623,365.63 .....	2,738,721 .....	2,826,934 .....	3.22%
Information Technology <sup>2</sup> .....	2,046,564.94 .....	2,069,769 .....	.....	see below
Technology Experience <sup>2</sup> .....	.....	.....	2,848,950 .....	37.65%
Communications <sup>3</sup> .....	573,516.49 .....	623,952 .....	703,383 .....	34.25%
Fund Development .....	239,868.35 .....	259,889 .....	254,203 .....	-2.19%
Staff Experience .....	550,368.53 .....	531,765 .....	734,541 .....	38.13%
<b>SUBTOTAL DEPARTMENTS</b>	<b>24,995,025.37</b>	<b>25,981,380</b>	<b>27,732,023</b>	<b>6.74%</b>
Reductions in salaries planning budget .....	N/A for Actuals .....	(582,609) .....	(510,187) .....	-12.43%
to match projections (3%/2.5% of personnel costs for 2014/2015)				
<b>TOTAL DEPARTMENTS</b>		<b>25,398,771</b>	<b>27,221,836</b>	<b>7.18%</b>
Net of other expenditures, set-asides, transfers .....	495,689.00 .....	255,264 .....	841,912 .....	229.82%
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>25,490,714.37</u></b>	<b>\$ <u>25,654,035</u></b>	<b>\$ <u>28,063,748</u></b>	<b><u>9.39%</u></b>

## 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. Formerly, Marketing & Community Relations

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

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

No department has any budget in the Debt Service Fund.



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

DEPARTMENT	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
Executive Office .....	\$ 120,000.00	\$ 120,000	\$ 120,000	0.00%
Customer Experience <sup>1</sup> .....			158,000	New
Technology Experience <sup>2</sup> .....		250,000	1,119,000	347.60%
Business Operations				
Information Technology <sup>2</sup> .....	54,956.80			
Facilities Management .....	1,768,310.85	818,000	435,500	-46.76%
Communications <sup>3</sup> .....	13,995.00		0	0.00%
<b>SUBTOTAL DEPARTMENTS</b>	<b>1,957,262.65</b>	<b>1,188,000</b>	<b>1,832,500</b>	<b>54.25%</b>
Net of other expenditures and contingencies .....	0.00	36,000	37,000	2.78%
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>1,957,262.65</u></b>	<b>\$ <u>1,224,000</u><sup>4</sup></b>	<b>\$ <u>1,869,500</u></b>	<b><u>52.74%</u></b>

## 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. Formerly, Marketing & Community Relations.
4. The 2014 capital budget was modified and approved by the Board of Trustees one time:
  - July 9, 2014: Modified by the mid-year budget process, to include carryover costs for 2013 projects, among other changes. Amended capital budget became \$1,565,200.

**Table 6-4: Departmental Expenditure Budgets—Major Funds**

DEPARTMENT	2015 GENERAL FUND	2015 CAPITAL IMP. FUND	2015 TOTAL FUNDS <sup>1</sup>
Executive Office .....	\$ 708,712	\$ 120,000	\$ 828,712
Customer Experience .....	13,172,396	158,000	13,330,396
Reading & Materials .....	5,580,923	0	5,580,923
Business Operations			
Finance .....	901,981	0	901,981
Facilities Management .....	2,826,934	435,500	
Technology Experience .....	2,848,950	1,119,000	3,967,950
Communications <sup>2</sup> .....	703,383	0	703,383
Fund Development .....	254,203	0	254,203
Staff Experience .....	734,541	0	734,541
<b>SUBTOTAL DEPARTMENTS</b>	<b>\$ <u>27,732,023</u></b>	<b>\$ <u>1,832,500</u></b>	<b>\$ <u>29,564,523</u></b>
Net of all other costs and set-asides .....	331,725	37,000	368,725
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>28,063,748</u></b>	<b>\$ <u>1,869,500</u></b>	<b><u>29,933,248</u></b>

## Notes:

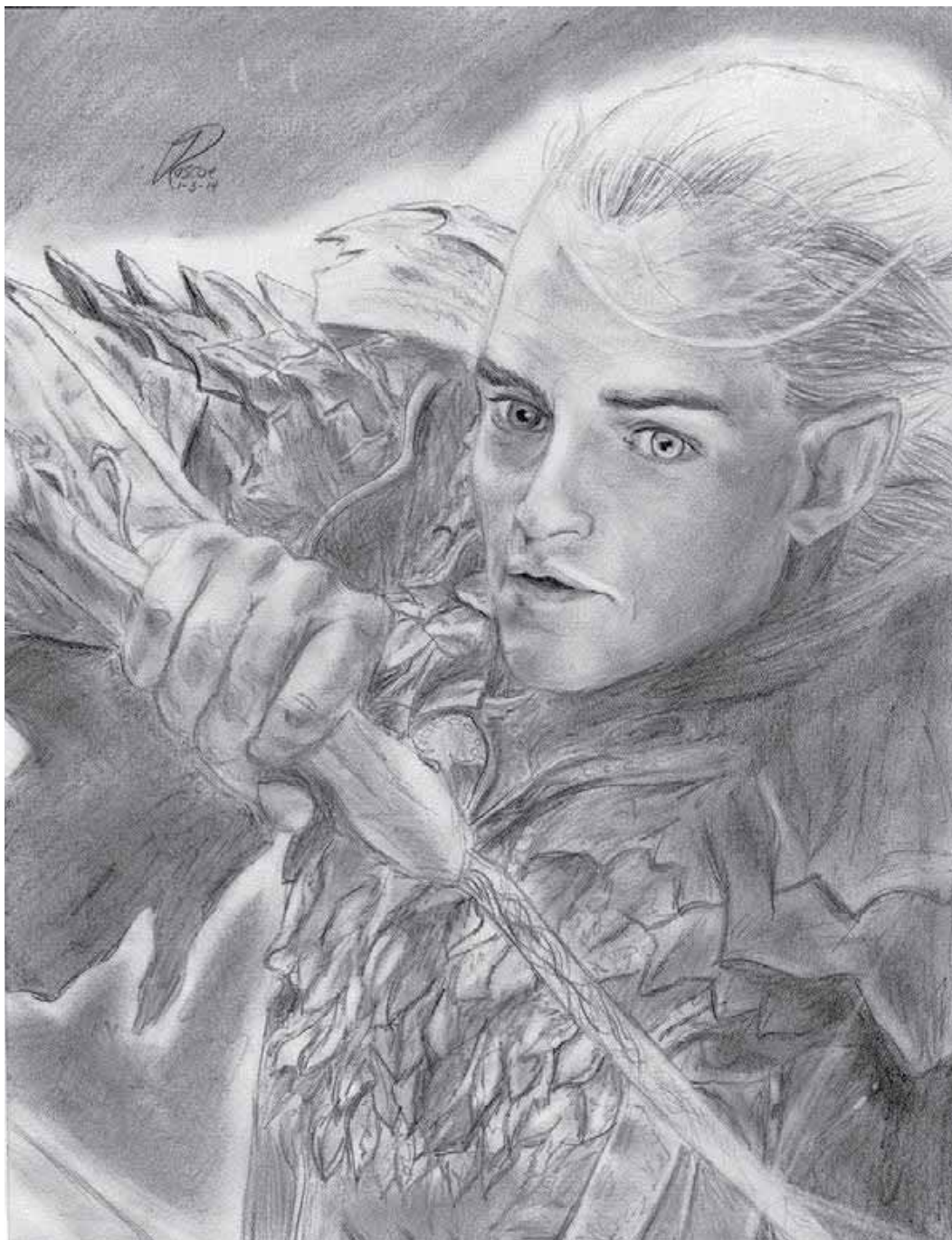
1. Debt Service Fund is not included, as there is de minimus activity in that fund.
2. Formerly, Marketing & Community Relations.

The table above shows the combined budgets for departments. For succinctness, 2013 actuals and 2014 budget have not been added.

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## Core Principles for Library Employees

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**Legolas Greenleaf** by Rosalie Roscoe

1st Place 7th/8th Grade Winner of the 2014 Our Own Expressions Drawing Contest

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## Library Core Documents

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

1. Leadership Competencies
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 Competencies

In 2014 the Administrative Team replaced the Leadership Descriptors with the Leadership Competencies. These 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. In 2015, the Library will be creating a Leadership Academy to develop leadership skills around these competencies.

Figure 6-1: Leadership Descriptors

### LEADERSHIP COMPETENCIES

**Achieves Results** *Leadership* identifies critical issues and improves business results with the customers' and community's needs in mind; commits to a course of action to accomplish long-range goals and objectives after developing alternatives; sets challenging goals for personal and group accomplishment; uses measurement methods to monitor progress toward goals; tenaciously works to meet or exceed goals; tirelessly focuses on continuously improving processes that affect customers and business results.

**Builds Successful Teams** *Leadership* uses appropriate methods and a flexible interpersonal style to proactively build cohesive teams; actively fosters the development of productive internal customer-supplier partnerships within and between work units, teams, departments, and organizations / community partners; focuses teams on meeting external customer needs, serving the community, and achieving business objectives and goals.

**Builds Trustworthy Relationships** *Leadership* interacts with others in a way that gives them confidence in one's intentions and those of the department and organization; brings a customer-supplier partnership mindset to all interactions; demonstrates initiative in understanding how to best meet internal and external customer needs; takes personal responsibility for resolving internal and external customer issues; willingly follows up on commitments.

**Communicates Effectively** *Leadership* clearly conveys information and ideas through a variety of media to individuals or groups in a manner that engages the audience, promotes comprehension and retention, and creates alignment around goals and organizational vision / purpose; articulates the customer / community / partnership perspective in ways that foster understanding and inspire implementation of customer-driven systems, processes, and procedures.

**Demonstrates Leadership** *Leadership* demonstrates the traits, inclinations, and dispositions that characterize successful managerial leadership; exhibits behavior styles that meet the demands of the manager / supervisor role; inspires and guides individuals toward higher levels of performance and organizational excellence; builds commitment to PCLS's mission, vision, and objectives; tirelessly promotes customer / community service and strategic partnerships as a value; takes responsibility for customer satisfaction and loyalty.

**Facilitates Innovation and Change** *Leadership* encourages others to seek opportunities for different and innovative approaches to addressing problems and opportunities that support the organization's strategies; actively facilitates the implementation and acceptance of change within the workplace; generates innovative solutions that better meet customer and community needs; tries different and novel ways to deal with work problems and opportunities.

**Manages and Develops People** *Leadership* sets clear performance expectations; provides timely guidance and feedback to help others strengthen specific knowledge / skill areas needed to accomplish their work; fosters, plans, and supports the development of individuals' skills and abilities so that they can fulfill current and future job / role responsibilities more effectively and deliver results that align with the Library's mission, vision, values, and strategic goals.

2014

## 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 fits 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

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**Fles** by Chelsie Conroy  
1st Place 11th/12th Grade Winner of the 2014 Our Own Expressions Drawing Contest

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## Introducing the Departments

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In 2015 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
- Technology Experience
- Communications (formerly Marketing & Community Relations)
- Reading and Materials
- Staff Experience

For 2015, the Library employs no divisions.

Following are the department narratives provided by the managers of each department. Each department provides goals for 2015 and lists major accomplishments in 2014.

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## Executive Office

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Manager  
Georgia Lomax

Staffing  
6.0 FTEs

Operating Budget  
\$ 708,908

### 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.

### 2015 Goals and Projects

- Conduct a strategic planning process to develop an action plan for the near future and a strategic analysis for the longer term.
- Develop a plan for sustainable operations in light of revenue projections for the future.
- Recruit and hire a Reading & Materials Director and a Deputy Director.
- Implement leadership competencies with management and supervisory staff as part of continued leadership development and succession planning efforts.

### 2014 Notable Accomplishments

- Defined leadership competencies and created an evaluation process for senior management based on them.
- Thanked retiring Executive Director Neel Parikh for 20 years of service and hired and welcomes the new Executive Director (former Deputy Director) Georgia Lomax following a national search.
- Awarded Tacoma Community House's "Partnership Award."
- Awarded Emergency Food Network's "Golden Spoon" award.

## Customer Experience

Manager  
Sally Porter Smith

Staffing  
183.91 FTE

Operating Budget  
\$ 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.

### 2015 Goals and Projects

- A Card in Every Child's Hand: School partnership to increase student access to the public library:
  - Extend partnership to three school districts in 2015/2016 school year.
  - Complete White River School District card campaign for the 2015/2016 school year.
  - Complete Bethel School District campaign for the 2014/2015 school year.
- Summer Reading Program "Every Hero Has a Story":
  - Implement a summer of reading for children, teens and adults with library, community and online activities to encourage summer reading and learning.
  - Engage educational, civic and governmental agencies in promoting 10 million minutes of reading by youth throughout Pierce County.
- Digital Skills Grant
  - Implement a \$49,000 Digital Skills grant through the Washington State Library to help the community access technology training 24/7.
  - Offer a suite of online technology classes through products like lynda.com, Microsoft IT Academy, Universal Class, and Treehouse.
  - Public programs will be offered to adults and middle school students to help teach webpage development and coding skills.
- Transitioning Service Members Grant

- o Partner with RallyPoint/6 and Workforce Central's Camo2Commerce program to provide transitioning service members' access to job training through Microsoft IT Academy, free certification test vouchers, and a grant-funded learning coordinator who will assist them through the training.
  - o Provide instruction and open lab learning in community at RallyPoint/6 headquarters and on base to provide convenient, easy access to participants.
- Science to Go
  - o Expand access to high-quality STEM nonfiction collections and activities through expanded science materials with targeted outreach to local elementary schools. Increase the elementary backpack collection from 24 to 32 themes and create 16-theme preschool backpack collection with new hands-on activities for each theme.
  - o Launch and evaluate Library-based informal science programming for school-age children in partnership with schools and after school programs. Extend informal science programming in community libraries.
- Workforce Jobseekers Academy
  - o Continue partnership with Workforce Central to be a connection point for jobseekers to work with partner agencies, participate in workshops, and learn computer and job skills. Grant-funded position will ensure technology and job skills training occur throughout Pierce County with formal six-week training academy supported through open labs.
  - o Replace laptop labs to ensure high-quality learning experiences. Provide loanable Chromebooks to participants in six-week academy to expand online learning and job seeking opportunities.

### **2014 Notable Accomplishments**

#### Annual Branch Services Plan

- Executed system and 18 branch annual services plans that used community asset mapping, demographics and marketing segmentation to target specific needs of individual communities, extend partnerships and promote further community engagement.

A Card in Every Child's Hand – Continued a partnership began in 2012 with school districts in the library's service area.

- 22,259 children and teens received library cards in Franklin Pierce, Bethel and White River school districts.
- 46% increase in student library card use in the Franklin Pierce School District (pilot site) since initial partnership.

SCOUT – Implemented this grant-funded online gaming experience for adult readers and families.

- Engaged 1,945 participants who:
  - o Completed 35,476 activities.
  - o Earned 223,499 points.
  - o Completed 4,751 total badges.

Affordable Care Act (ACA) – Continued a partnership with the Tacoma-Pierce County Health Department (TPHD) and other community agencies to provide ways for the community to connect with ACA resources online, in branches and in the community.

- TPHD in-person assisters at seven community libraries helped 495 individuals with open enrollment assistance; 211 people successfully enrolled.
- With the library's help, TPHD doubled its original goal of enrolling 8,050 individuals for health insurance. Final total enrolled was 16,376.

Citizenship Program – Implemented the first year of a two-year grant from Tacoma Community House to provide help with citizenship.

- Hosted 11 citizenship classes in three locations.
- 179 people participated, 115 citizenship applications filed, 52 people earned citizenship.

Online Content and Services – Expanded access for customers who use library services mostly or solely online. Added the following:

- Universal Class: 794 users enrolled in 1,436 Universal Class courses and completed 3,527 lessons.
- Microsoft IT Academy: 963 individuals enrolled.
- Downloadable magazines through the Zinio service: 16,535.
- Downloadable movies, music and TV shows through the Hoopla service: 34,964.

#### Early Learning

- Provided free Early Learning STAR accredited training to 339 childcare providers.
- Delivered 13,450 collections to child care centers and in-home childcares.
- 3,798 combined hours read at 69 childcare centers and 56 in-home childcares.

DIYers and Makers – Collaborated with community partners to convene two family-oriented community events targeting DIYers and Makers.

- DIYfest (Summit/Puyallup): 19 hands-on DIY exhibitors, four authors and six kitchen demonstrations engaged more than 500 people.
- Maker Fest (Lakewood): 38 Makers exhibited their works (mostly focused on technology) and interacted with 249 participants. Two makerspaces were represented by OlyMEGA and Fab Lab.

#### STEM Activities

- Science to Go: Implemented Science to Go grant building STEM collection and learning resources for 5-7 and 7-9 year old children. Deployed X backpacks with 25 different age specific themes resulting in circulation of 2,081 themes and 10,405 individual items.
- Block Play: Provided 79 STEM related programs to 1,615 children and teens. Block play was introduced in all libraries with opportunities for children to informally engage in block play at their local library throughout Pierce County.

#### Summer of Reading

- Overall:
  - 113,198 kids/teens participated (11 % increase over 2013) with 6,298,800 million minutes read (14.9% increase over 2013).
  - 21% more programs offered over 2013; 11% increase in attendees over 2013.
- Ages 5-9: 17,075 children ages 5-9 participated, which is 42% of the library's 38,592 children in its service area in this age group.
- K-3: 26,799 children in Kindergarten through 3rd grade were visited in their schools with book talks and information about summer reading at their local libraries.
- More than 90% of parents, caregivers and teens surveyed were "highly satisfied" with this year's program. Almost 70% of families indicated they read during the summer because of the Summer Reading Program.

**2014 Department Metrics**

- 2,285 adults attended 494 technology classes at 16 libraries throughout Pierce County.
- 387 attended 59 Worksource workshops to build job skills.
- 451,760 hours of public internet used (annual).
- 66,570 hours per month WiFi access (estimated, some WiFi usage data lost).
- 8,621 meeting room reservations by community based organizations.
- 2,063 kids participating in Block Play.



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## Reading & Materials

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Manager  
Melinda Chesbro

Staffing  
28.78 FTEs

Operating Budget  
\$ 5,582,006

### Mission

To identify, select, process, deliver and create access to materials that support the Library's mission in a customer-focused, timely and responsive manner.

### Vision

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

### Summary

Reading & Materials provides a customer - focused collection of books and materials and targets selections to each of the communities in the Library's service area. The department strives to provide an exciting range of materials to meet the diverse community interests and connect people with the materials to support their reading, viewing and listening interests.

### Department Metrics

- Collection turnover rate.
- Turnaround time – Receipt to delivery to branches.

### 2015 Goals and Projects

- Complete the work of the AV Mends Process Improvement Team and expand process improvement efforts throughout the department.
- Continue to improve the turnaround time of cataloging and processing new items and getting them out to branches.
- Evaluate the current ILL system and processes and make improvements identified.
- Develop and deliver weeding training for branch staff.
- Expand e-book collection in response to customer demand and greater availability.

### 2014 Notable Accomplishments

- Selected, processed and made available over 200,000 new items to library customers, \$3.3 million of books, magazines, movies, music, eBooks and other resources.
- Embarked on a process improvement focus, received customer-supplier and lean training, and began process-improvement efforts on the AV Mends processes.
- Coordinated and conducted branch collection visits in partnership with Customer Experience and incorporated feedback into 2015 collection spending plans.
- Improved turnaround time of new materials to branches.
- Added Science-to-Go backpacks to branch collections in collaboration with Customer Experience.

## Finance

---

Manager  
Dale Hough

Staffing  
6.00 FTEs

Operating Budget  
\$ 902,279

### 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 good stewardship of all PCLS public and other funds. Our process is accountable, transparent, on-time and auditable. The department continually strives for increased efficiencies and cutting edge best practice. The Finance department manages all financial transactions for the System including payables, receivables, grant and project accounting, general ledger, fiscal reporting and analysis, payroll and purchasing. We continue to keep moving towards a paperless future-oriented system where documents and key fiscal records are stored in an electronically archivable format while still being available at the click of a button. Further, the department provides a fully operational and self-service online timekeeping and employee information web based portal.

### Department Metrics

- Goal to pay 100% of all approved/valid invoices on time (net 30 days).
- Improve to, and maintain the Dun and Bradstreet Paydex score of 80.

### 2015 Goals and Projects

- Implement the most recent Washington State Archives approved electronic records program including the practice of "Scan and Toss".
- Enable tracking labor expenditures in project accounting.
- Continue to increase the use of the PCARD as a payment method.

### 2014 Notable Accomplishments

- Fully implemented a new Mileage claim process, paying them via payroll direct deposit. Two major benefits were accomplished:
  - 421 fewer warrants created (reduction of 17% compared to 2013).
  - Measurably reduced the number of uncashed or stale-dated warrants freeing up staff time for work on other important tasks.
- Paid more vendors using electronic methods.
- Increased Purchase card (PCARD) use by 6% compared to 2013.
- Increased PCARD rebate by 19% compared to 2013.
- Created a new report in project accounting allowing easier at a glance project status for use by project managers and others.
- Created a table of financial procedures documenting all written procedures.



**The Mockingjay** by Cole Maurmann  
3rd Place 11th/12th Grade Winner of the 2014 Our Own Expressions Drawing Contest

## Information Technology

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Manager  
Karim Adib

Staffing  
TBD

Operating Budget  
\$ 2,849,866

### 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.

### 2015 Goals and Projects

- Begin implementation of Technology Plan.
- Establish merged IT/Virtual Services Department.
- Improve network bandwidth and performance.
- Test and implement Chromebooks as a new service for technology in the branches.

### 2014 Notable Accomplishments

- Completed Technology Plan.
- Hired a Digital Experience Director to oversee the combined IT and Virtual Services.
- 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.
- Improved 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.



**City Lights** by Maddie Anderson  
1st Place 7th/8th Grade Winner of the 2014 Our Own Expressions Photography Contest



## Facilities Management

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Manager  
Lorie Erickson

Staffing  
19.85 FTEs

Operating Budget  
\$ 2,827,496

### 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

### 2015 Goals and Projects

#### Projects

- Helpdesk upgrade at University Place.
- South Hill Foundation project upgrade.
- Tillicum furnishings.
- Relocate Fife entrance from 20th Street to 66th Street.
- Gig Harbor Foundation project: add meeting room, family restroom, collaborative learning space, and conference room.
- UPS upgrade.
- PAC space planning: IT, Reading & Materials, & Staff Experience.
- University Place Kenneth B. DeRoche Reading Corner.

#### Major Maintenance

- Upgrade public restrooms.
- Sealcoat parking lots.
- Replace 4 HVAC units at Bonney Lake.
- GH carpet replacement.
- Gutter replacement at PAC and Gig Harbor.

#### Energy Efficiency

- Parking lot lighting energy efficiencies at Key Center, South Hill, and Buckley.

#### Customer Service

- Replace aging furnishings.

- PAC service lobby.
- Replace Media Bank with ITG at Fife, Bonney Lake, and Graham.
- Replace Media Bank with sequestered area at Lakewood.
- Chromebook cart installations.
- Foundation funded Transit and Sprinter.
- Vice President of University Place Condo Board.

### **2014 Notable Accomplishments**

#### Projects

- Installed acoustical treatment in the University Place Library teen area.
- Finished South Hill Foundation Project.

#### Major Maintenance

- Upgraded public restrooms.
- Replaced exterior doors at Lakewood.
- Sealcoated parking lots.
- Replaced one HVAC unit at Lakewood and Tillicum.
- Replaced roofs at Key Center and Steilacoom.
- Painted Interior at Parkland/Spanaway.
- Painted exterior at Key center.
- Replaced carpet at South Hill.

#### Energy Efficiencies

- Implemented lighting energy efficiency upgrades at Gig Harbor.

#### Customer Service

- Replaced aging furnishings.

## Communications (formerly Marketing & Community Relations)

Manager  
Linda Farmer

Staffing  
5.85 FTEs

Operating Budget  
\$ 703,603

### Mission

The Communications 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 Communications 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 over previous year

### 2015 Goals and Projects

- Increase coverage on local blogs.
- Increase coverage by local daily newspaper.
- Increase Page Likes on Facebook to 25,000.
- Increase Average Post Reach on Facebook to 3,500.
- Increase Twitter followers to 3,500.
- Wrap two delivery vans for the BEES program.
- Provide increased graphics/ marketing support for Summer Reading (adding Adult focus).
- Begin comprehensive digital communications to customers.
- Reduce in-branch flyer marketing where applicable.
- Establish library's first-ever employee communications effort.
- Continue to revamp Foundation communications.
- Move away from an annual one-month in-branch library card drive to a year-round communications effort to retain and engage current customers as well as continue to earn new customers.
- Support the library's 2015 Strategic Plan.

### 2014 Notable Activities

- Garnered 284 major media articles including national mention on NPR's StoryCorps.
- 70 percent increase in library cards issued during the annual card drive over previous year (including school cards).
- Increased Page Likes on Facebook from 2,964 to 16,458 (455% increase).



- Increased Average Post Reach on Facebook from 50 to 2,890 (5,680% increase).
- Began marketing and outreach to local blogs.
- Increased staff participation in Library Legislative Day.
- Launched a new work order system for internal graphics requests.
- Re-named department, revisited staff roles, mission, vision.
- Completed more than 1,000 graphics work orders, a department record.
- Processed 272 volunteer applications.
- Marketed major new library services, programs and events:
  - Scout
  - Science to Go
  - Citizenship classes
  - New Senior Outreach delivery van
  - DIYfest
  - MakerFest
  - Teen Summer Challenge
  - Downloadable materials
  - WorkSource classes, resources and other offerings
- Revamped major marketing publications for the library and foundation:
  - Bookends Newsletter
  - General Library Brochure
  - Fast Facts Library Overview Card

## Mumbling Mouse

Here I am waiting for the thundering to end  
Of knife like heels and waffle soled men.  
To steal around the corner and burrow in deep  
But if not, and I'm caught, oh how they'll all weep.

I'll make it I'm sure. My kind always do.  
Except for Aunt Frieda and an unfortunate few.  
I want to get out from this humdrum house.  
I mean, this really is no place for a well-meaning mouse.

To simply soar free like the big birds that I've seen  
And feel wind move my whiskers like bulrushes in spring.  
I've learned too many tidbits from the novels I nibble  
And now I want to wander where walruses wibble

Or slither with snakes in the scorching savannah  
Or even make memories marauding in Montana.  
I hate to complain; I mean I really feel awful,  
But I'm sick of my company. They're really a paw full.

Sheet rock walls smother me like late Aunt Frieda's kisses,  
Good-bye to my family and the best of wishes!  
I'm leaving for critter country, adventure and fun.  
Maybe you'll hear me squeak "Freedom!" at the top of my lungs.

**Christina Lyro**  
Covenant High School

**2014 Our Own Expressions**  
**11th & 12th Grade Poetry Winner—3rd place**

## Fund Development

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Manager  
Lynne Hoffman

Staffing  
2.75 FTEs

Operating Budget  
\$ 254,341

### 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.

With funds raised in 2014-15, Pierce County Library Foundation will direct funding to early learning and senior outreach programs to carry out its two-year promised to the library.

### Metrics

- Number of active donors.
- Funds from gifts, grants, giving.
- Number of new donors

### 2015 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 \$480,000 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 finalize fundraising for the South Hill Library capital project and develop future campaigns to enhance specific branch libraries.

### 2014 Notable Accomplishments

- Total distributions increased by \$166,903 over last year and 7% over goal.

- The Foundation reached 99% of its \$235,000 goal for Early Learning and Senior Outreach distributions.
- \$67,000 in restricted gifts was received for Early Learning. Additionally, \$30,000 in unrestricted giving\* has been board designated for Early Learning.
- \$105,716 was received for Senior Outreach. Additionally, \$30,000 in unrestricted giving has been board designated\* for Senior Outreach.
- Funding for specific Programs for Youth included Block Play, Board book give-aways, Science to Go, Summer Reading, Our Own Expressions and two vans for the BEES Outreach to Schools program.
- Funding for specific Programs for Adult Learners included books in various formats for the Senior Collection, a van for the Senior Outreach Program and Pierce County READS.
- In October 2013, the Foundation received a \$50,000 unrestricted Creative Leadership Award from the Paul G. Allen Family Foundation. At the request of the Library, the Foundation will hold funds to be made available to managers for innovative programs that need additional funding.
- The Foundation received its first installment of \$75,000 of a \$150,000 grant from the Paul G. Allen Family Foundation for the Scout project. (Special Projects)
- \$23,799 was received in gifts and pledge payments for capital projects compared to \$93,306 in the previous year.
- Additionally, the Foundation Board has designated unrestricted funds generated in 2013-14 for Pierce County READS, Our Own Expressions, Science to Go and Scout.

## Staff Experience

Manager  
Cheree Green

Staffing  
4.80 FTEs

Operating Budget  
\$ 734,799

### 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.

### 2015 Goals and Projects

- Continue to grow and develop the Wellness program. Successful application for Well City status earnings through AWC.
- Implement staff engagement survey and action plans for staff.
- Complete comprehensive compensation study for staff.
- Assess and evaluate service awards processes and program.
- Update the Library's Employee Handbook into a useful, welcoming pamphlet with information relevant to staff.
- Begin negotiations for Collective Bargaining Agreement to implement in 2016.
- Launch first cohort to participate in PCLS' Leadership Academy.

### 2014 Notable Accomplishments

- Successful implementation of revised Wellness program in partnership with AWC.
- Created and implemented training course catalogues to outline Learning opportunities for staff and Leadership.
- Assisted in leading the Library's efforts to implement Leadership Competencies for all supervisory staff.
- Assessed and evaluated Staff Experience functions and processes to gain efficiencies. Implemented formal processes for Recruitment and Staff Documentation.
- Created and implemented Supervisory training fundamentals for new and existing Leadership staff.
- Evaluated and selected 3rd party vendors for staff engagement survey and compensation study.
- Researched and selected L&I vendor, Sedgwick as the Library's TPA for worker's compensation claims.
- Reviewed SE internal customer service results; finalized and implemented action plan.
- Formalized, communicated and educated on the updated ADA process. Developed an ADA log for internal tracking of requests and outcomes.
- Assisted in the successful recruitment efforts for new Executive Director.

# Part 7 About the Library

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Pierce County  
Library System

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INFORMATION ■ IMAGINATION

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## 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 Library served an estimated population of 564,000 in 2014 (using 2010 census results). In December 2014, 285,292 people had active Pierce County Library System library cards, an increase of 35,201 from the previous year. The Library offers nearly 1.1 million books, DVDs, audiobooks, and other items. In 2014, people checked out nearly 6.9 million items (2013: 7.6 million) and people made over 2.3 million visits to libraries and bookmobiles (2013: 2.4 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 2013, 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 201 branches and 22 bookmobiles.

See page 139 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 2013, the Community & Outreach Services Department served over 30 adult care facilities and

about 50 group homes and people who are homebound. Beginning 2013, due to budget reductions, most bookmobile services ended. The Explorer Kid's Bookmobile provided summer service children in low-income neighborhoods. 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 564,000 people. In 1946 Pierce County Library offered 6,385 books and 6,800 from Tacoma Public Library. Today Pierce County Library System offers nearly 1.1 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
2013.....	57,840 .....	36.5 .....	223,235

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 (2014)**

	FTEs
Joint Base Lewis-McCord.....	66,054
Local Public School Districts (k-12).....	13,408
Multicare Health System.....	6,904
Washington State Employees .....	6,455
Franciscan Health System .....	5,338
Pierce County Government.....	2,979
Washington State Higher Education .....	2,566
Fred Meyer Stores.....	2,560
State Farm Insurance Companies.....	2,206
City of Tacoma.....	2,078

Notes:

Source of data: The News Tribune

Pierce County Library System is 70th at 258 FTEs in 2014

**Other Pierce County Data (2011-13)**

K-12 students enrolled (2013-14) <sup>1</sup> .....	129,134
School districts / schools (2014) <sup>2</sup> .....	17 / 300
Colleges and Universities (2014) <sup>2</sup> .....	7
Licensed drivers (2012) <sup>3</sup> .....	557,367

Notes:

1. Office of Superintendent for Public Instruction
2. Pierce County website
3. Washington State Office of Fiscal Management



**Table 7-1: Major Milestones of the Pierce County Library System**

<b><u>1946 - 1989</u></b>	
<b>1946</b>	Pierce County Library established as a department within Tacoma Public Library. Four library locations: American Lake Gardens, Gig Harbor, Longbranch and Parkland.
<b>1980</b>	Orting, Steilacoom and Sumner citizens voted to annex to Library System. New libraries opened in Gig Harbor and Key Center.
<b>1982</b>	Eatonville citizens voted to annex to Library System. New libraries opened in Bonney Lake, Orting and South Hill.
<b>1983</b>	Buckley citizens voted to annex to Library System.
<b>1984</b>	Audiobooks on cassettes offered in libraries. Computer checkout system started. Library services provided to children in child care centers.
<b>1985</b>	New library opened in Tillicum.
<b>1986</b>	Voters approved \$28.9 million bond issue for system expansion program for 12 construction projects.
<b>1987</b>	Gig Harbor citizens voted to annex to Library System. Friends Connection formed to encourage communication among community library support groups.
<b><u>1990 - 1999</u></b>	
<b>1990</b>	New libraries opened in Eatonville, Gig Harbor, Parkland/Spanaway and South Hill.
<b>1992</b>	New libraries opened in Graham and Summit.
<b>1996</b>	Edgewood and Lakewood citizens voted to annex to Library System.
<b>1997</b>	Library System website created. Our Own Words Teen Writing Contest started.
<b>1998</b>	Library offered e-sources (online databases and subscription magazines) and computers with Internet access at all libraries.
<b>1999</b>	DuPont and Milton citizens voted to annex to Library System.
<b><u>2000 - 2009</u></b>	
<b>2000</b>	Audiobooks on CDs offered in libraries.
<b>2001</b>	Bilingual story times started. Explorer Kids' Bookmobile brought library service to children isolated from libraries.
<b>2005</b>	Express Checkout allowed customers to check out books on their own. Downloadable audiobooks offered via the library's website.
<b>2006</b>	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.
<b>2007</b>	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.
<b>2008</b>	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.
<b>2009</b>	Fife citizens voted with a 69% approval to annex to the Library System.
<b>2010</b>	Fife residents started library service with the bookmobile. Job and Business Centers opened.
- Continued -	

- Continued -

**2010 - Current**

- 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.
- 2012** Opened Fife Library, the first ever library in the City of Fife. 780 people attended the grand opening. 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.
- 2014** Neel Parikh retires after 20 years as Executive Director and Library's fourth director, Georgia Lomax, comes on board. Began new download services: Zinio for magazines and Hoopla for music, movies, TV shows and audiobooks. First-ever DIY fest with local authors, hands-on activities, kitchen demos, food trucks and a DIY bookmobile. Started a new learning program, Science to Go. Launched Scout, an interactive online library experience. Received Emergency Food Network Silver Spoon Award; honored with Tacoma Community House Partnership Award.

**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 2014)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Population of service area as of end of fiscal year: .....	560,000	544,000 <sup>1</sup>	555,000	558,000	564,000
Service Area Size (in square miles, rounded): .....	1,800	1,800	1,800	1,800	1,800
Library Materials: .....	1,293,155	1,258,794	1,193,597	1,149,283	1,095,007
Circulation: .....	8,762,736	8,534,808	8,161,990	6,937,235	6,906,394
Library Visits: .....	2,682,141	2,631,464	2,507,596	2,271,627	2,325,547
Open Hours/Week: .....	926	973	973	973	973
No. of Registered Borrowers (active cardholders): .....	244,650	250,290	261,034	250,091	285,292
Programs given for Children: .....	2,972	2,749	2,548	3,127	3,700
Pierce County Reads Program Attendance: .....	1,788	1,240	2,181	1,176	2,181
Hours kids read during Summer Reading: .....	73,167	69,670 <sup>2</sup>	75,450	93,470	107,405
Bookmobile Stops: .....	Est 1,700	Est 1,700	Est 1,600	0 <sup>3</sup>	0 <sup>3</sup>
Volunteer Hours/Year: .....	5,841	5,163	5,941	17,989	18,447
Website Visits: .....	2,955,758	2,888,420	2,880,420	2,425,736	2,097,905
Staff (Employees, excluding substitutes): .....	343	370	353	349	351
Staff (FTE equivalent): .....	261.2	265.2	262.1	257.4	261.3

## Notes:

1. Recalculated from 2010 census results.
2. Methodology in counting hours read changed.
3. Bookmobile service ended in December 2012.

In the 2014 Library Journal “Star” data, PCLS was rated 453 in the \$10M-\$29.9M category (2013 was 515 in the \$10M-\$29.9M category), which is 71 out of 113 libraries. The highest library ranked continued to be Naperville Public Library (1,441) and the lowest continued to be Buffalo and Erie County Public Library (104). Seattle Public Library was ranked 5th (1,096) in the \$30M+ category.

In Washington State, PCLS ranked in 2013:

- 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
- 5th 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).



## Library Facility Information

**Table 7-3: Library Facility Data**

Library/Facility	Facility Owner	Age of Facility	Floor Space (Square Feet)
Anderson Island (AI)	Anderson Island Community Center	1931 Renovated 1971	422
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
<b>Total:</b>			<b>217,824</b>
<b>Per Capita:</b>			<b>0.39</b>

## 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) <sup>1</sup>
Anderson Island	Unincorporated Pierce County	<sup>5</sup>	<sup>5</sup>
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	<sup>2</sup>	<sup>2</sup>
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 <sup>3</sup>	Unincorporated Pierce County	24,113	28,000 – 31,000
<b>Total:</b>		560,432	681,000 – 752,000 <sup>4</sup>

**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.
5. Included in Steilacoom population.

During the 2009 – 2010 Facilities Master Plan project, the population numbers were carefully studied for 2010 and for 2030. All communities were analyzed in

considerable detail for library needs now and in the future.

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# Part 8 Concluding Material

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## Acronyms & Glossary

### Acronyms

ALA .....	American Library Association	MLIS.....	Masters of Library and Information Sciences
AWC.....	Association of Washington Cities	MYA.....	Mid-Year Adjustment
BSC.....	The Balanced Scorecard	OCLC.....	Online Computer Library Center
CIF.....	Capital Improvement Fund	OPAC .....	Online Public Access Computer
CIPA .....	Children's Internet Protection Act	PAC.....	Processing and Administrative Center
COLA .....	Cost of Living Adjustment	PCLS.....	Pierce County Library System
CPI-U.....	Consumer Price Index-Urban Workers	PEBB .....	Public Employees Benefits Board
EHCWa...	Employers Health Coalition of Washington	PERS .....	Public Employees Retirement System
FTE .....	Full-Time Equivalent	PLA .....	Public Libraries Association
GFOA .....	Government Finance Officers Association	WCIF .....	Washington Counties Insurance Fund
ILS .....	Integrated Library System	WIFI .....	Wireless Fidelity, or Wireless
IPD .....	Implicit Price Deflator	WLA .....	Washington Library Association
MLS .....	Masters of Library Science	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](http://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](http://www.pla.org), [www.ala.org](http://www.ala.org), and [www.wla.org](http://www.wla.org).

**Washington Counties Insurance Fund (WCIF).** An insurance pool that provides medical and dental coverage, and life insurance. The Library participates in the WCIF dental/life insurance program. See also EHCWa PEBB.

**Wireless Fidelity, or Wireless (WiFi).** This contemporary technology provides a computer user to use a computer, most often a laptop, to access the Internet or other network resources without the need for a physical network cable. WiFi technology most often is referred to as IEEE standard 802.11a/b/g/n, which is the same technology used for cordless phones. The effective WiFi distance between a laptop and the source antenna is usually limited to around 100 feet. In library nomenclature, WiFi has come to mean providing computer owners the ability to bring in their laptops and mobile phones into branch premises and access the Internet via the library's network.

**Washington Library Association (WLA).** The Washington State association for state libraries. A regional/state organization. See also ALA, PLA.

**Washington State Library (WSL).** The State Library, currently reporting to the Washington State Secretary of the State. WSL provides some branch services, special library services to the state, training for library employees, administration of the K-20 network, and general resources to the library community.

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### Unbroken

Can these barbed wires hold me?  
 Not forever – I will be free.  
 These shackles will not bind me.  
 Not forever – I will be free.  
 This tyranny will not suppress me.  
 Not forever – I will be free.  
 This nightmare will not frighten me.  
 Not forever – I will be free.  
 Their corruption will not deceive me.  
 Not forever – I will be free.  
 The torture and pain will not affect me.  
 Not forever – I will be free.  
 These barbed wires will not hold me.  
 One day,  
 I will be free.

By rescue, or –  
 the kind hand of death.  
 I will be free.

Auschwitz 1942

**Claudia Speakes**  
 Kallas Junior High School

**2014 Our Own Expressions**  
**9th & 10th Grade Poetry Winner—3rd place**