

**Pierce County
Library System**

Information & Imagination

2019 Budget

We Spark Success for Pierce County

2019 Budget Narrative

Thank you.

Thank you for supporting reading. Thank you for supporting early childhood education. Thank you for supporting job seekers and small businesses. Thank you for supporting public meeting spaces; a robust collection of books, movies, and materials; convenient open hours; and locations throughout the community. We appreciate the public's approval of a levy lid lift, which allows us to continue providing the great services you've come to expect and appreciate.

Voting to increase taxes is difficult. And while you've told us over and over that you value libraries and all they add to your life, for some people getting to yes was just too hard. We heard you. Our task is clear. In the coming years, we will continue to work hard to provide you with the quality services, materials, and facilities you value most. We will continue to be good stewards of the money you've invested in your community's future. We will focus our efforts to be the library system you want, and to keep your trust that a dollar spent on library services is a dollar well spent.



This budget lays a solid foundation for Library finances. It allows us to make sure we're providing access to current technology, to perform overdue repairs and maintenance, and to provide the classes and events to help you navigate the real world and meet your goals. It also allows us to plan for the next five years and balance our funding against increasing costs. The funding increase from the levy lid lift will be used to offset rising costs this year and into the future, allowing us to make the additional funds from the levy lid lift last as long as possible. This budget addresses immediate needs, and it anticipates and provides for services in the coming years.

On behalf of the Board of Trustees and the entire Pierce County Library System, thank you for your support, your trust, and your belief that good libraries are an important part of who we are.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rob Allen', followed by a long horizontal line.

Rob Allen

Chair, Board of Trustees

Voter-approved restored levy maintains services

2018 marked the second time in the history of the Pierce County Library System that voters were asked to restore the Library's funding with a levy lid lift. In November 2018, 106,844 voters approved a levy lid lift with a 50.21% approval rate, restoring the Library's funding to its fully authorized amount.

This was a tight election, and the Library System recognizes any tax measure requires a personal investment from the people living in the Library's service area. The Library System is grateful to voters for believing in their public library. The approval shows a positive endorsement for the value the Library System brings to communities.

With the public's investment the Library System will continue to support residents' growth and curiosity, offer excellent reading choices, and work to connect and strengthen communities. The restored levy will maintain services including open hours at 20 locations and online library resources; 1.1 million books, e-books, movies and other materials; staff to support learning with thousands of classes and events; computers, Wi-Fi and technology; and community spaces.

The measure increased the Library's levy rate by approximately 10 cents per \$1,000 of assessed property, returning the Library's levy rate to its full legal amount of 50 cents per \$1,000 of assessed property value. The levy takes effect in 2019.

This was a one-time permanent levy lid lift. The Library System plans to invest a portion of the funding in 2019 services and set aside the rest of the monies to stabilize funding when costs again start to exceed property tax revenue. Property tax provides 95% of the Library System's revenue. The Library projects the restored levy to maintain services through at least 2023.

Pierce County Library System: Organization & Structure

Established in 1946 under Washington State law Chapter 27.12 RCW, the Library is an independent taxing district governed by a five member volunteer Board of Trustees appointed by the County Executive. The Board sets the property tax levy each year and approves the annual budget on its own authority. Property taxes are the Library's primary revenue source. As the fourth-largest library system in Washington state, the Library serves 603,000 people through 20 locations in unincorporated Pierce County and 15 annexed cities and towns.

Skilled and knowledgeable staff members provide customer-focused service for individuals and communities. The Library's organizational culture and Core Skills and Qualities guide how its smart, fun, and friendly staff deliver services: customer focus, teamwork, professional integrity, leadership, communication, problem solving, change and learning, positive attitude, and diversity.

Management teams support the work of the organization, ensure accountability, tend to the organizational culture and live the Leadership Competencies. The organizational structure creates, manages, and delivers an excellent customer experience to best serve communities and staff.

- The Leadership Team provides a venue for customer-supplier partnerships to work at a system-view level. The Leadership Team shares customer feedback and information and manages operations to deliver services the public values. The team is also responsible for planning, developing, and managing the Library System's budget and annual work plans.
- The Administrative Team shares a common understanding of the whole system, focuses on the vision for the future, and shapes the organizational culture. The Administrative Team drives strategy and sets high-level system goals.

Library System's Commitment to Residents

Service offerings include...

The Pierce County Library is committed to meeting the public's highest priority library needs. In 2019, the Library will offer services and programs through learning, enjoying, and connecting as a community, to spark successes for Pierce County residents.

- Help from library staff to answer questions, find books and materials, and use technology.
- 1.1 million print books, magazines, DVDs, audiobooks, and music CDs.
- Online e-books, audiobooks, and magazines.
- Convenient library hours.
- Access to computers, Wi-Fi, printers, and other technology.
- Comfortable places to sit, read, and gather.
- Delivery of library books and materials to people who can't come to the library such as people who are living in adult care centers, are homebound, or in child care.
- Classes that prepare children for kindergarten such as story time.
- Events for school-aged children related to science, technology, engineering and math (STEM).
- Classes that prepare teenagers for success in life such as practicing for college entrance exams and adulting skills.
- Classes for adults to strengthen practical skills and knowledge such as financial literacy and technology.

In 2019 the Library is focusing on . . .

- A Year of Reading, which includes Pierce County READS, Summer Reading and personalized reading recommendations.
- More e-books and one-on-one tech help to assist customers with using technology for reading.
- Library staff helping to answer questions and give reading, watching, and listening recommendations.
- Community engagement around future libraries and ensuring current libraries are welcoming spaces for all.
- County-wide events such as Pierce County READS and MakerFest.
- Books and materials in Chinese, Japanese, Korean, Russian, Spanish, or Vietnamese.
- More use of library resources by students, by identifying barriers.
- Business support with outreach to new businesses in order to support local economies and self-employment.
- Our Community Adventure to provide families with an adventure map of activities to introduce 2 to 5 year olds to the big-wide world of their community.
- Financial and human resources system upgrades.

2019 General Fund – Revenue and Expenditures

With 95% of the Library's budget derived from property tax and state law restricting property tax collections to a 1% annual increase plus the levy on new construction, it is essential for the Library to project revenues and expenditures in advance to plan for sustaining services for the current year and future years.

By law, the Library may collect up to 50 cents for every \$1,000 of assessed property value. The Library District's property tax rate is based on property values.

For 2019 the Library System developed two budgets in anticipation of one of two outcomes from a levy lid lift election. One budget included reductions to resize the Library to provide valued services and sustainable operations if voters did not approve restoring funding. Revenues would be based on the 1% increase plus new construction restrictions on property tax revenue which were not keeping up with expenditures at current and projected operational levels. The second budget included sustained levels of service that would be possible if voters approved restored funding. Revenues were based on the Library collecting the statutory maximum of 50¢ for every \$1,000 of assessed property value.

Voters approved the one-time permanent levy lid lift, which restored the levy rate to 50 cents for 2019. The Library has planned a multi-year strategy to sustain services. The strategy sets aside a portion of annual revenues to balance the budget in future years when the 1% statutory limitation on revenue growth is projected to not keep up with cost increases.

For 2019, total new revenues from all sources are budgeted to increase by net \$4,400,300 from 2018, a 13.76% increase. More than half of the \$4,400,300 will go towards infrastructure and building projects, and cash flow management during low revenue months.

The total amount of revenue is certified to be \$39.4 million in 2019. About \$3 million will be set aside in 2019 for future sustainability, and it will grow through additional savings and set asides for several years. After which, the accumulated savings will be used for balancing future budgets when costs exceed revenue.

	2017 Actual	2018 Budget	2019 Budget	2018 to 2019 %chg
Revenues				
Taxes	\$ 29,268,265	\$ 30,164,202	\$ 34,508,500	14.40
Intergovernmental	96,250	15,000	15,000	0.00
Charges for Services	195,511	186,500	187,500	0.54
Fines	436,105	400,000	400,000	0.00
Donors	177,053	350,000	350,000	0.00
Other	598,037	858,000	913,000	6.41
Total Revenues	\$ 30,771,221	\$ 31,973,702	\$ 36,374,000	21.35
Expenditures				
Personnel	\$ 21,845,018	\$ 22,707,500	24,332,700	7.16
Maint. & Ops.	4,145,354	5,149,000	5,176,200	-2.48
Materials	3,792,922	3,546,900	3,805,100	7.28
Subtotal	\$ 29,783,294	\$ 31,562,200	\$ 33,314,000	5.55%
Set-Asides & Transfers				
Transfers to Capital Improvement Fund	\$ 986,194	\$ 411,500	\$ 1,460,000	254.80
Transfers to Special Purpose Fund			1,100,000	New
Set Aside for Apr/Oct Cashflow			500,000	New
Subtotal	\$ 986,194	\$ 411,500	\$ 3,060,000	643.62
Total Expenditures	\$ 30,769,488	\$ 31,973,700	\$ 36,374,000	13.76
Revenues less Expenditures	\$ 1,732	\$ 0	\$ 0	0.00
Fund Balance				
Beginning Fund Balance	\$ 6,943,258	\$ 6,443,991	\$ 7,738,394 ¹	10.52
Ending Fund Balance	\$ 6,443,991	\$ 7,738,394 ¹	\$ 8,400,000 ¹	0.00

¹ Fund balance for 2019 year-end is an estimate; final year-end balance is calculated in March of each year.

Funding the Library

Revenues: Where They Come From

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

Taxes. Local property taxes constitute 94.9% of total 2019 revenues. The total allowable property tax levy is calculated by Pierce County Office of the Assessor-Treasurer using statutory rates and limitations. A small amount comes from other taxes including tax title, leasehold excise taxes, and timber taxes.

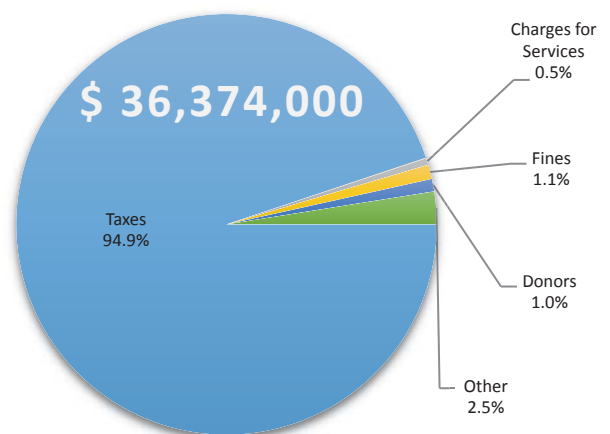
Intergovernmental. The Library receives revenues from other governmental entities, such as grants and contracts, from time to time, generally for specific projects.

Charges for Services. Charges for services include revenue from photocopying, customer printing and faxing in the libraries, and interlibrary loan fees.

Fines. Library fines are received from library customers paying for books and other materials returned late, or for lost items. The daily fine for physical items is 15 cents. There are no fines on e-books or downloadable materials as they are automatically deleted from the customer's device.

Donors. A nonprofit Foundation fundraises for the Library and distributes donor gifts and benefits to the Library.

Other. Other revenues include interest earned on investments, scrap sales of assets, Friends of the Library donations, and reimbursement from the federal E-rate program.



Operating the Library

Expenditures: What They Pay For

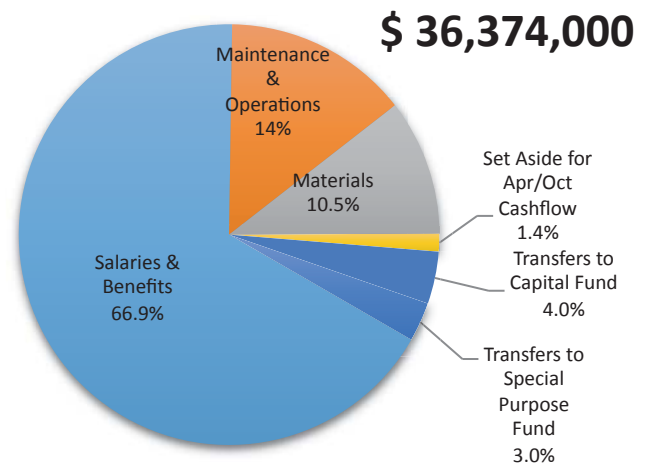
Salaries & Benefits. Personnel costs account for 67% of expenditures and pay for staffing the Library to meet its mission and goals. Included are salaries/wages, healthcare/dental, FICA, retirement, and other personnel costs. The Library will employ 286 FTEs in 2019.

Materials. The Library provides a wealth of materials for its customers to read, view, and listen to. Staff carefully select books, movies, music, magazines, e-books and more 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 communities. With nearly 1.1 million items available, people checked out those items 6.1 million times in 2018.

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

Contingency. A small portion of the budget is reserved for handling unexpected needs, such as emergency repairs and other unanticipated costs. During the year, savings from efficiencies and lower than projected costs are added to the working contingency, which fluctuates throughout the fiscal year.

Transfers to Capital Fund. Some funding for capital projects comes from transferring funds out of the operating budget. In 2018, due to funding constraints, the Library reduced the transfer to 1.3% of revenue, compared to the prior year of 4%. For 2019, the transfer will be set at nearly \$1.5 million, which is 4.1% of revenue.



2019 Capital Improvements/Special Purpose/Debt Service

Fund Balance

Fund balance includes cash and investments less outstanding invoices and payroll due.

Special Purpose Fund

The Special Purpose Fund, also known as Special Revenue Fund, is a fund the Library System uses for committed and restricted projects, as designated by the Board of Trustees. In 2019 the fund will maintain the committed set asides for future election costs and future land and property, which total nearly \$990,000 at the beginning of 2019 and to be increased through additional transfers. The Library System creates a budget only when the Board approves the release of the committed funds for specific projects.

Debt Service Fund

The Library System Debt Service Fund makes payments related to debt, for example bonds. The Library System last used the Debt Service Fund in 2002.

Transfers to Special Purpose Fund

A portion of the operating budget is set aside for special projects, future building projects, and long-term sustainability. For 2019, the transfer is set to be \$1.1 million; \$500,000 will be added to the Future Building Projects set-aside, and \$600,000 will be allocated to restoring the election set-aside costs. The Special Purpose Fund will also take a portion of property taxes as a reserve to pay for future operations. This amount is estimated to be \$5.4 million in 2019 and will be directly allocated as property tax revenue as received from the Pierce County Treasurer.

Capital Improvement Fund

	2017 Actual	2018 Budget	2019 Budget	2018 to 2019 %chg
Revenues				
Use of Fund Balance	\$ 528,223	\$ 100,000	\$ 217,085	117.09
General Fund Transfers	986,194	411,500	1,460,000	412.28
New Revenue	99,529	0	0	0.00
Total Funding Available	1,613,946	511,500	\$ 1,677,085	335.61
Expenditures				
Projects	1,586,414	486,500	1,380,000	183.66
Contingency	27,532	25,000	25,000	0.00
Total Expenditures	1,613,946	511,500	1,415,000	176.64
Revenues less Expenditures	\$ 0	\$ 0	\$ 262,085	New
Fund Balance				
Beginning Fund Balance	\$ 1,673,392	\$ 1,390,170	\$ 1,551,840 ¹	-2.83
Ending Fund Balance	\$ 1,390,170	\$ 1,551,840 ¹	\$ 1,800,000 ¹	16.77

¹ Fund balances for year-end 2019 is an estimate; final year-end balances are calculated in March of each year.

Strategic Plan

Pierce County Library System sparks success for Pierce County

With 20 libraries, hundreds of events, helpful staff, and 1.1 million books and materials, the possibilities are endless.

Guiding Principles

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

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

Focus Areas



Learning. Support growth and curiosity.

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



Enjoyment. Help people enjoy their free time.

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



Community. Connect and strengthen communities.

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

Core Services



Materials

Provide books and resources the public values.



Technology

Meet needs with today's technology.



Staff

Connect people to the right resource at the right time.



Partnerships

Collaborate with others to best serve communities.



Spaces

Provide welcoming and vital spaces for communities.



Classes & Events

Offer skill-building classes, and interesting events.



Business Processes

Make smart investments in sound and sustainable operations.

Facilities Master Plan Update – Opportunities

From late 2008 through 2009, the Library developed Pierce County Library 2030: Facilities Master Plan. To be responsive to changing community needs and interests, the plan requires regular review. In 2016-2017, the Library updated its data; conducted a major public engagement process gathering 12,000 responses from individuals; reviewed progress on implementing the plan; and revised recommendations in the facilities master plan.

The 2017 update reflected the growth of the Library District's population to an estimated 600,000 (2019 projected population is 603,000), the addition of e-books as a popular and well-used format, the increase of mobile devices, and community members' desire for welcoming, inclusive spaces to connect with others around shared interests and activities or to explore community issues.

The 2017 update addressed planning and priorities for new and expanded buildings, as well as major maintenance, modernization, and refreshing interiors of aging buildings. It also included a review of funding strategies available to the Library System.

Pierce County Library 2030 and the 2017 update confirm the Library Board of Trustees' commitment to provide equitable services and facilities across the district, while being responsive to impacts on taxpayers and ensuring the Library System supports and sustains ongoing operations in potential larger or additional facilities.

In 2019, the Library is launching a multi-year project to consider potential new libraries in Sumner, Lakewood and Tillicum. The City of Sumner has been developing comprehensive plans for Town Center and East Main Street. The plans call for changes in use where the Library is currently located. The City has purchase property to hold as a site for the Library to relocate. The City of Lakewood's Comprehensive Plan, updated in November 2018, prioritized ensuring high-quality library services are available to Lakewood residents. It promoted constructing a new main library facility (Lakewood Library) within

the City's downtown core. In 2019, the Library System will engage with the public to gather input and an understanding of public interest and readiness for capital library projects in the cities of Sumner and Lakewood. Simultaneously with the public engagement, the Library System plans to develop processes to plan for facility concepts and services as well as capital campaign planning and fundraising and general obligation bond preparation.

The Library will continue conversations with communities that may have an interest in considering changes to their libraries.

Accomplishments and Upcoming Projects / Initiatives

2018 Accomplishments

Learning

- 176 Block Play classes and 1,348 Story Times
- 2,995 Baby Books To Go and 5,673 Science To Go backpack checkouts
- 16 Life after High School classes and events
- Services for job seekers and small businesses
- Law Library services established at Gig Harbor

Enjoyment

- Reader recommendation services launched – My Next Read and e-newsletters
- E-book choices increased with one-on-one technology assistance
- Pierce County READS
- Summer Reading Program for all ages

Community

- Significant public engagement to understand library priorities within the communities
- Teen summer volunteer program launched
- Pierce County Conversations
- On the Road with Summer Reading
- MakerFest

Strengthen Core Services

- Online events calendar and meeting room booking software
- Training to support staff leadership development
- Replacement of outdated printers and copiers
- New online request system for book choices not owned by Pierce County Library
- Community engagement training for staff
- Development of a staff Diversity and Inclusion strategy
- Online catalog system upgraded
- Fife Library updated
- Development of 5-year Technology Plan

2019 Initiatives

Following is an overview of some of the services the Library is focused on during 2019.

Learning...inspire life-long learning:

- Increase engagement with schools and students with the Card in Every Hand program.
- Conduct Life after High School workshops with adulting classes and college test prep.
- Open a Law Library kiosk at Lakewood Pierce County Library.
- Create one-stop shopping job resources in partnership with WorkSource.

Enjoyment...foster the love of reading:

- Present A Year of Reading:
 - Pierce County READS, community one-book reading program
 - Author events
 - Personal reading shoppers with My Next Read, which matches you with books based on your interests
 - E-newsletters with reading recommendations
 - Read to a Dog to build children's reading skills
- Update books, movies, and other materials and offer more e-books, audiobooks, and other materials online.
 - In recent years to meet the Library System's revenue gap, it bought fewer books and materials.
 - As a top priority from the public, the Library will invest some of the funding from the public's vote to restore the Library's full levy rate, in buying more books, e-books, and in-library and online audiobooks.

Community...engaging with residents:

- Engage residents in Sumner, Lakewood, and Tillicum to learn their interest and readiness for potential new libraries.
- Talk with people throughout Pierce County to ensure Pierce County Libraries are welcoming spaces for all people.
- Interior refresh of the Parkland/Spanaway Pierce County Library.
- Inspire civic engagement for families through Our Community Adventure's activities for 2 to 5 year olds.
- Offer books and materials in detention centers.
- Expand Teen Volunteer League summer program.
- Grow business support for new businesses.

Strengthen core services

- Launch mobile app.
- Develop cloud platform strategy to more efficiently use computer systems.
- Advance cybersecurity strategy for safer public and staff computer use.
- Upgrade finance and human resources management system.
- Maintain and update library buildings.
- Explore opportunities for new and relocated library buildings.

2019 Debt Service

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

Debt Capacity

Unrestricted General Tax Obligation Bonds (UGTO)

Library District assessed value:	\$ 78,704,655,320
Legal UGTO bond capacity:	x 0.005000
Maximum UGTO capacity:	\$ 393,523,276
Current outstanding UGTO bonds:	<u>- \$ 0</u>
Available UGTO capacity:	\$ 393,523,276

Councilmanic Bonds

Library District assessed value:	\$ 78,704,655,320
Legal Councilmanic bond capacity:	x 0.001000
Maximum Councilmanic capacity:	\$ 78,704,655
Current outstanding Councilmanic bonds:	<u>- \$ 0</u>
Available Councilmanic capacity:	\$ 78,704,655

Current Bonds and Debt

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

Last Use of Debt (System Expansion Project)

In 1986, voters passed a \$28.9 million general obligation bond levy to construct new library facilities, including the purchase of land and the acquisition of furniture and equipment. It included funds to remodel/renovate existing library facilities throughout the Library System and to purchase books and other materials. Bonds were issued in 1986 (\$18 million), 1990-91 (\$8 million), and 1992 (\$2.9 million). In 1995, 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. Every year, the Library has reviewed elements in the plan. In 2017, the Library conducted a more extensive update of the plan.

Bonds Explained

Unrestricted General Tax Obligation Bonds (UGTO). Bonds may be issued as a measure to voters in the taxing district and require 60% approval. The Library's maximum legal debt capacity is one half of 1% of the Library District's assessed valuation, and in the simplest form may be levied up to 30 years. The Library District's assessed value of \$ 78,704,650,000 means that the Library may issue an aggregate total of general obligation bonds up to \$393,523,000.

Library Capital Facilities Area (LCFA). UGTO bonds can be used either for district-wide projects or for a sub-district of the larger taxing district. In the latter case, the Library would create a specific area to include, for example, one or two cities and a portion of unincorporated Pierce County. This forms a Library Capital Facilities Area within which a bond would be issued. An LCFA requires two voter issues: one to create the LCFA (simple majority to approve) and the other to approve a bond for construction of one or more libraries (60% majority).

Councilmanic Bonds. The Library may also issue debt in the form of Councilmanic bonds at a rate of one tenth of 1% of the Library District's assessed valuation. Because these bonds are non-voted, they may be considered a bank loan secured by property tax revenue, payable out of the Library's existing funds or future revenue receipts. The Library District's assessed value of \$78,704,650,000 means that the Library may borrow up to \$78,705,000. This debt must be repaid within seven years.

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.

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

SUPPLEMENTAL DETAIL

2019

As of December 31, 2018

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Contained herein are supplemental budgetary data that reflect detailed information for the Pierce County Library System's 2019 budget, most of which were presented during the December Board of Trustees meeting for final passage of the budget.

General Fund Budget

Revenue	2018 Budget	2019 Budget	\$ Change	% Change
Property Taxes	\$ 30,081,200	\$ 34,425,500 ¹	\$ 4,344,300	14.4%
Excise Taxes	83,000	83,000	- 0 -	0.0%
Timber Taxes	15,000	15,000	- 0 -	0.0%
Fees (Printer, Fax, Copier)	186,500	187,500	1,000	0.5%
Fines	400,000	400,000	- 0 -	0.0%
Investment Income	50,000	100,000	50,000	100.0%
Sales of Goods/Services	8,000	5,000	(3,000)	-37.5%
Donations & Reimbursements	508,000	540,000	32,000	6.3%
Other (E-Rate, Pcard Rebates, Unclaimed Property)	642,000	618,000	(24,000)	-3.7%
Total Revenue	\$ 31,973,700	\$ 36,374,000	\$ 4,400,300	13.8%
Expenditures				
Personnel				
Salaries & Wages	\$ 16,469,590	\$ 18,032,900	\$ 1,563,310	9.5%
Overtime Wages	12,400	20,800	8,400	67.7%
Employee Benefits	6,225,510	6,279,000	53,490	0.9%
Total Personnel	\$ 22,707,500	\$ 24,332,700	\$ 1,625,200	7.2%
Maintenance & Operations				
Supplies and Consumables	\$ 392,000	\$ 353,800	\$ (38,200)	-9.7%
Fuel	35,000	35,000	- 0 -	0.0%
Equipment (Computers, Software, Furnishings)	801,200	764,430	(36,770)	-4.6%
Professional & Legal Services	849,700	538,300	(311,400)	-36.6%
Networking, Phones, Postage	725,600	723,400	(2,200)	-0.3%
Travel & Mileage	87,200	86,700	(500)	-0.6%
Advertising	59,500	94,500	35,000	58.8%
Rentals & Leases	543,000	426,900	(116,100)	-21.4%
Insurance	222,000	222,000	- 0 -	0.0%
Utilities	336,700	377,000	40,300	12.0%
Repairs & Maintenance, Maintenance Contracts	776,200	963,050	186,850	24.1%
Registrations	73,200	64,700	(8,500)	-11.6%
Dues, Taxes, Licenses, Fees, Miscellaneous Expenses	114,700	113,420	(1,280)	-1.1%
Contingency	278,800	400,000	121,200	43.5%
Intergovernmental	13,000	13,000	- 0 -	0.0%
Total Maintenance & Operations	\$ 5,307,800	\$ 5,176,200	\$ (131,600)	-2.5%
Materials: Books, DVDs, Music, eBooks, Databases	\$ 3,546,900	\$ 3,805,100	\$ 258,200	7.3%
Set-Asides & Transfers				
Capital Fund Transfer	\$ 411,500	\$ 1,460,000 ²	\$ 1,048,500	254.8%
Special Purpose Fund Transfer	- 0 -	1,100,000 ³	1,100,000	New
Set Aside for Apr/Oct Cashflow	- 0 -	500,000 ⁴	500,000	New
Total Set-Asides	\$ 411,500	\$ 3,060,000	\$ 2,648,500	643.6%
Total Expenditures	\$ 31,973,700	\$ 36,374,000	\$ 4,400,300	13.8%
Net of Revenues less Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	0.0%

¹ Reflects reauthorized levy at 50¢ per \$1,000 of assessed property values.

² Restored funding for capital improvements.

³ Set aside for future election costs.

⁴ Increase cash for liquidity during low months (yearend set aside will flow to balance sheet cash).

Capital Improvement Fund Budget

Funding Sources		2019 Budget
Carryforward funds from prior fiscal year (use of fund balance)		\$ 217,085
Transfer from General Fund		1,460,000 ¹
Total Funding Sources		\$ 1,677,085
Project Expenditures		
Commitments		
UP 5,000 sq ft Expansion (10 years—2012-21)		\$ 120,000
Current Building Improvements		
Buckley Site Evaluation		\$ 150,000
ACL Space Design and Furnishings		50,000
Welcoming Spaces		25,000
Capital Improvements/Major Maintenance		400,000
Total Current Building Improvements		\$ 625,000
Future Buildings (Facility Master Plan)		
New Building Fundraising Feasibility Study		\$ 80,000
Capital Campaign Feasibility Study		75,000
Exploration of Alternative Service Delivery		15,000
Total Future Buildings (Facility Master Plan)		\$ 170,000
Technology Updates		
EDEN Financial/HR System Upgrade		\$ 450,000
Public Website		25,000
Total Technology Updates		\$ 475,000
Contingency		\$ 25,000
Total Project Expenditures		\$ 1,415,000
Net of Funding Sources less Expenditures		\$ 262,085

¹ Restored funding for capital improvements—prior year's transfer was \$285,000.

Special Purpose Fund Budget

Funding Sources	2018 Budget	2019 Budget	\$ Change	% Change
Use of Special Purpose Election Set Aside	\$ 360,000	\$ 625,000	\$ 265,000	73.6%
Transfer from General Fund	300,000	1,100,000	800,000	266.7%
Investment Income	- 0 -	60,000	60,000	New
Total Funding Sources	\$ 660,000	\$ 1,785,000	\$ 1,125,000	170.5%
Special Purpose Expenditures				
Programs				
None planned for 2019	\$ - 0 -	\$ - 0 -	\$ - 0 -	0.0%
Projects				
Election costs (2018 incurred costs paid in 2019)	\$ 660,000	\$ 625,000	\$ (35,000)	-5.3%
Total Projects	\$ 660,000	\$ 625,000	\$ (35,000)	-5.3%
Total Special Purpose Expenditures	\$ 660,000	\$ 625,000	\$ (35,000)	-5.3%
Net of Funding Sources less Expenditures	\$ - 0 -	\$ 1,160,000	\$ 1,160,000	New
Committed Set-Asides in Fund Balance	2018 Budget	2019 Budget	\$ Change	% Change
Future Election Costs	\$ 660,000	\$ 600,000	\$ (60,000)	-9.1%
Future Land, Property & Facilities	624,263	1,124,263	500,000	80.1%
Sustainability for Future Operations	- 0 -	4,805,140	4,805,140	New
Total Funding Sources	\$ 1,284,263	\$ 6,529,403	\$ 5,245,140	408.4%
Net of Funding Sources less Expenditures	\$ - 0 -	\$ 1,160,000	\$ 1,160,000	New

Cash & Investments

Cash & Investments by Fund ¹ Projected (12/31)	2017 Actuals	2018 Actuals ²	2019 Projected
General Fund	\$ 7,630,760	\$ 8,427,099	\$ 8,930,000
Capital Improvement Fund	1,595,171	1,552,928	1,550,000
Special Purpose Fund	990,117	1,256,805	6,530,000
Debt Service Fund	84,726	86,171	87,000
Total Cash	\$ 10,300,774	\$ 11,323,003	\$ 17,097,000

¹ Cash & Investments are exclusive of payables/liabilities, the latter of which if included would be the "fund balance."

Includes balances in local bank accounts (KeyBank and Columbia Bank) and petty cash balances.

² Unaudited.

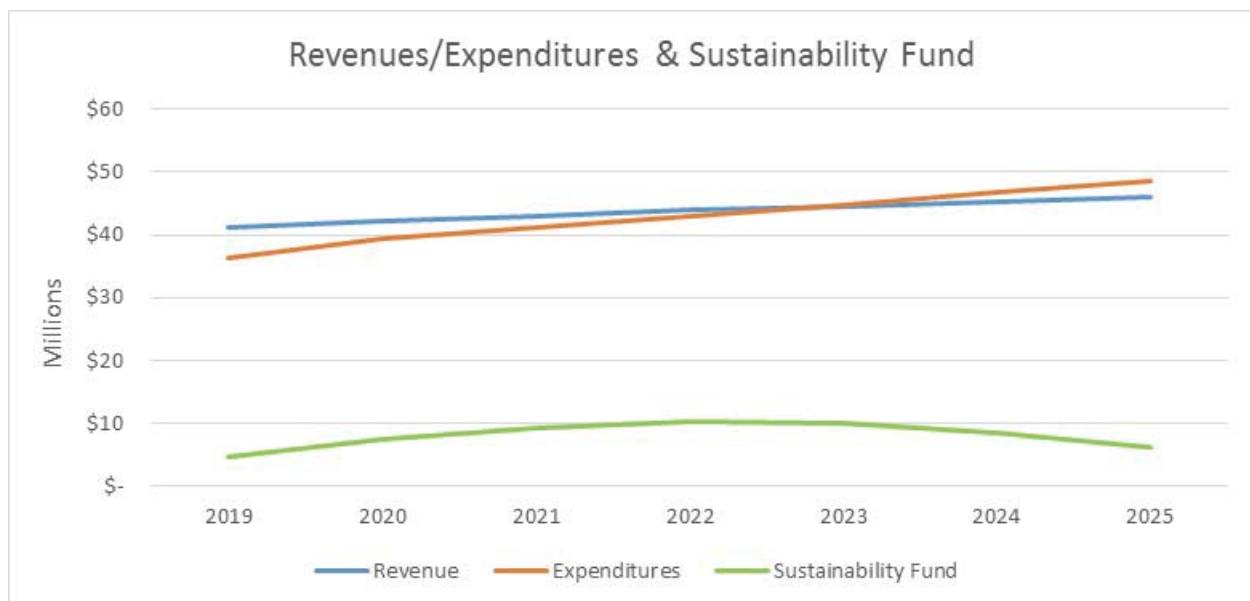
7 Year Projected Revenue & Expenditure (General Fund Only)

Projected (12/31)	(In Millions)						
	2019	2020	2021	2022	2023	2024	2025
Projected New Revenue	\$ 41.2	\$ 42.2	\$ 43.1	\$ 43.9	\$ 44.5	\$ 45.3	\$ 46.1
Projected Operating Expenditures	36.4	39.5	41.2	42.9	44.8	46.8	48.5
Net of Revenue Less Expenditures	\$ 4.8	\$ 2.7	\$ 1.9	\$ 1.0	\$ (0.3)	\$ (1.5)	\$ (2.4)
Sustainability Fund¹	\$ 4.8	\$ 7.5	\$ 9.4	\$ 10.4	\$ 10.1	\$ 8.6	\$ 6.2

¹ Sustainability Fund is held in the Special Purpose Fund and is Board-designated as "committed."

Assumptions:

- Property taxes increase by 1% plus new construction each year with no change to other revenues.
- Personnel costs include projected wage scale adjustments and benefit increases.
- Materials budget increases 4% each year.
- Maintenance & Operations budget increases 1.6% per year.
- Transfer to Capital Improvement Fund remains at \$1.46 million each year.



TABLES AND CHARTS

2019 UPDATE

As of December 31, 2018

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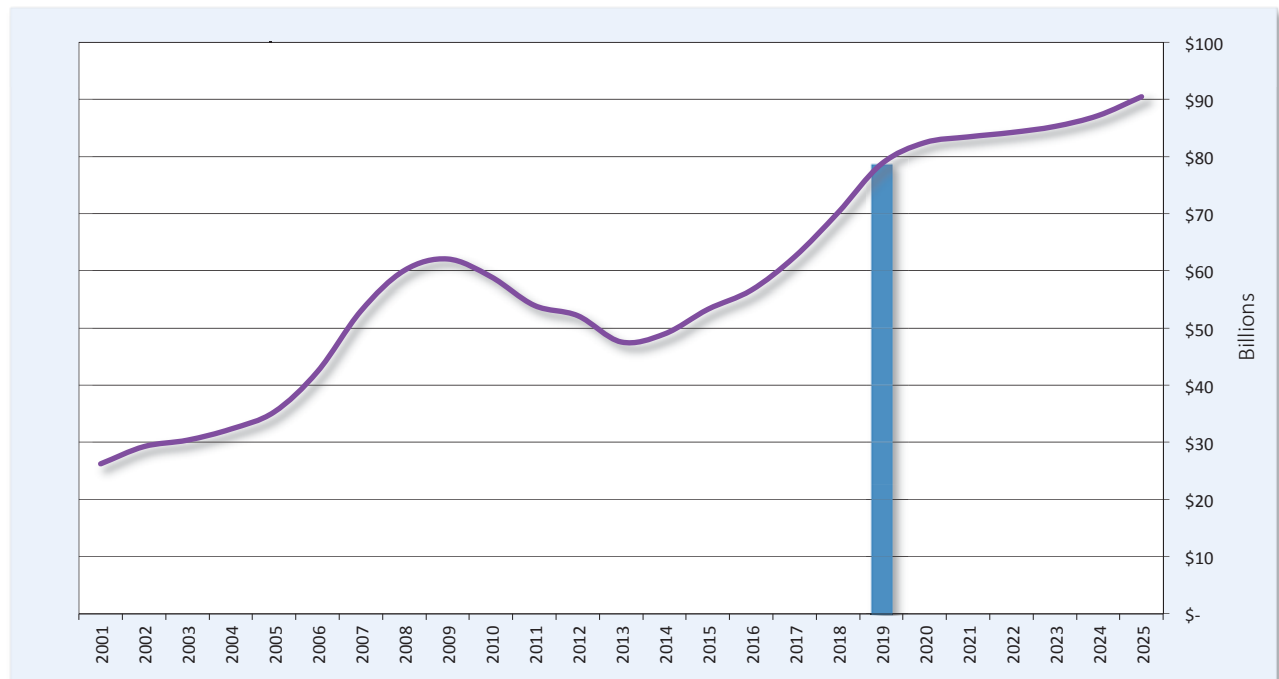
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Contained herein are numerical data that reflect the financials for the Pierce County Library System. The charts and tables are updated twice per year—after the annual report is finalized and during the following fiscal year’s budget process.

Assessed Values and Property Taxes

Library District Assessed Property Values (2001-Current with 6-Year Projections)

Since 2010, the Library's taxing district includes all of unincorporated Pierce County, and all cities and towns except: Tacoma, Puyallup, Fircrest, Ruston, Carbonado. The Library District's assessed value is at \$78.7 billion as of the end of 2018.



2019-2023 data based on Moody's Case-Shiller information for Tacoma-Lakewood WA Metropolitan Division as of June 2017. The Library updates the data semiannually (December and June).

Significant milestones include:

- 1946: Pierce County Library established as a department within Tacoma Public Library and is tasked to serve unincorporated Pierce County.
- 1980: Orting, Steilacoom and Sumner citizens vote to annex.
- 1982: Eatonville citizens vote to annex.
- 1983: Buckley citizens vote to annex.
- 1987: Gig Harbor citizens vote to annex.
- 1993: Bonney Lake citizens vote to annex.
- 1995: University Place citizens vote to annex.
- 1996: Edgewood and Lakewood citizens vote to annex.
- 1999: Milton citizens vote to annex after the city terminates to provide library services. DuPont citizens vote to annex.
- 2003: Wilkeson citizens vote to annex after contract for library services is cancelled.
- 2009: Fife citizens voted to annex to the Library District.

Many of the cities were part of unincorporated Pierce County served by the Library. When cities incorporated, they put ballots for their citizens to vote to join the Pierce County Library System instead of creating a city library.

Mill Rates and Projections (2020-2025)

Mill Rate—or millage—is represented as \$ (or cents) per \$1,000 Assessed Value in a property taxing district. The Library is statutorily limited to a maximum collection of 50¢ per \$1,000 of the Library District's assessed value. The table below shows the overall change in revenue as the change in assessed value increased and decreased since 2001.

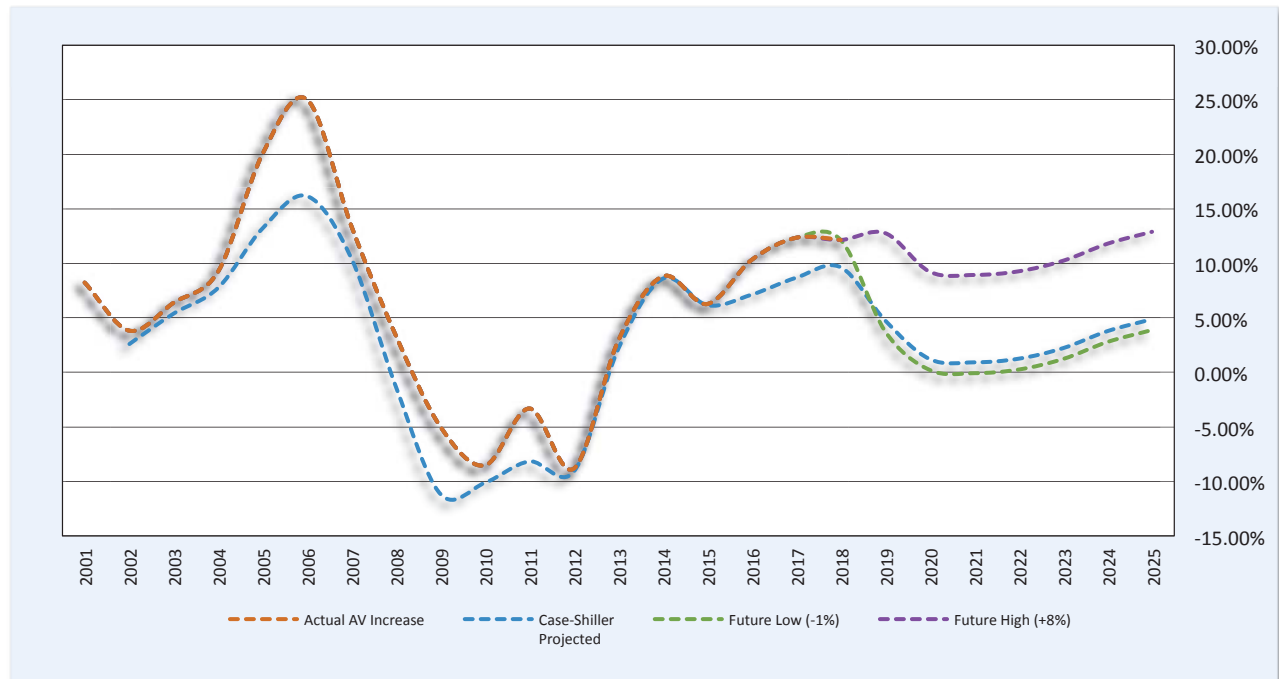
	Year	Mill Rate	Assessed Value	% Change	Base Property Taxes	\$ Change	% Change	New Construction	@50¢
Projections	2025	48.77¢	90,492,228,127	3.79%	44,128,550	931,966	2.16%	500,000	45,246,114
	2024	49.54¢	87,187,810,123	2.23%	43,196,584	823,729	1.94%	400,000	43,593,905
	2023	49.68¢	85,285,933,799	1.26%	42,372,855	766,068	1.84%	350,000	42,642,967
	2022	49.40¢	84,224,702,547	0.92%	41,606,788	708,978	1.73%	300,000	42,112,351
	2021	49.00¢	83,456,899,076	1.22%	40,897,809	701,959	1.75%	300,000	41,728,450
	2020	48.75¢	82,450,996,913	4.76%	40,195,851	843,523	2.14%	450,000	41,225,498
	2019	50.00¢	78,704,655,320	12.14%	39,352,328	9,212,150	30.65%	N/A	39,352,328
Actuals	2018	42.82¢	70,182,605,075	12.35%	30,140,178	963,063	3.31%	619,874	35,091,435
	2017	46.70¢	62,467,152,378	10.33%	29,177,115	867,233	3.06%	514,939	31,233,576
	2016	50.00¢	56,619,764,586	6.27%	28,309,882	1,670,975	5.96%	3,609	28,309,882
	2015	50.00¢	53,277,813,749	8.81%	26,638,907	2,156,863	7.70%	-	26,638,907
	2014	50.00¢	48,964,088,146	2.94%	24,482,044	698,947	2.49%	-	24,482,044
	2013	50.00¢	47,566,193,799	-8.82%	23,783,097	-2,300,131	-8.21%	-	23,783,097
	2012	50.00¢	52,166,456,544	-3.32%	26,083,228	-1,898,976	-6.78%	-	26,083,228
	2011	50.00¢	53,955,811,323	-8.52%	27,982,204	215,816	0.78%	15,923	27,982,204
	2010	46.95¢	58,984,142,315	-5.00%	27,766,388	216,834	0.79%	399,308	29,492,071
	2009	44.33¢	62,085,405,469	3.34%	27,549,554	942,387	3.54%	660,343	31,042,703
	2008	44.25¢	60,077,557,821	13.37%	26,607,167	1,171,490	4.61%	859,170	30,038,779
	2007	48.00¢	52,990,993,065	25.02%	25,435,677	8,445,844	49.79%	N/A	26,495,497
	2006	40.02¢	42,385,528,523	20.05%	16,989,833	870,139	5.40%	696,438	21,192,764
	2005	45.60¢	35,306,548,741	9.25%	16,119,694	688,421	4.47%	518,970	17,653,274
	2004	47.66¢	32,318,475,182	6.39%	15,431,272	637,434	4.29%	405,227	16,169,716
	2003	48.62¢	30,377,319,365	3.83%	14,793,840	682,641	4.83%	494,060	15,188,660
	2002	48.14¢	29,257,834,251	11.61%	14,111,199	598,608	4.43%	437,552	14,628,917
	2001	50.00¢	26,214,120,096	N/A	13,512,591	N/A	N/A	453,978	13,512,591

2020-2025 data calculated from Moody's Case-Shiller information for Tacoma-Lakewood WA Metropolitan Division as of May 2018. The Library updates the data from time to time.

Significant milestones since 2001 include:

- 2001: Washington state voters pass Initiative 747 to restrict property tax increases to 1% over the previous year's levy, which takes effect in 2002.
- 2006: In a districtwide election, voters approve to reset the lawful levy from 40¢ per \$1,000 of assessed value to 48¢ per \$1,000 of assessed value. Four levy promises were offered: Increase in Open Hours, Materials, Technology, and services to Children. The four levy promises were designed to last six years, but have lasted through 2017.
- 2010: Recession and the nationwide housing crisis begins to affect districtwide property values. From 2011 through 2016, due to decreasing housing values, the Library was at its statutory limit of 50¢ per \$1,000 of assessed value.
- 2016: The Library's revenue restored to the last highest lawful limit in 2010.
- 2018: In a districtwide election, voters approve to restore the lawful levy from 42¢ per \$1,000 of assessed value to 50¢ per \$1,000 of assessed value.

Annual Change in Assessed Values with Case-Shiller Projections (Actuals through 2017)



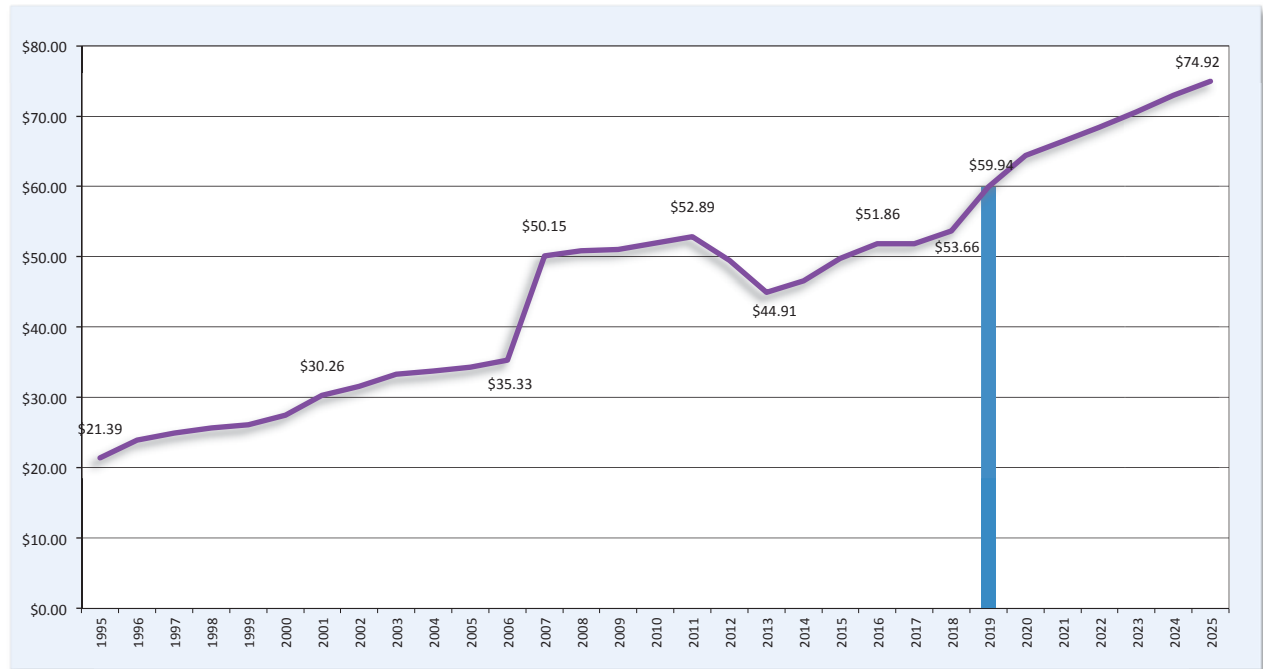
Pierce County Assessor-Treasurer actuals; future trends calculated from Case-Shiller Tacoma-Lakewood WA Metropolitan Division as of May 2018.

Calculating projected trends for the district's value requires a complicated formula processed onto the Case-Shiller data. Historically, low projections were within -1% of the actual change, and high projections were within +8.01% of the actual change.

As of the May 2018 Case-Shiller data, projections show that the change in assessed value will likely slow down, if not altogether level off without much change for several years.

Total Revenue

Per Capita Revenue (all sources of revenue)

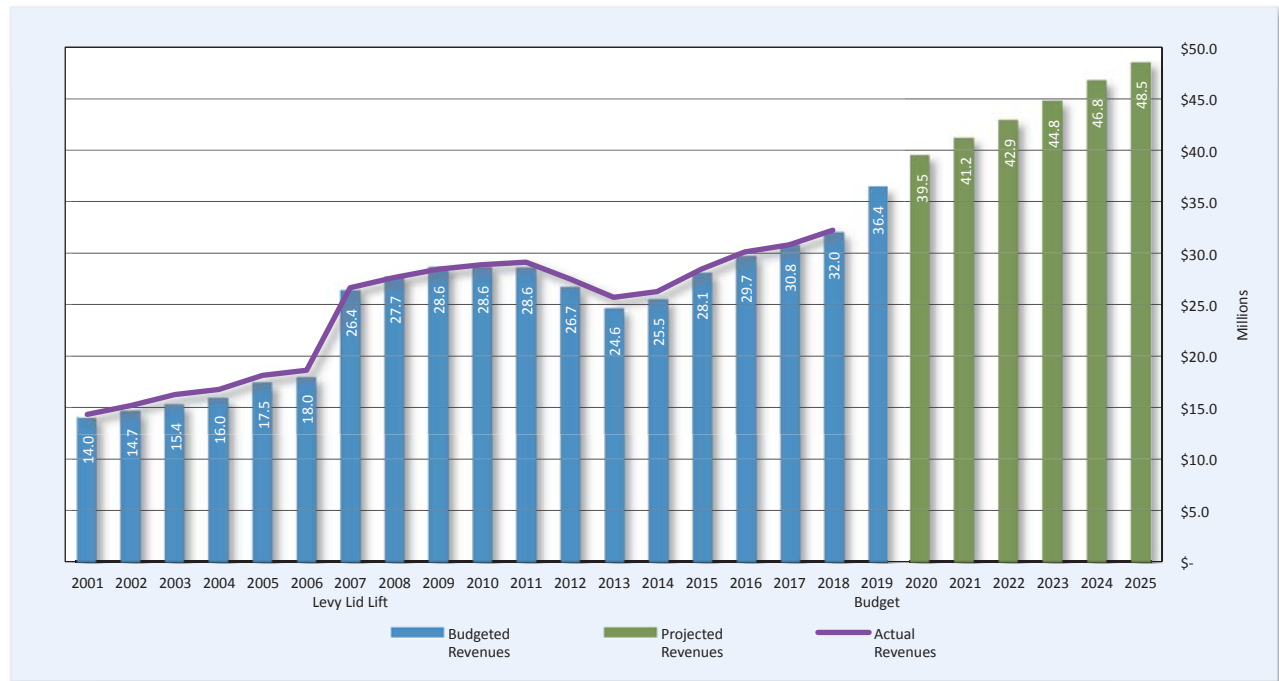


Significant influences on revenue per capita:

- Beginning in 2001, property tax increases were limited to 1% plus new construction, which usually amounts to an additional 2%.
- In 2007, revenues increased from the 2006 districtwide election, when voters approved to reset the lawful levy from 40¢ per \$1,000 of assessed value to 48¢ per \$1,000 of assessed value.
- From 2011 through 2013, revenues decreased due to the recession's effects on property values. The maximum lawful levy was restored by 2015.
- Beginning 2016, the Library's revenue returned to the 1% plus new construction limit.
- In 2019, revenues increased from the 2018 districtwide election, when voters approved to restore the lawful levy from 43¢ per \$1,000 of assessed value to 50¢ per \$1,000 of assessed value.

During this period, the Library's service area population grew by 44%, from 418,000 in 1995 to 603,000 in 2018.

Total Revenues (Excluding Use of Cash Reserves)



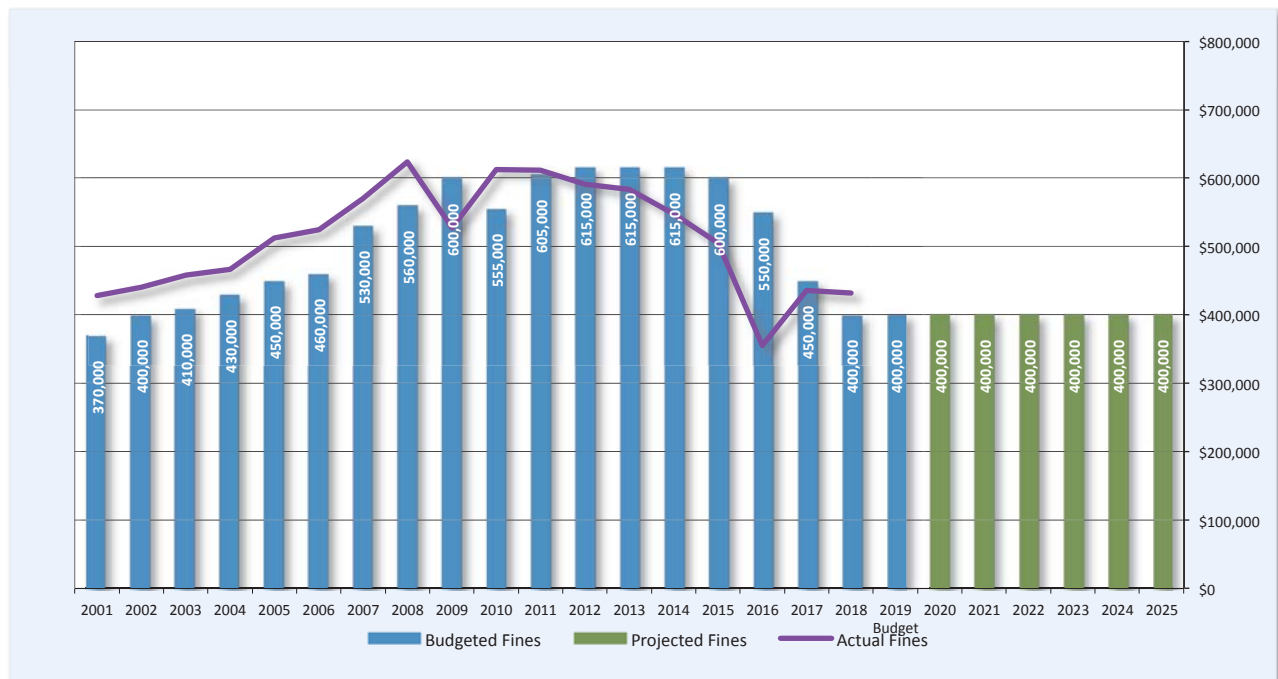
Significant milestones:

- In 2006, voters approved to restore the Library's revenue from 40¢ to 48¢ per \$1,000 assessed value. The Library's promise to the voters was to sustain the increased services for six years.
- In 2010, voters in the City of Fife approved annexation to the Library.
- In 2011, the recession begins to impact the Library's revenue as property values plummet throughout Pierce County.
- The recession's impact on revenue hit hardest in 2012 and 2013. During those years, the Library used its cash reserves to balance budgets.
- From 2014 through 2016, the Library recovers its last lawful highest revenue limit established in 2010.
- In 2019, revenues increased from the 2018 districtwide election, when voters approved to restore the lawful levy from 43¢ per \$1,000 of assessed value to 50¢ per \$1,000 of assessed value.

Major Nontax Revenue Sources

Library fines and investments have historically been the next largest sources of revenue. Library fines are received when customers pay late fees, currently at 10 cents per day. Investment proceeds are received when investing available cash in Pierce County's investment pool. In the last two years, the telecommunications discount program ("E-Rate") has become the largest source of revenue; however, it is not new revenue—it offsets expenditures on most telecommunications and network charges.

Library Fines Budget & Actuals

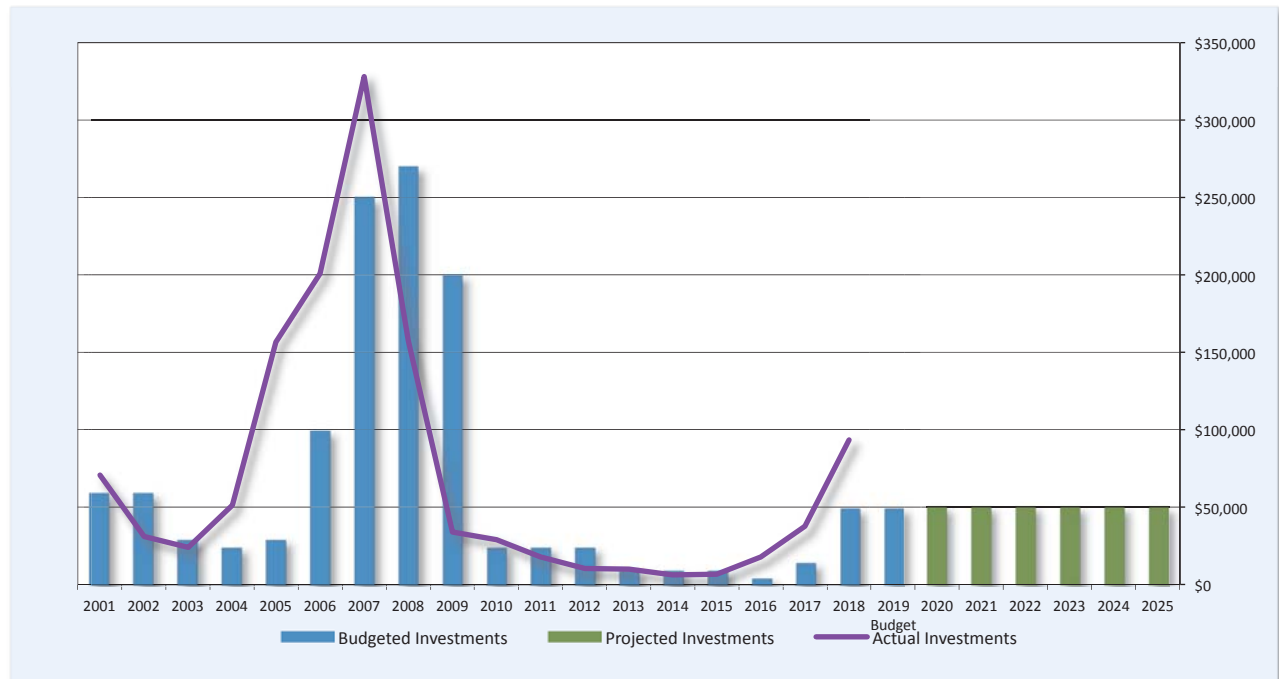


Significant influences on fines:

- In 2009, the Library conducted a Fine Forgiveness program to encourage reading and the return of books.
- Because electronic books incur no late fines—they just simply stop being available on the reading devices—fines have been decreasing since 2010.
- Fines are dependent on how much the collection is being used, and due to the recession during which the library was seeing less use, circulation decreased and thus did fines.
- In late 2015, the Library implemented an automatic renewal system available in the online catalog, which greatly reduced fines. Due to customer feedback, this feature was subsequently turned off in November 2016.

Revenue from fines is anticipated to level off between \$400,000 and \$450,000 per year, and may depend on several factors, including the budget for materials.

Investment Budget & Actuals (General Fund Only)



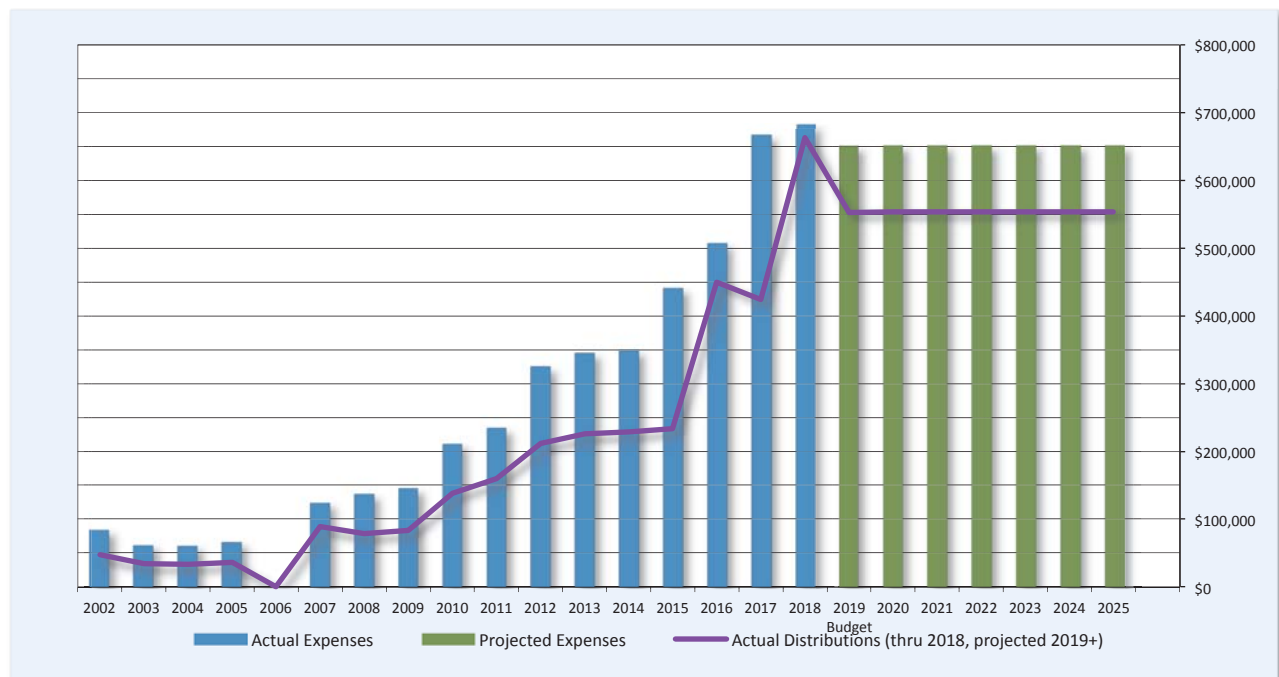
Significant influences on investments revenue:

- In 2005, available cash to invest had increased and rates were stable at around 2% annual rate.
- In 2007, revenue peaked due to cash for planned sustainability was increased from the levy lid lift.
- In 2008, interest rates plummeted due to the Federal Reserve's actions to counter the effects of the recession. Had rates remained the same, the Library's revenue would have neared \$500,000 per year.
- Rates were at their lowest in 2015 when investment return rates were at 0.01%.
- In 2016, rates began increasing. As of late 2018, rates were at 2.5%.

For the foreseeable future, while rates increase, the total revenue will likely level off. Future budget adjustments will be made as necessary.

Investments occur in the other three funds as well; however, the General Fund has the most cash to invest over a fiscal year and is thus represented.

E-Rate (Recurring Monthly Charges Only)



E-Rate is a program from the Federal Communications Commission (FCC) and managed by Universal Service Administrative Company (USAC). The program is funded entirely through fees added to traditional phone lines and cellular lines. The program's goal is to help fund telecommunications costs to provide services to citizens that cannot afford to pay for internet connectivity. The rate of discounts on telecommunications depend solely on the level of poverty as measured by the percentage of students in an area eligible to receive free lunches.

While these funds are reimbursed to actual costs incurred, without them the Library would otherwise not be able to fund the level of telecommunication services provided to the communities.

Significant influences on E-Rate revenue:

- The Library entered into the E-Rate program beginning 1999, the third year E-Rate as a program became available to schools and libraries for eligible networking and telephony costs. The Library's reimbursement rate would remain around 65% of eligible costs until 2015.
- In 2006, the Library did not file for E-Rate reimbursements.
- In 2011, the Library upgraded its network to fiber and E-Rate reimbursed \$116,000 out of \$226,000 paid for the one-time costs (numbers are not reflected in the chart above).
- In 2014, E-Rate began reducing its reimbursements for telephony costs, which will end in 2019.
- In 2015, the Library added a new network for the Wi-Fi user population. Costs were \$416,000 and E-Rate reimbursed \$209,000 for the one-time costs (numbers are not reflected in the chart above).
- Beginning in 2016, the Library's reimbursements received increased to 90% of eligible costs.
- In 2019, E-Rate funding for telephony costs will end (annual telephony costs are \$55,000).

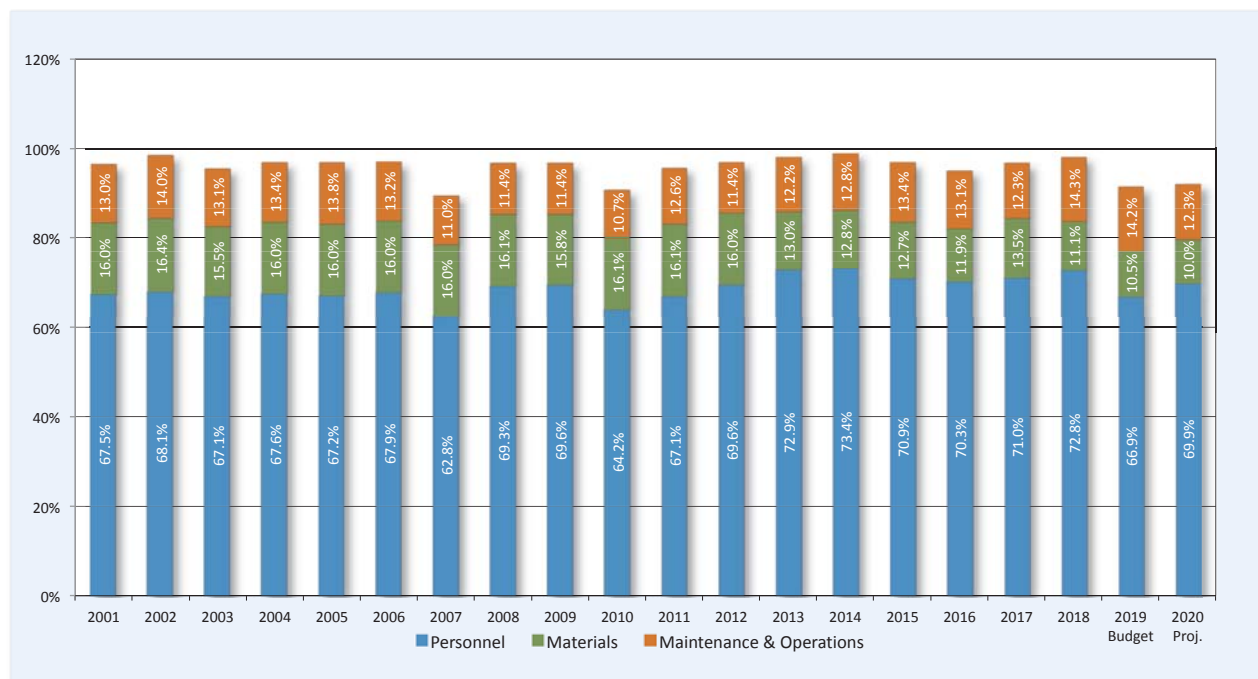
For the near future, reimbursements will remain at around 85% of total telecommunications costs.

Major Expenditure Drivers

Library expenditures fall into four categories:

- Personnel: wages, benefits, overtime, additional hours.
- Materials: books, e-books, movies, music, databases.
- Maintenance & Operations: supplies, equipment, services, utilities, travel, contracts, and others.
- Other: inter-fund transfers, set-asides, and contingencies.

The chart below shows the first three categories. This depicts the cost of daily operations.



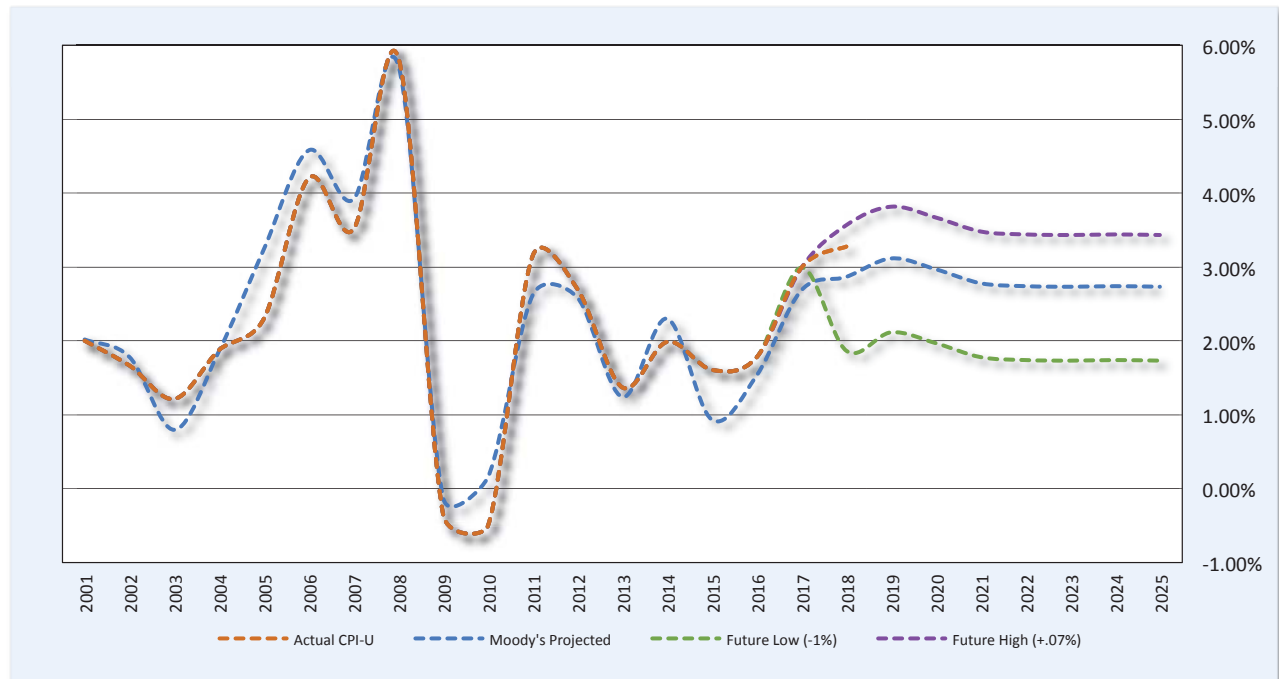
Personnel costs are 67% of the Library's annual expenditures, and is the largest investment for providing services to the communities. The total compensation strategy is to be competitive for recruitment and retention, while containing costs to the extent possible. Some wage increases are tied to the CPI-U, per the Collective Bargaining Agreement for union represented employees. Benefits are brokered through Association for Washington Cities to leverage the larger pool of employers, which helps contain costs.

Materials costs make up for about 10% of the Library's annual expenditures. Because the offerings are diverse, ranging from print material to databases, the Library estimates how much is available and purchasers work within the allocated budgets. Over time, as costs continue to increase and the budget remains static, fewer items are purchased.

Maintenance and Operations costs are established by setting the required costs, such as utilities, leases, and contracts, supplies, and repairs, then creating a work plan to budget the remainder of purchases, such as furniture and computers.

Other costs depend entirely on how much is needed to pay for capital improvements and contingencies.

Regional CPI-U Trend (High/Mid/Low)

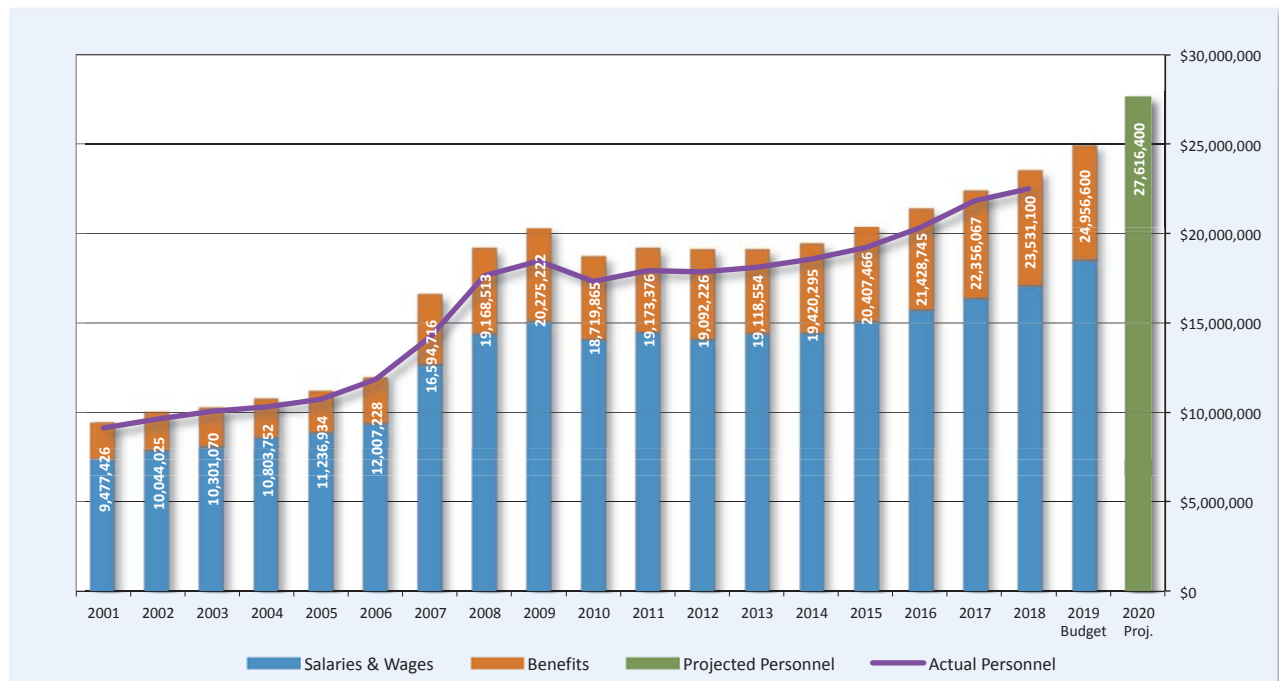


CPI source: Actuals from Bureau of Labor and Statistics & June-June Seattle-Tacoma-Bremerton. Trends from Moody's Seattle-Tacoma-Bellevue CPI-U data as of June 2017.

Calculating projected trends for the district's CPI-U requires a formula processed onto the Moody's data. Historically, low projections were within -1% of the actual change and high projections were within +.7% of the actual change. The trend for the next 7 years is for the CPI-U to remain relatively predictable between 1.7% and 3.5%.

Personnel Budget & Actuals

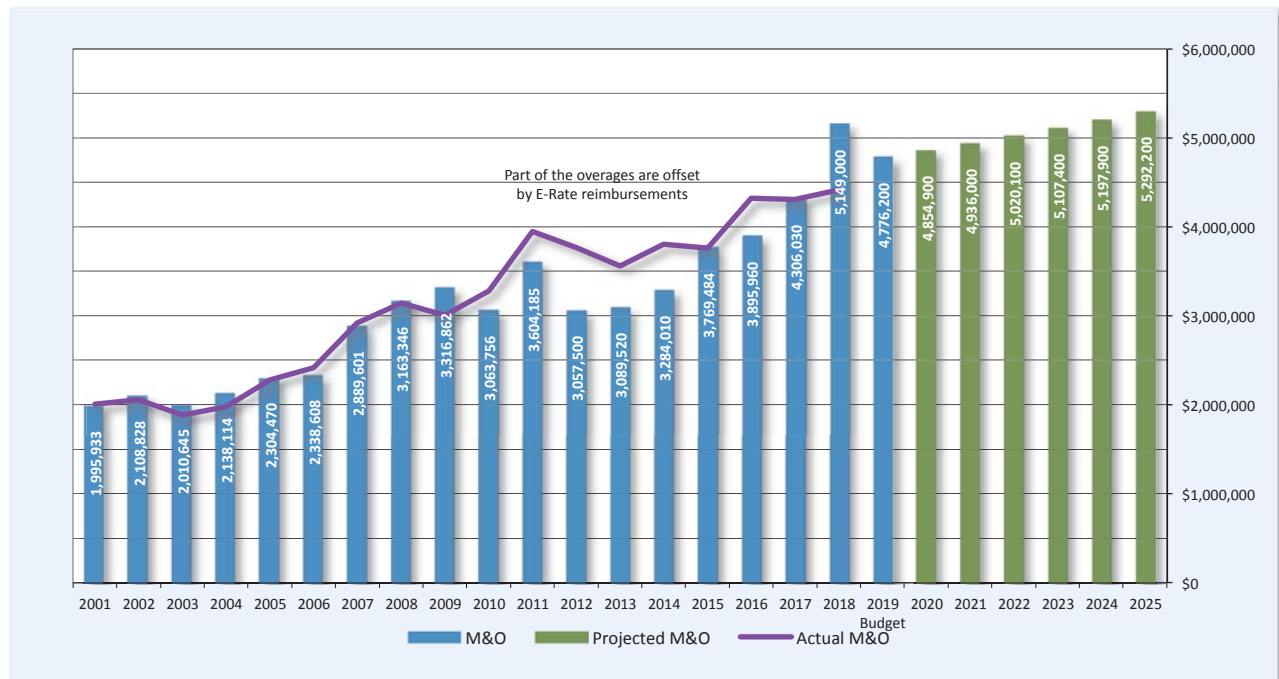
The Library is a full-service provider of library services to the community, and its primary service delivery is through a well-trained and fully engaged workforce. Excluding substitutes, 91% of the workforce is covered by the Collective Bargaining Agreement and 9% are non-union, regular employees. The ratio of benefit costs to overall personnel costs is 25.8%.



Numbers shown are for total personnel cost (salaries & wages and benefits).

2020 in the above chart is depicted using existing conditions and is provided as a reference. In late 2019, the Library and its Union implemented a new Collective Bargaining Agreement for three years.

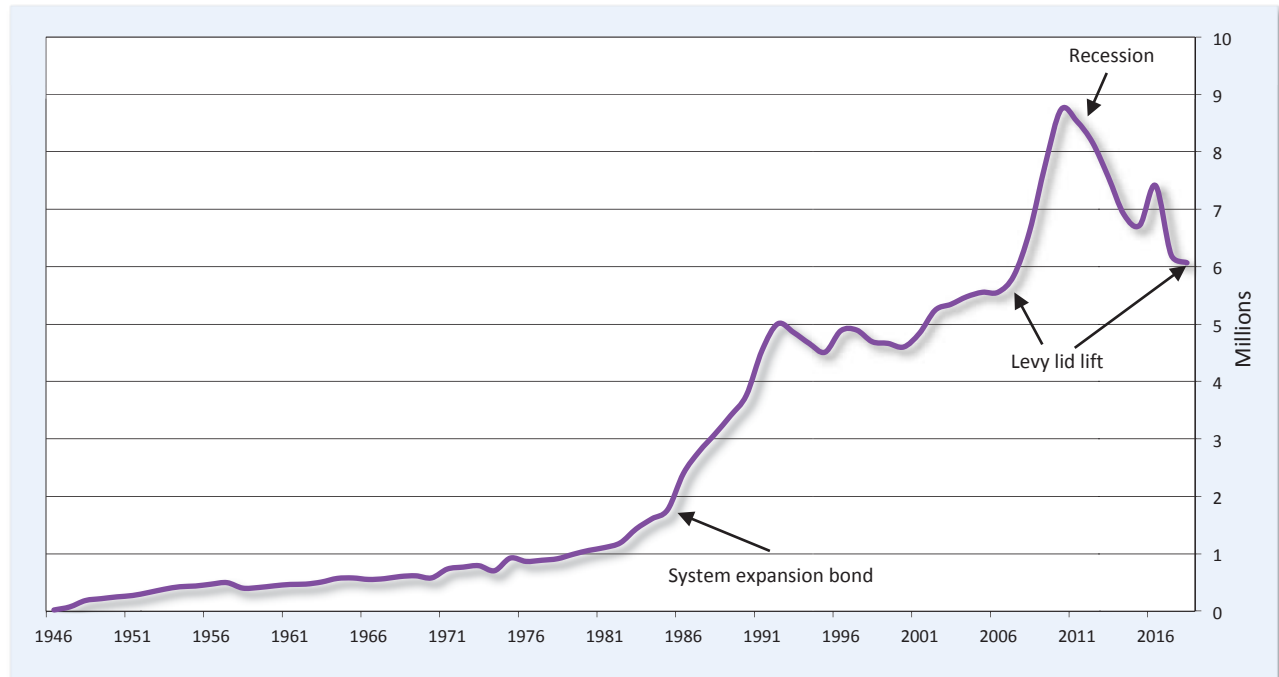
Maintenance & Operations Budget & Actuals



Maintenance and Operations (M&O) costs include a wide variety of purchases and payments, including office supplies, equipment, professional services, contractual obligations, maintenance needs, utilities and telecommunications, travel, registrations for training/conferences, and other miscellaneous.

Library Materials: Books, e-books, DVDs, Music, Databases, and More

Annual Circulation History: 1946-2018

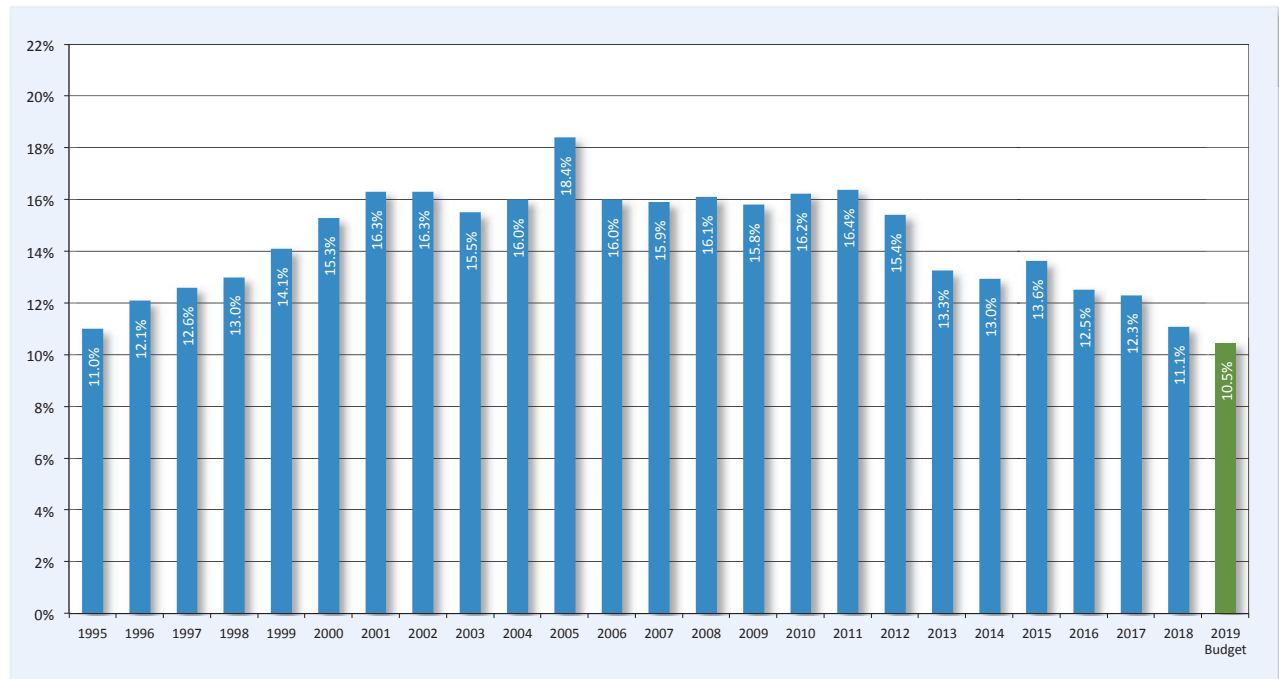


Includes checking out of books, music, movies, and e-books. 2018 circulation is 6,068,592.

Significant influences on circulation:

- In 1986, voters approved a districtwide bond to build facilities and expand materials.
- In 2006, voters approved a districtwide levy lid lift to raise its operating funding by \$8.4 million per year.
- Also in 2006, electronic books gained momentum.
- In 2010, the Library experienced the nationwide recession as property values plummeted, leading to budget reductions to purchasing materials beginning in 2011.
- In 2018, voters approved a districtwide levy lid lift to restore its operating funding by \$9.2 million per year.

Materials Budget History (Actuals 1995-2016)



The materials budget can be calculated as a percentage of total revenue anticipated for the year.

Significant influences on the budget history:

- Recognizing that it was low for like-sized libraries in the 1990s, the Library made a significant effort to increasing the size of the materials offerings to the public. The goal was 16% of revenues allocated to the materials budget, which was met between 2001 and 2011.
- In 2005, after the implementation of the Polaris integrated library system, funds that were not spent on the materials were carryforward from 2004.
- During the recession, the materials budget was reduced in order to maintain open hours. Afterwards, as costs continued to increase, even though the budget remained the same the materials budget saw a decrease in its buying capacity.
- By 2018, the materials budget as a percentage of overall revenue returned to 1996 levels.

A major factor in determining the amount spent on materials depends on available shelving space. Most of the current facilities were built from the 1986 system expansion project. As purchases increased considerably to serve the public, the number of materials that could be placed on shelves had become a limiting factor.

Materials Expenditures per Capita History (Actuals 1995-2018)



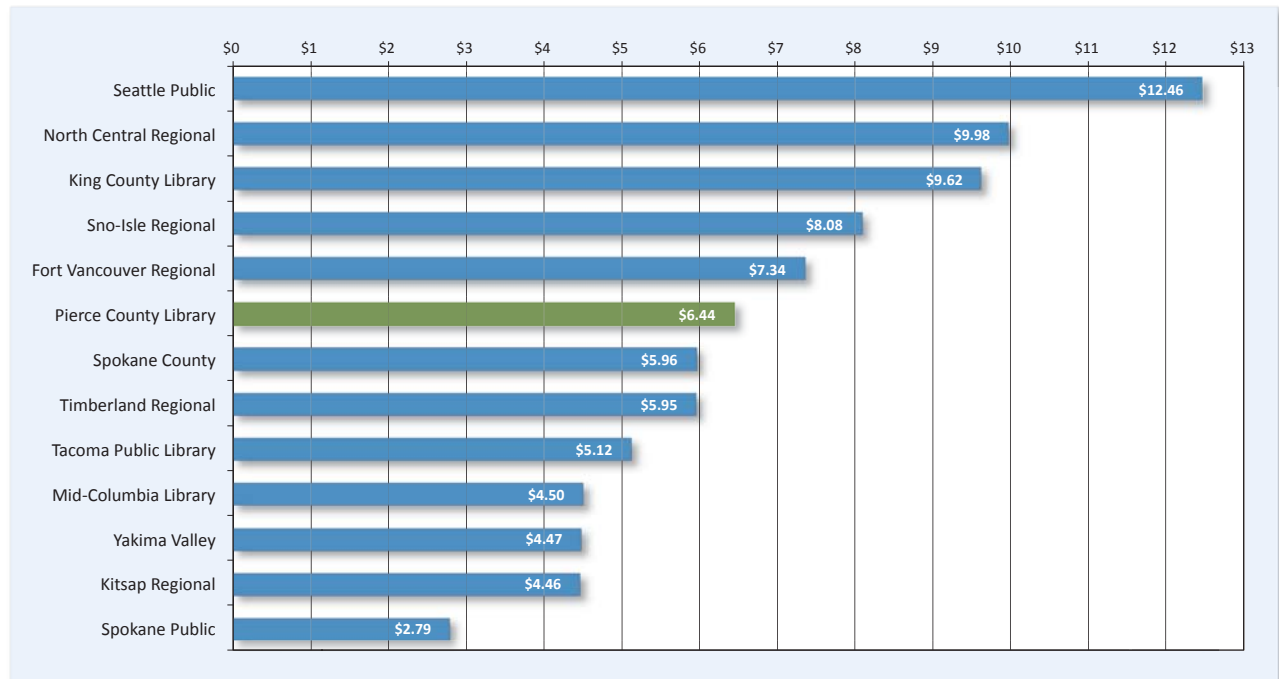
Another method for interpreting the materials budget is to normalize it with the population of the service area. As the service area grows, more materials are needed to keep up with its anticipated use.

Significant influences to the materials expenditure per capita include:

- In 2006, voters approved a districtwide levy lid lift to raise its operating funding by \$8.4 million per year.
- In 2010, the Library experienced the nationwide recession as property values plummeted, leading to budget reductions to purchasing materials beginning in 2011.
- In 2018, voters approved a districtwide levy lid lift to raise its operating funding by \$9.2 million per year.

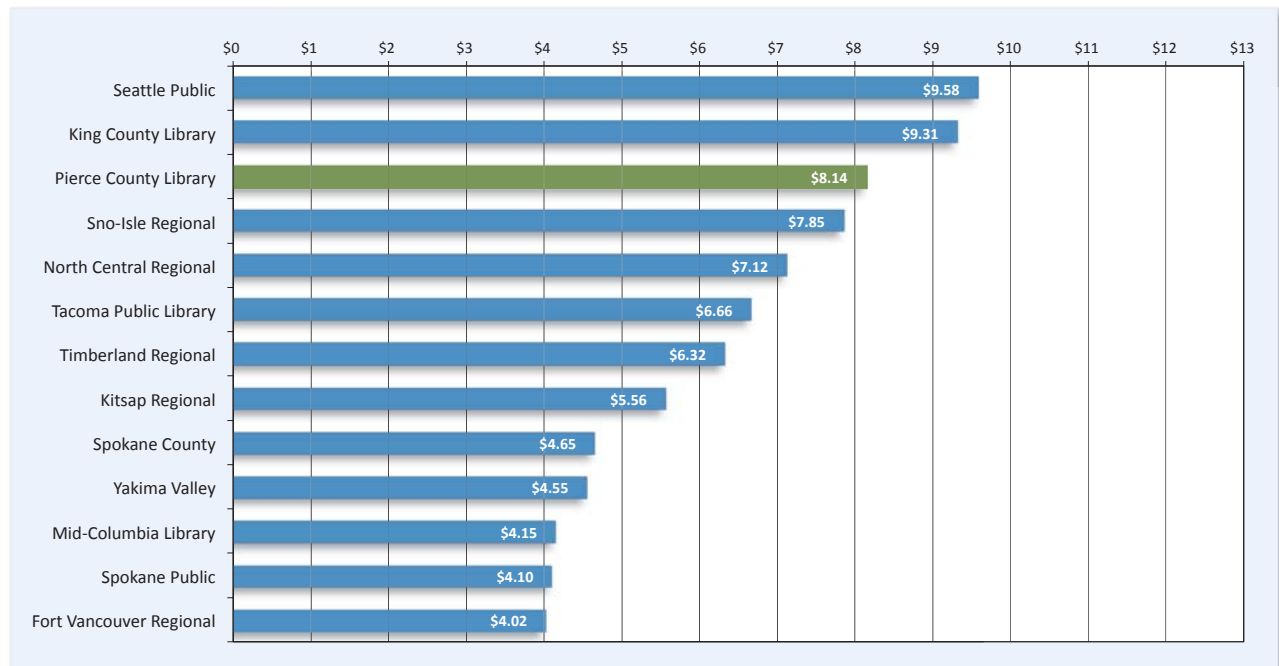
Provided on the following page are two years showing the comparisons among 12 other libraries in Washington state. In 2007 the Library was third among peer libraries, and by 2017 it was in the middle. The Pierce County Library System and Kitsap Regional Library system declined most.

Materials Expenditures per Capita Comparison (2017)



Washington State Library 2017 data.

Materials Expenditures per Capita Comparison (2007-post 2006 Levy Lid Lift)

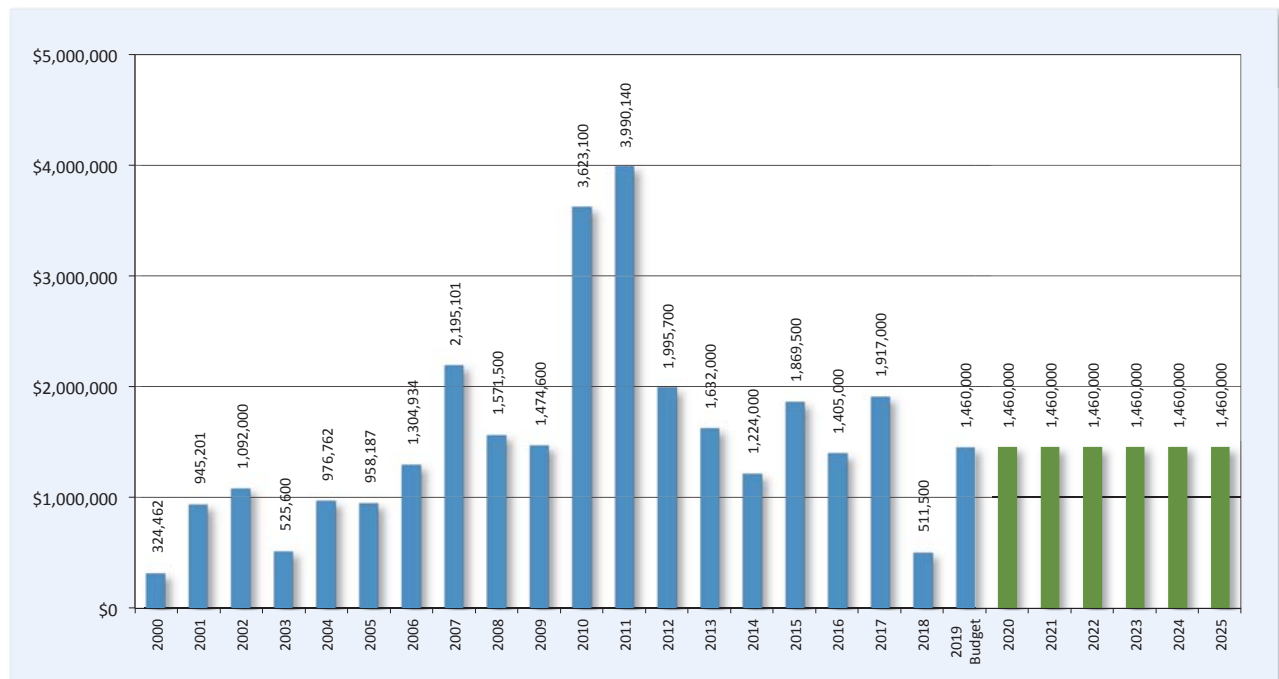


Washington State Library 2007 data.

Capital Improvement Expenditures

The Library currently employs a Capital Improvement Fund to pay for major purchases, maintenance, and related expenses. The majority of funds to pay for these projects come from transfers from the general fund. Capital project budgets are created by addressing essential maintenance of facilities and implementing infrastructure improvements.

Capital Project Budget History (Excludes Carry Forwards)

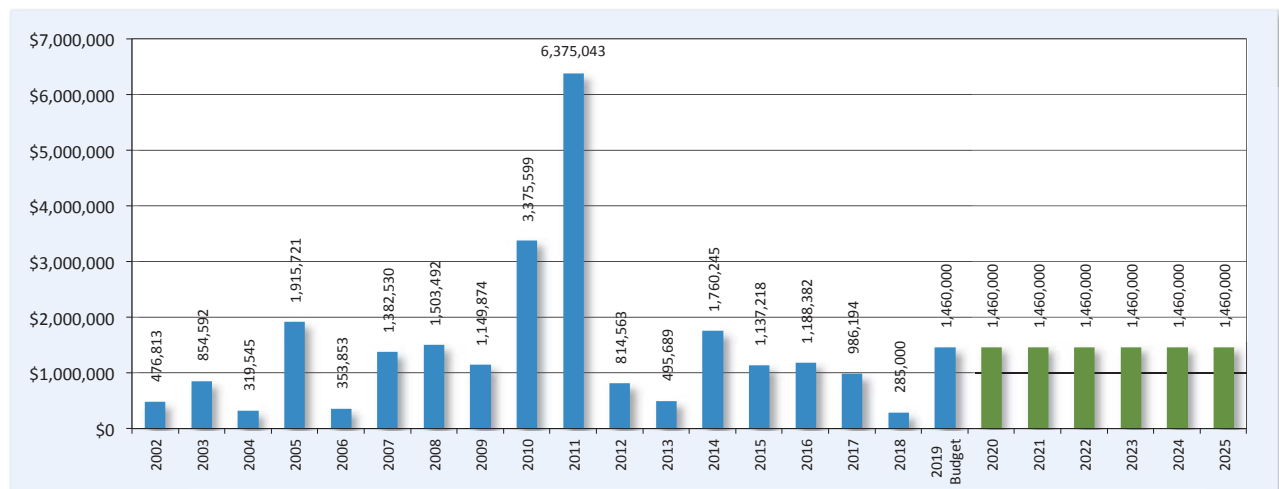


Significant influences on Capital Improvement budget:

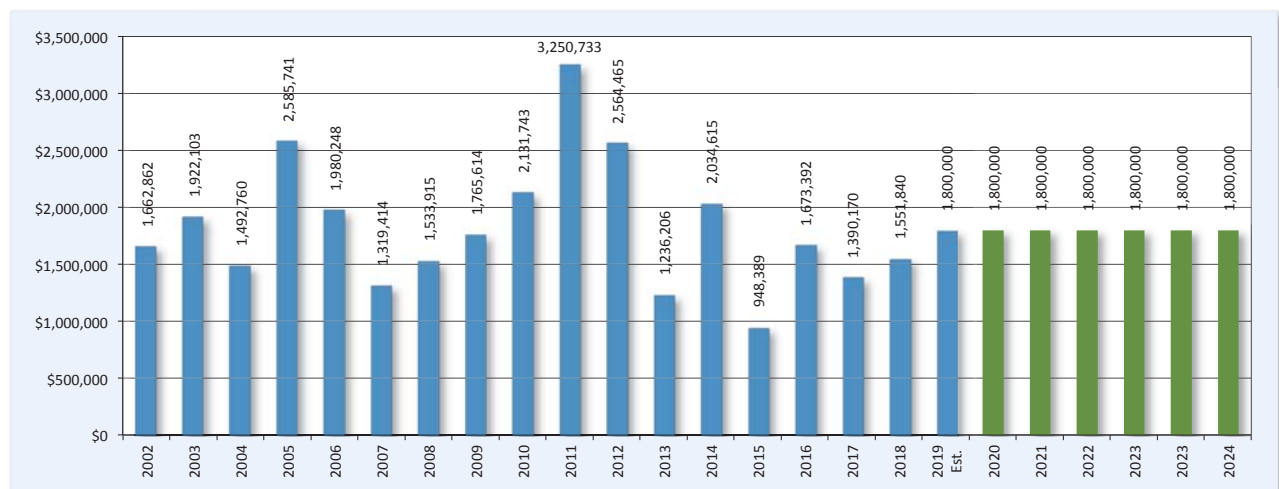
- 2004 and 2007 included significant funds to replace the electronic catalog and financial system, respectively.
- 2010 and 2011 included budgets for significant committed projects: new Fife Library, moving the Milton/Edgewood and University Place Libraries.
- 2015 included budgets for significant update of the Library's computer servers and network infrastructure.
- For 2018, in order to balance the budget, the Library greatly reduced the capital projects.
- For 2019, the capital improvement budget was restored to 4% of general fund revenues, which is about the annual average since 2000.

Beginning in 2019 and for the next 11 years, significant maintenance costs will return, including the replacement of HVACs, carpeting, roofs, vehicles, and technology services.

Capital Improvement Fund Transfer History (Actuals 2002-2018 with 6-Year Projection)



Capital Improvement Fund Ending Fund Balance (Actuals 2002-2018 with 6-Year Projection)



Significant influences on Capital Improvement Fund's ending fund balance:

- Beginning in late 1990s, the Library established a policy and practice to increase the fund balance. This was done by setting aside a portion of the annual operating budget to be transferred during the fiscal year.
- Beginning in 2004, the Library updated the fiscal management policy to allow the Board to transfer unanticipated revenues and savings to the Capital Improvement Fund.
- From 2008 to 2010, funds available from the 2006 levy lid lift were added to the Capital Improvement Fund.
- In order to pay for significant committed projects (new Fife Library, moving the Milton/Edgewood and University Place Libraries), funds available in the General Fund balance were transferred to the Capital Improvement Fund.

GUIDE TO THE BUDGET

2019 UPDATE

As of December 31, 2018

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Overview

Every year, the Library creates a fiscal year budget. Herein contained is a description of the process and elements that go into creating the budget. It is meant as a guide to help the Board of Trustees through the process, and a roadmap for the Library's management.

Calendar

Board Meeting	2019 Budget Activities
Aug. 8, 2018	<ul style="list-style-type: none">• Review budget calendar• Review Fiscal Management Policy• Review preliminary report on property values
Sept. 12, 2018	<ul style="list-style-type: none">• Review budget drivers (CPI-U, etc)• Approve amended Fiscal Management Policy (if necessary)
Oct. 10, 2018	<ul style="list-style-type: none">• Review preliminary levy certificate and impact to budget• Review Implicit Price Deflator• Review 2019 work plan and estimated budget (two versions: "sustain" and "reduce")
Nov. 14, 2018	<p><u>FIRST PUBLIC HEARING</u></p> <ul style="list-style-type: none">• Review first comprehensive work plan and draft budgets (two versions: "sustain" and "reduce")• Approve levy certificate and resolution if vote results are decisive (one of two versions: with or without reauthorized levy mill rate)• Implicit Price Deflator decision (if necessary)
Nov. 28, 2018	<p><u>SPECIAL MEETING</u></p> <ul style="list-style-type: none">• Approve levy certificate and resolution upon vote certification (one of two versions: with or without reauthorized levy mill rate) <p>(Voters approved Proposition 1 to restore the levy mill rate to the statutory limit of 50 cents per \$1,000 of assessed property values in the Library's taxing district)</p>
Dec. 12, 2018	<p><u>SECOND PUBLIC HEARING AND FINAL APPROVAL</u></p> <ul style="list-style-type: none">• Approve General Fund budget• Approve Capital Improvement Fund budget• Approve Special Purpose Fund budget• Approve transfer from General Fund to Capital Improvement Fund
Jan. 9, 2019	<ul style="list-style-type: none">• Review amended levy certificates (if any)

Budget Method and Sequence

The Pierce County Library System continues to be recognized for its strong financial management processes. In 2018, the budget timeline began in May with planning two budgets: “sustain” and “reduce.” The two budgets were created in preparation for taking a ballot measure to the voters in November 2018’s general election. The budget process embraced methods and processes for creating budgets sustainable to the Strategic Plan, and then a work plan was developed under both scenarios. An important part of this process was to begin with input from managers and then winnow down possible projects to fit within budgetary and staffing constraints.

The annual budget is normally developed by applying the following method (for 2019 it was slightly different due to the need to create two working budgets):

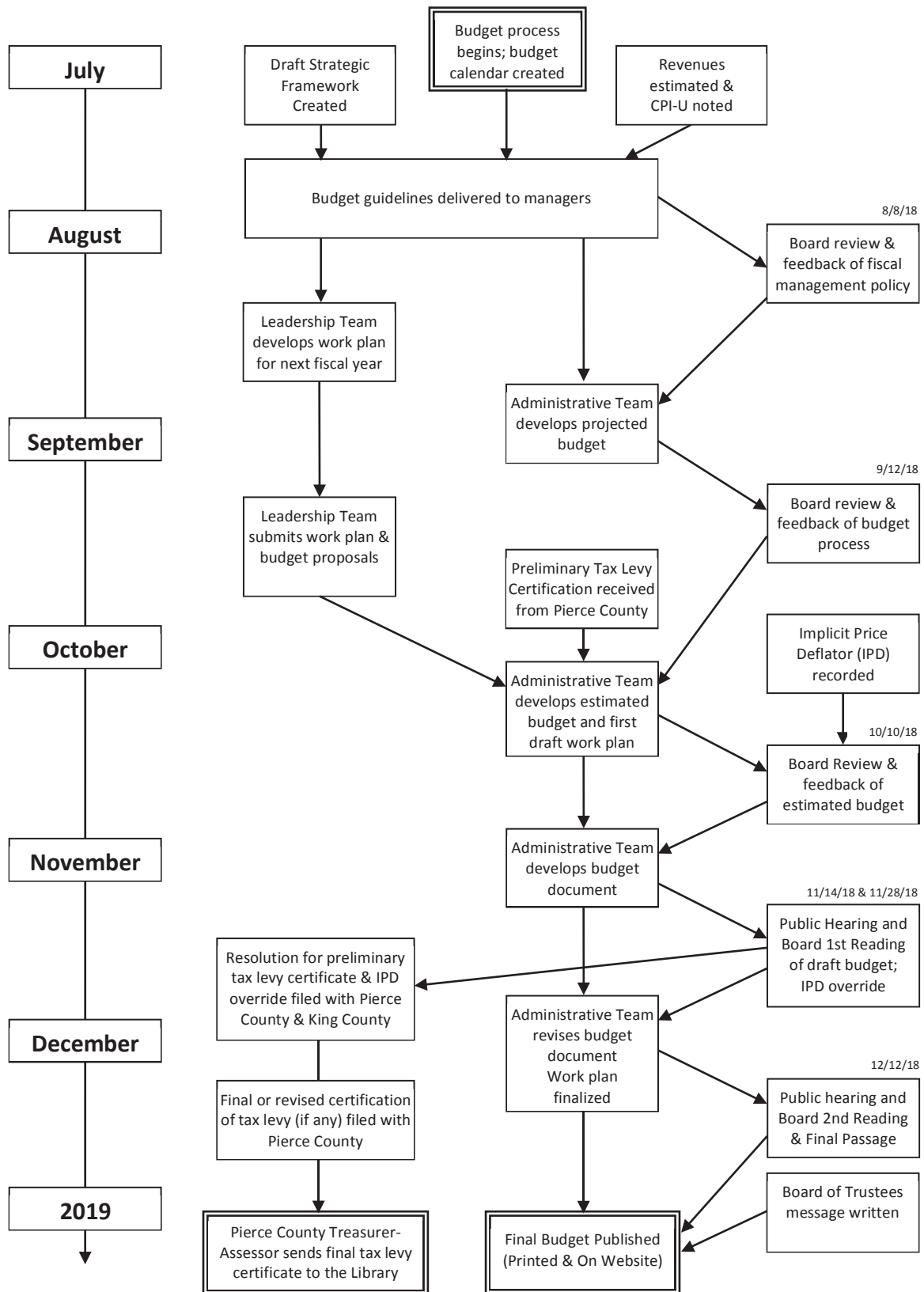
1. The Administrative Team discusses service priorities, fiscal realities, and strategies in tandem with the Strategic Framework.
2. Leadership Team members are given guidance on how to create their budgets.
3. Projected revenues are calculated in July or August from estimated property value assessments.
4. Leadership Team members collaborate to create project proposals and capital projects, which became part of the annual work plan.
5. The Library receives Pierce County’s preliminary tax certification, which contained revenue calculations for the upcoming fiscal year.
6. The Administrative Team reviews the compiled list of proposals from managers and calculates a draft budget. The Implicit Price Deflator (IPD) is received and if it is under 1%, the Board decides whether to approve a “substantial need” to override the IPD.
7. The Administrative Team finalizes the budget and work plan.
8. The estimated budget (operating) and work plan are presented at the October Board of Trustees meeting.
9. The draft balanced budget is presented at the November Board of Trustees meeting for public hearing and first reading.
10. The Administrative Team makes any needed adjustments to departmental budgets and work plans.
11. The final budget is presented at the December Board of Trustees meeting for public hearing and final passage.
12. The final budget is published and made available publicly via the website.

During the final weeks of the budget process the Administrative Team works to balance the Operating Budget, the Capital Improvement Budget, Special Purpose 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 carefully reviewed, and then decided upon with the explicit understanding that calculations for the final budget must preserve the integrity of the four funding areas as established in proven practices.

The overall budget method ensures that Library management strategizes and plans for service priorities in support of the three Focus Areas and seven Core Services outlined in the Strategic Plan. A process chart of budget key milestones and activities is provided on the following page.

In 2019, because the Library needed to create two budgets, some adjustments were necessary until the outcome of the election was certain.

Budget Process & General Timeline



Finance Administration

Accounting method

The Library is authorized by the Washington State Auditor to use the “Cash Basis” accounting method for all Library funds. This means transactions are accounted for when they are either received or paid. The specific accounting structures applied in the Library comply with 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 does not employ a “13th month” for its fiscal year to account for entries that close out the fiscal year. 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. The Library closes the fiscal year with all entries accounted for by December 31.

Funds

The Library uses four funds, three 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 passive for all intents and purposes).

- **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 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 and/or the Special Purpose Fund, per the Fiscal Management policy.
- **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 grant monies, donations, and reimbursements. 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. Operating salaries and wages are not paid out of the Capital Improvement Fund.
- **Special Purpose Fund**—a major fund—is for projects that are of a one-time nature such as those funded by grants and donations, recurring programs that run for a few months to several years and may have multiple funding sources, and set-asides for committed future expenditures. Use of this Fund for expenditures requires Board approval to release the committed set-asides.
- **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.

The Washington State Auditor requires reporting of restricted and unrestricted funds, thus each fund may contain restricted and unrestricted uses and are clearly identified in their description when necessary. All funds are reported to the Washington State Auditor in the Library’s annual report and all funds are audited.

Because the Library is a special purpose taxing district (a 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.

Department Use of Funds (2019)

Department	General	Capital Improvement	Special Purpose	Debt Service
Executive Office	✓	✓	✓	
Customer Experience	✓	✓		
Collection Management	✓			
Finance	✓	✓	✓	✓
Information Technology	✓	✓		
Facilities Management	✓	✓		
Communications	✓	✓	✓	
Fund Development	✓			
Staff Experience	✓			

Fund Balance

All Library funds have the simple definition as follows:

Starting fund balance (prior year's ending fund balance on 12/31)
+ net of new revenues and actual expenditures
+/- (debit/credit) adjustments at year end
- fund balance used to pay for expenses
Ending fund balance (current year's fund balance on 12/31)

The Library has historically recorded an annual credit in the General Fund, but fluctuated considerably for the Capital Improvement Fund. The Special Purpose Fund's intent is to be self-funded by the projects, programs, and set-asides.

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. Other 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.

The Library's banks and their uses are provided in the table below.

Banks and Uses

Institution	Purpose
Bank of America	<ul style="list-style-type: none">• Merchant Services (online payment of fines/fees, receipts for E-Rate reimbursements). All deposits are automatically transferred into KeyBank on the next business day.
Columbia Bank	<ul style="list-style-type: none">• Payroll Automated Clearing House (ACH)• Accounts Payable electronic withdrawals (Social Security, Department of Retirement Services (DRS), Association of Washington Cities (AWC) healthcare, Department of Revenue (DOR))• Checking
KeyBank	<ul style="list-style-type: none">• Branch and ACL deposits of fines, fees, and other transactions• Receipts from Bank of America pass-through deposits• Checking
PayWare/PayPal	<ul style="list-style-type: none">• EnvisionWare credit card payments

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 which occurs in February, estimates are used 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 may use an amending budget process during the year to reconcile the actual fund balances with the originally approved budget estimates (any amended budget is used as the annual report to the State Auditor). Prior to receipts of property tax revenues in April and in October, the Library strategically plans for and uses existing fund balances to cover payments for operations.

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. The Library encourages 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. Depending on the nature of these funding sources, they may be allocated to the Special Purpose Fund, which will roll over from year to year. Wherever possible, the Library makes efforts to receive grant and donation revenues closest to the time of procurement and payment.

Budget Amendments

Amending a budget may occur as business needs warrant during the fiscal year, and whether funds from prior year operations are available to address critical impacts that may have occurred since the December approval of the budget. Beginning in 2017, the Library revised its practice to transfer funds to/from departments or among line items, so long as the entire system budget’s bottom line remains the same. This is implemented by using a system-level contingency line item that expands and contracts throughout the year as it moves funds into and out of department line items.

During an amending 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 general fund budget may be proposed to the Board of Trustees for consideration and approval. The capital improvement and special purpose budgets may be amended throughout the year due to the nature of projects and needs, including emergency purchases. Management periodically provides revised capital and special purpose budgets to the Board of Trustees, of which the Board considers and takes motion.

Annual Reports

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

The Library also must file IRS form 990 and a number of schedules in order to comply with 501(c)(3) regulations for being a nonprofit organization. The 990 is filed between June and November.

Audits

The Washington State Auditor conducts an 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
- Policies and enforcements
- Other areas of auditing interest by auditors, management, and Board members

Up until 2016, the auditor conducted a biennial (two-year) audit. Beginning with fiscal year 2017, the audit will be annual. Auditors begin in September and conclude their work within two months. 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 audit for the 2017 fiscal year concluded with its exit interview on October 18, 2018. 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.

Beginning with the 2015-16 audit, auditors are required to qualify the audit as not being compliant with GAAP standards of accounting. This does not adversely affect the audit results. The audit concluded with a clean audit with no findings and no letters. This concluded the 19th consecutive clean audit spanning over three decades (there were single-year audits). The next audit for 2018 will commence in late 2019. Pierce County Library audit reports are available online at www.sao.wa.gov.

Financial System

Tyler Technologies' Eden suite of products are used to manage the Library's finances, accounting, human resources, and other administrative tasks. Eden was implemented in 2008 and no major changes occurred to the system in 2018. The product is slated for discontinuation within nine years (as of now, it is no longer being sold to new customers). A replacement project began in 2017, with implementation scheduled for 2019. Contracts were signed in late 2018 to upgrade Tyler's Eden system to Tyler's Munis system, and the project will take two years to complete. The general ledger and financials will be implemented during the first phase and the HR/payroll systems will begin as a second phase a few months later.

The auditor requires Eden records be reconciled with all bank accounts and with the Pierce County Assessor Treasurer's system, and this occurs on a monthly basis.

Fiscal Principle, Policy, and Practices

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

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

The Library routinely reviews and updates the Fiscal Management Policy in accordance to the Board's guidance. The latest version of the policy can be found in Appendix A.

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. As the

budgeting process begins for the next fiscal year, the Executive Director sets priorities in the form of strategic plans and actions. These priorities are communicated with the Administrative Team and to the Leadership Team with instructions to craft their budgets accordingly.

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 systemwide and departmental measures. Performance measures are checked against the strategic management process and are also discussed with the Administrative Team and the Leadership Team.

Long Range Approach

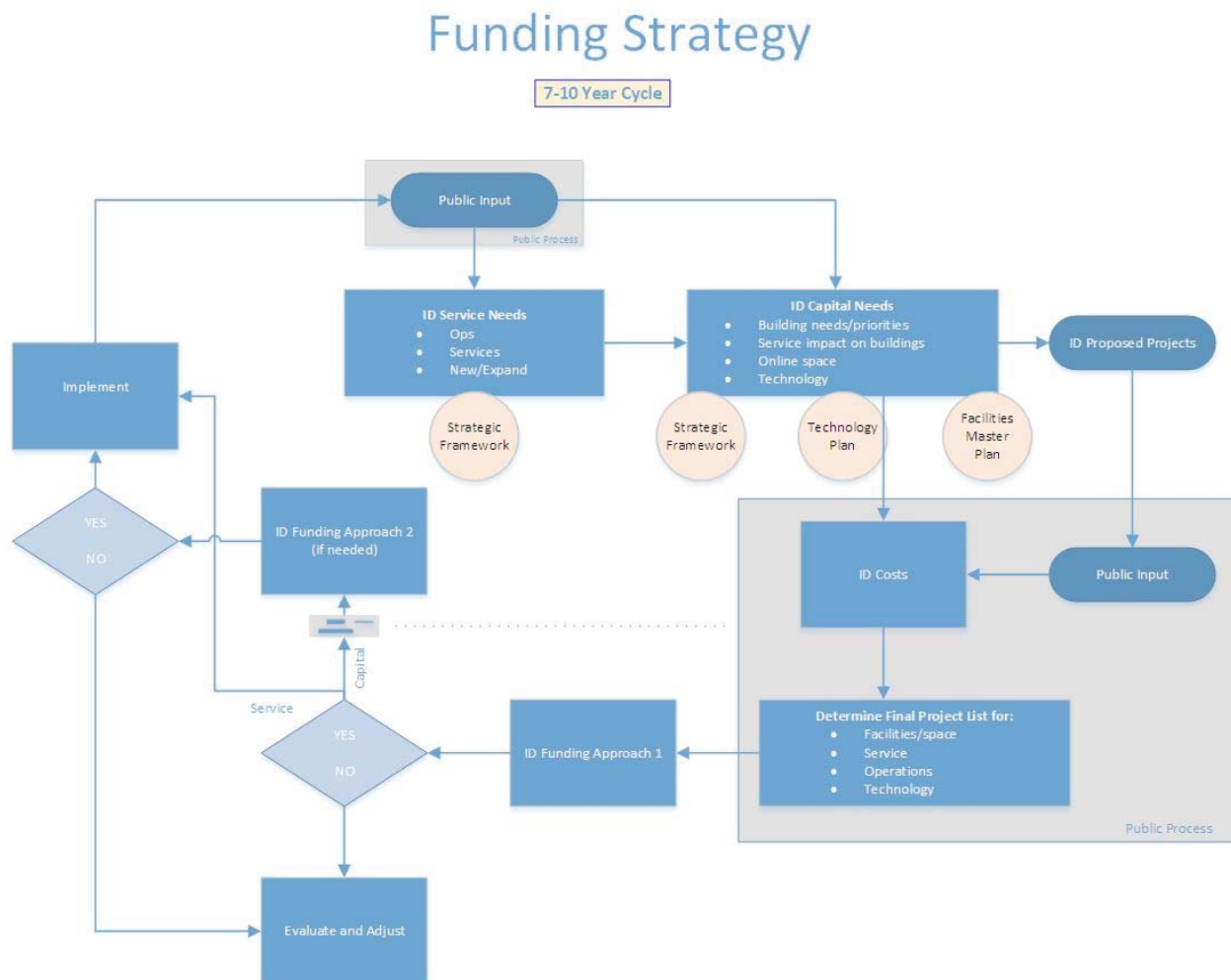
The Library's budgeting and decision-making process always considers the future, not just two years out, but five to 10 years out. Board of Trustees and executive management are committed to making the optimal decisions related to ensuring future fiscal sustainability and meeting current Executive Priorities. Throughout the year, as data becomes available, current, next year, five year, and as applicable 10-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 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.

Leadership Team members use the Strategic Plan to develop goals and objectives around the three Focus Areas and seven Core Services. Budget proposals support major projects funded in either the operating budget or capital budget. The Administrative Team reviews the work plan and budget proposals. Feedback is provided; sometimes decisions are made during this stage of the process.

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

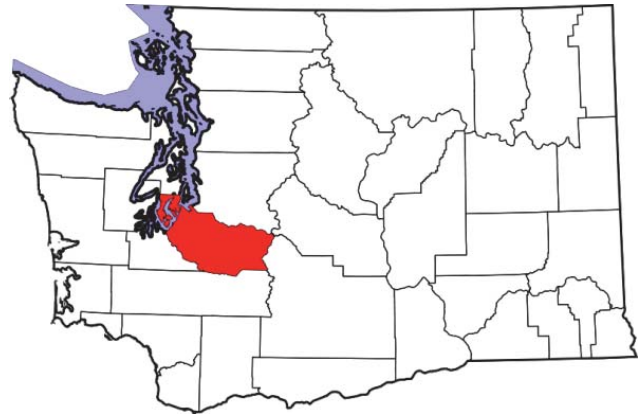
Funding Cycle

During the 2017 update of the 2010 Facilities Master Plan, a new Funding Strategy was developed to set how operational and capital projects are funded. Provided below is a process diagram that shows a funding cycle of seven to 10 years, which is subsequently repeated. Each fiscal year's budgets will have a significant part in where the Library is in its funding cycle. In 2017, the Library began the public process to begin the first cycle.



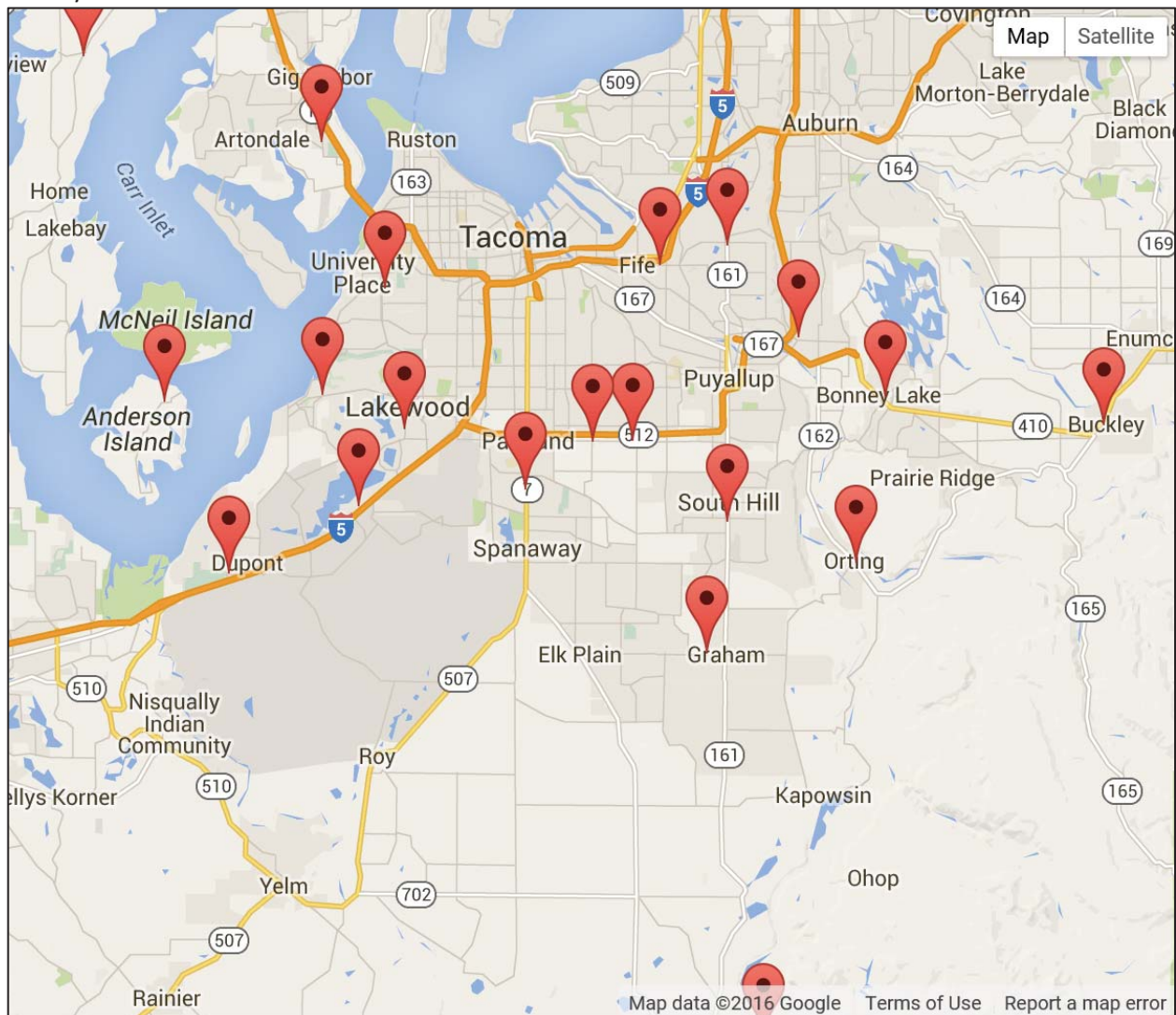
About the Library

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).



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. See map below of libraries located in Pierce County.



The Pierce County Library System has been serving customers for more than 70 years. The Library System has changed considerably during that time. In 1946, seven libraries served 55,000 people. Today, Pierce County Library is the state's fourth largest and busiest library system with 20 libraries serving 603,000 people. In 1946, Pierce County Library offered 6,385 books and 6,800 from Tacoma Public Library.

In 2018, the Library served an estimated population of 603,000 (using 2010 census results) over a service area of 1,800 square miles. In December 2018, 332,000 people had active Pierce County Library System library cards, an increase of 10,000 from the previous year. The Library offers nearly 1.1 million books, DVDs, audiobooks, and other items. In 2018, people checked out nearly 6.1 million items (2017: 6.2 million) and people made over 2.2 million visits to libraries and bookmobiles (2017: 2.1 million). The Library continues to offer computers with high-speed internet access and free Wi-Fi.

Services

The Library provides services through the 20 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 nonfiction 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.

The Community & Outreach Services Department serves over 30 adult care facilities and about 50 group homes and people who are homebound. In 2013, most bookmobile services ended in order to provide services in alternative means that were less costly. The Explorer Kid's Bookmobile continues to provide summer service to 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 email.
- 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 library 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.

Pierce County in Brief

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).

Year	Median Household Income (\$)	Median Age	Single Unit Homes
2000	42,555	34.1	186,108
2005	50,678	35.1	205,702
2010	55,531	35.9	218,828
2011	56,114	36.1	220,302
2012	57,162	36.2	221,566
2013	57,238	36.5	223,235
2014	59,998	36.8	225,620
2015	59,566	37.1	227,804
2016	61,042	37.3	229,849
2017	65,517	37.4	232,137
2018	70,321	37.5	234,665

Source of data: Washington State Office of Fiscal Management.

Top 10 Employers in Pierce County (2018)

Employer	FTEs
Joint Base Lewis-McCord	53,000
Multicare Health System	7,705
Washington State Employees	7,621
Franciscan Health System	6,786
City of Tacoma & Public Utilities	3,591
Tacoma Public Schools	3,333
Pierce County Government	3,089
Puyallup School District	2,190
Emerald Queen Casino	2,165
Bethel School District	2,028

Source of data: Tacoma-Pierce County Economic Development Board
Pierce County Library System is 77th at 278 FTEs in 2018

Other Pierce County Data

Category of Data	Current (2017)	2010
K-12 students enrolled ¹	136,364	126,892
Average travel time to work ²	32.5 mins	27.7 mins

1. Office of Superintendent for Public Instruction (public schools only)

Pierce County has 17 school districts, 300 public schools, and 7 colleges/universities

2. United States Census Bureau

Snapshot of Key Data

Provided below is a table of key data regarding the Pierce County Library System.

	2013	2014	2015	2016	2017
Population of Service Area	559,210	564,485	571,315	580,835	592,945
Library Materials	1,218,236	1,213,637	1,143,096	1,216,490	1,087,518
Circulation	7,538,951	6,906,394	6,722,843	7,404,239 ¹	6,201,782
Library Visits	2,444,754	2,325,547	2,343,381	2,203,898	2,097,680
Open Hours/Week	981	1,032	1,024.5	1,027.5	1,027.5
No. of Registered Borrowers (active cardholders)	250,091	285,292	324,350	334,362	322,744
Programs given for Children and Young Adults	3,127	3,520	3,057	3,233	3,094
Adult Program Attendance (inc. Pierce County READS)	14,897	16,238	38,336	10,662	9,410
Summer Reading Program Attendance	23,707	29,029	32,016	23,664	24,076
Computers Provided for Public Use	544	621	621	816	771
Virtual Visits (Website & Catalog)	2,329,016	2,097,905	2,152,142	3,504,691	3,533,795
Volunteer Hours/Year	17,989	18,447	19,852	18,653	18,496
Staff (actual FTE equivalent employed as of 12/31)	256.60	261.30	260.30	264.20	276.9

Source: Annual Washington State Library Statistics

1. Included auto-renewal, which was turned off in late 2016

Washington State Libraries

In Washington state, there are 62 library systems serving the state. Of these, nine library systems serve populations greater than 250,000, including Pierce County Library. These nine library systems manage a total of 206 branches and 26 bookmobiles, and maintain a combined footprint presence of over 2.4 million square feet of library space and related facilities. In 2017, of all libraries Pierce County Library continued to rank fourth in population served and fourth in total items checked out.

Statistics according to Washington State Library publications showed that in Washington state, the Pierce County Library System ranked in the most recent report (2017):

- 4th in population served; 4th in registered cardholders
- 4th in operating budget
- 4th in total staffing (FTEs)
- 6th in number of librarians (MLS degreed staff)
- 3rd in total square footage
- 4th in materials expenditures per capita among libraries with populations of over 250,000.
- 4th in total circulation
- 4th in total annual library visits

Library Facility Information

Library/Facility	Facility Owner	Age of Facility	Floor Space (Sq. Ft.)	Lease Expiration	HUD Provisions	Land/Prop. Ownership
Anderson Island (AI)	Anderson Island Community Center	1931 Renovated 1971	422			Agreement (Unknown)
Bonney Lake (BLK)	City of Bonney Lake & PCLS	1982 Renovated 1996-97	6,480			Bldg Only
Buckley (BUC)	PCLS	1991	4,100			Own
DuPont (DPT)	Leased from DuPont Station Partners, LLC	2004	3,610	4/30/2021 w/one 3yr ext.		Lease
Eatonville (EAT)	PCLS	1990	4,000			Own
Fife (FIF)	PCLS	2011	6,000			Own
Gig Harbor (GIG)	PCLS	1990	15,214			Own
Graham (GHM)	PCLS	1992	7,152			Own
Key Center (KC)	PCLS	1976	4,066	Perpetual w/ KPHC since 7/5/2002	HUD expired June 30, 2010	Own
Lakewood (LWD)	PCLS	1963 Expanded 1974 Renovated 1993-94	32,592			Own
Milton/Edgewood (MIL)	Leased from WRP Surprise Lake, LLC	2011	6,649	5/31/2020 w/one 5yr ext.		Lease
Orting (ORT)	Town of Orting	1982	2,700	Perpetual Since 7/13/2005	HUD expired June 30, 2008	Contract
Administrative Center & Library (ACL)	PCLS	1992	50,000			Own
Parkland/Spanaway (PKS)	PCLS	1990	15,576			Own
South Hill (SH)	PCLS	1990	20,100			Own
Steilacoom (STL)	PCLS	1995	4,039			Own
Summit (SMT)	PCLS	1992	7,424			Own
Sumner (SUM)	City of Sumner (HUD) & PCLS	1979 Expanded and renovated 1995	10,600		HUD released prior to 1/1/1995	Joint ownership; bldg. only
Tillicum (TIL)	HUD	1985 Renovated after water damage 2004	2,100		HUD expires June 30, 2024	Contract
University Place (UP)	PCLS & City of UP share space in the new Civic Building	2011	15,000 +5,000 in the future			Own
		Total:	217,824			
		Per Capita:	0.36			

Communities the Library Serves

Population chart provided below, which was revised from Facilities Master Plan Update in 2017.

Service Area ¹	2000 Census	2010 Census ²	2018 Current Population	2030 Projection	2040 Projection
Bonney Lake	28,600	38,600	42,300	47,100	49,400
Buckley	10,800	12,300	13,500	15,200	15,800
DuPont	6,400	10,100	12,400	15,100	16,600
Eatonville	7,700	9,100	9,800	10,600	11,600
Fife	7,300	10,500	11,500	13,300	15,900
Gig Harbor	42,400	48,200	52,500	55,900	56,000
Graham	30,300	37,000	39,900	42,700	41,800
Key Center	10,000	11,600	12,300	13,300	13,800
Lakewood	60,800	60,900	68,000	78,900	92,100
Milton/Edgewood	11,900	14,100	15,800	18,400	20,500
Orting	8,500	11,100	13,000	16,100	16,400
Parkland/Spanaway	53,400	61,400	65,300	67,700	65,400
South Hill	66,300	88,700	97,600	108,700	109,800
Steilacoom ³	12,600	12,200	13,700	15,400	16,800
Summit & Admin. Ctr & Libr.	34,100	40,700	43,700	46,700	47,800
Sumner	32,300	40,800	45,400	51,900	55,900
Tillicum	2,100	2,100	2,400	2,700	3,000
University Place	41,100	42,800	47,700	55,500	67,100
TOTAL	466,600	552,200	606,800	675,200	715,700

1. 2017 Facilities Master Plan Update applied a change in methodology and broadens the service area boundaries for each location and accurately apportions use within Puget Sound Regional Council's Forecast Analysis Zone (FAZ).

2. 2010 Census Update uses the same methodology as the 2010 Facilities Master Plan for service area boundaries.

3. Includes Anderson Island

Organization

In June 2018, the Library began reorganizing its Customer Experience management structure to deliver improved service to the strategic plan as a way to service its customers and communities. Three key management teams support the work of the organization, ensure accountability, tend to the organizational culture and live the Leadership Competencies. The organizational structure creates, manages, communicates, collaborates, and delivers an excellent customer experience: to best serve Library customers, its communities, and the staff.

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 systemwide management and operational concerns, and mobilizes messaging.

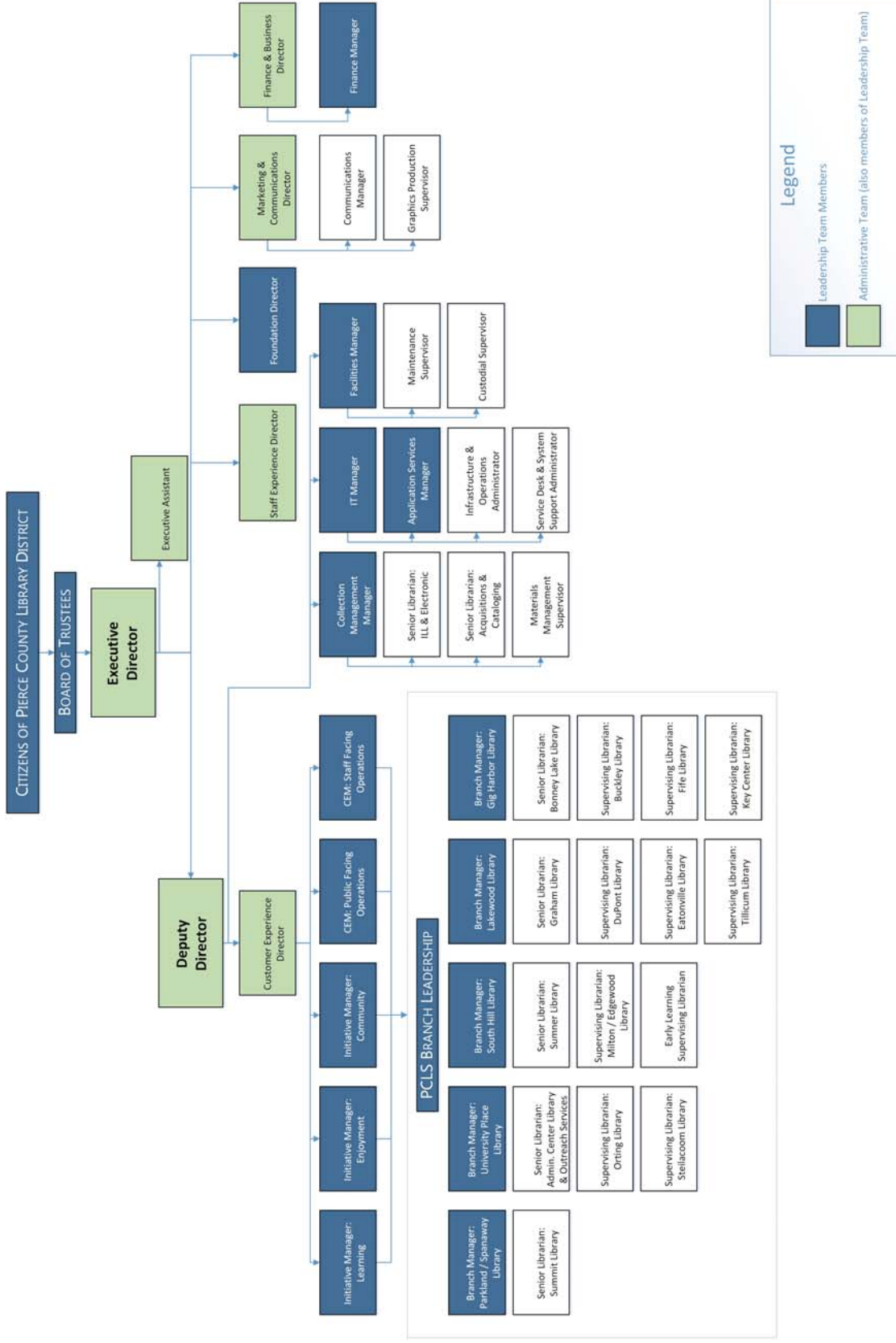
Customer Experience Team

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

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. It also owns the budget and budgeting process.

2019 Organizational Chart-Leadership View



The Departments (2019)

The Library operates nine organizational departments as listed below.

Department	Responsibility	Manager	FTEs	Function/Summary
Executive Office	Executive	Georgia Lomax Melinda Chesbro	5.0	Support top-level executive staff and the Board of Trustees, and sets strategic direction.
Collection Management	Books, DVDs, Music, E-books, Databases Processing	Tracy Thompson	22.7	Provide a customer-focused collection of materials. The department strives to provide an exciting range of materials to meet the diverse community interests and to spark possibilities for our customers.
Customer Experience	Strategic Initiatives Youth Services Adult Services Operations Volunteers	Jaime Prothro (CE Director) Kayce Austin Meghan Sullivan (CE Managers)	198.1	Create, coordinate, and deliver a valued experience for the public aligned with Pierce County Library System's organizational priorities and Strategic Plan.
Communications	Marketing Graphics Communications	Mary Getchell	5.8	Direct the Library's strategic communications and image; increase and enhance 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.
Facilities Management	Buildings Maintenance Custodial Delivery Vehicles	Kristina Cintron	26.0	Provide exceptional delivery of facilities services in a timely and courteous manner while providing excellent customer service. We actively promote environmentally and fiscally sustainable practices.
Finance	Financial Admin.	Clifford Jo	6.0	Responsible for the accounting and good stewardship of all PCLS public and other funds; manages all financial transactions for the System including payables, receivables, grant and project accounting, general ledger, fiscal reporting and analysis, payroll and purchasing.
Fund Development	Foundation Grant Writing	Dean Carroll	4.0	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.
Information Technology	Infrastructure	Stephanie Ratko	18.0	Provide the highest quality technology-based services in the most cost-effective manner to facilitate the Pierce County Library strategic framework as it applies to core services.
Staff Experience	Human Resource Labor Relations Recruitment Training	Chereé Green	6.0	Direct the Library's strategic human resource management activities; increases and enhances staff engagement and relations by collaborating with staff and leadership and provides programs, policies and strategies to recruit, retain and develop the Library's workforce.

APPENDIX A: Fiscal Management Policy

Policy Statement

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

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.

Definitions

Budget: A statement of anticipated revenues to be used for planned expenditures.

Capital Improvement Fund: A fund that is set aside for major asset purchases, maintenance, and improvements.

Cash: The actual cash contained on hand or in a financial institution.

Cash reserves: A portion of cash that is set aside in any fund for short term, mid-term, and long term sustainability without needing to borrow money.

Expenditure management: A process to capture and report actual expenditures compared to the budget of planned projects and operations.

General Fund: A public sector accounting term for the primary fund to operate a governmental entity. It records all financial activities to conduct day to day business.

Special Revenue (Purpose) Fund: A fund that is designated by the governing body as having a restricted use for specific purposes.

Policy

The Library Board of Trustees establishes the following fiscal management policy, which requires Board Action to enforce, make decisions, make exceptions, or otherwise implement to the extent law allows:

1. Current year general fund operations are funded from current year revenues.
2. Cash may be transferred between funds.
3. Debt may be incurred as a last resort.
4. Cash reserves is a fiscal resource to stabilize long-term library sustainability. Cash reserves may be used but not as a sole substitute for budget reductions to meet economic challenges.
5. 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.
6. Cash reserves in all funds shall maintain positive fund balances that plan and account for fiscal year patterns of revenues and expenses. The General Fund shall have adequate cash reserves beginning January 1 of every fiscal year to pay for anticipated expenses until the first major property value receipt occurs on or around May 1. The Capital Improvement Fund shall have adequate cash reserves beginning January 1 of every fiscal year to pay for anticipated expenses until the General Fund transfer occurs during the fiscal year. Specific guidelines shall be managed under Library Responsibility below.
7. The Library Board of Trustees may set cash reserve balances for any Fund as circumstances require.
8. For purposes of managing the Library’s finances, additional fund types may be implemented.

9. To pay for capital improvement projects, a Capital Improvement Fund is established and funded appropriately by and through General Fund transfers and other multiple funding sources including but not limited to, grants, donations and distributions from external sources such as a Foundation, restricted or unrestricted revenues, special set-asides, and other sources of revenue.
10. To pay for special purpose projects, a Special Revenue Fund is established and funded appropriately by and through multiple funding sources including but not limited to, grants, donations and distributions from external sources such as a Foundation, restricted or unrestricted revenues, General Fund transfers, special set-asides, and other sources of revenue.
11. When there are unanticipated revenues and savings, the Board will consider transferring all or some portion thereof to the Capital Improvement Fund or to the Special Revenue Fund, or both.
12. The Board approves an annual budget for revenues and expenditures in each fund, and any substantial modifications throughout the year.
13. The annual budget process anticipates the need for long-term sustainability of services and future system expansion and improvement, and allocates revenue accordingly. The Board recognizes that in the absence of new revenue sources such as annexations, levy lid-lifts, or bonds, additional services from system growth will need to be funded mostly through reductions in operational costs.

Library Responsibilities

The Board expects the Library staff to carry out the following responsibilities:

1. Establish and administer a budget and expenditure management system to meet the goals of this policy.
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 services to the Library's communities.
4. Establish and maintain a solvency strategy to sustain positive balances that ensure short-term debt is not used to pay for operations. Cash of at least four months of anticipated operating costs shall be available in the fund balance as of January 1 of each fiscal year.
5. Develop and manage fiscal practices and strategies so that cash reserves have at least two percent (2.00%) of the following year's anticipated revenues in addition to the amount set aside for General Fund solvency.
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.
9. Make efforts to reduce operational costs as part of the annual budget process anticipating that future service expansion may need to be met without significant future revenue increases.
10. Maintain a goal of 4% of average annual General Fund revenues in the year-end Capital Improvement Fund Balance over a ten year period.

The Board of Trustees shall review this fiscal management policy prior to or in conjunction with considerations of the annual fiscal year budget process, and amend it as deemed appropriate.

Board Policy 3.15

Adopted by the Board of Trustees of the Pierce County Library System, August 3, 1995. Revised and approved on: June 13, 1996; July 23, 1998; June 9, 2004; August 8, 2007; October 14, 2009; November 18, 2015; September 13, 2017.

APPENDIX B: Major Milestones of Pierce County Library System

2011 - Current

2018 Restored levy. 2018 marked the second time in the history of the Pierce County Library System that voters were asked to restore the Library's funding with a levy lid lift. Voters approved the levy lid lift to restore levy funding and maintain library services and returns the Library's levy rate to its full legal amount of 50 cents per \$1,000 of assessed property value.

3D Printing. People of all ages got hands-on experience using a 3D printer at nearly every Pierce County Library. The free print shop sessions gave people the opportunity to use the 3D printers to create items, get quick design lessons, and learn the 3D printing process.

Law Library at Gig Harbor Pierce County Library. In partnership with Pierce County Law Library, the Library System opened a law library kiosk inside Gig Harbor Library giving access to legal resources to residents on the west side of the Narrows Bridge. The legal literacy includes free access to online and print resources for use in criminal and civil litigation and materials to help with common personal and business needs.

E-book and Online Audiobook Checkouts Soared. For the second consecutive year, Pierce County Library was one of 65 public library systems worldwide to make the 1 million digital checkout list. Pierce County residents checked out 1.3 million e-books and online audiobooks, which averaged more than 3,431 checkouts a day! This was 10 percent more checkouts than in 2017.

Pierce County READS' Living History. Local Civil Rights leaders inspired approximately 300 people in personal conversations about the Civil Rights Movement. Speakers included Jim Walton, Tacoma's first African-American City Manager; Lyle Quasim, the first African-American Department of Social and Health Services Director; Rosa Franklin, the first African-American woman elected to the Washington State Senate and other dignitaries.

MakerFest. A record 2,500 people participated in MakerFest featuring nearly 50 exhibitors including arts and crafts, technology, robotics and homesteading. DIY-ers and Makers presented hands-on activities to help people of all ages learn do-it-yourself (DIY) processes and join in STEAM activities— science, technology, engineering, arts, and mathematics.

Fife Pierce County Library Upgraded. Staff rearranged books, movies, and other materials at the Fife Library, so people can more easily browse and find materials. The Library System converted the Fife Library to a Dewey Decimal System, which aligns with all 20 Pierce County Libraries. Also, staff added more nonfiction book choices based upon the community's interests.

2017 Boosted STEM skills. More than 4,000 people attended events to learn more about the celestial event of the century—the solar eclipse.

Helped people get jobs. Job+Business Centers with computers, expert assistance and resources as well as 118 workshops and 1:1 support helped improve job skills for 1,470 people.

Motivated summer readers. With books, e-books and events, thousands of children, teens and adults were motivated to read in the Summer Reading program.

Instilled the love of reading. Babies and toddlers made 48,000 visits to the Library's 2,000 story times and early learning classes.

Connected community. A total of 1,400 builders, engineers, and all makers and do-it-your-selves explored, built, created, and coded through displays and hands-on activities at MakerFest.

Launched Pierce County Conversations. Throughout the county people participated in a series of new empowering conversations about current topics.

- 2016** Conducted extensive public involvement and gather input from more than 20 community leaders and 12,000 responses from individuals to shape the Library's Strategic Plan.
- Helped people get jobs. Assisted individuals earn more than 700 accreditations through Microsoft Certifications boosting job skills and employability. Conducted 639 classes for more than 2,200 attendees.
- Inspired Summer Reading. Children and adults read more than 14 million minutes.
- Connected community. Nearly 1,500 people participated in the author event for Pierce County Reads, the community one-book reading program.
- Maintained buildings. Replaced significantly aging furnishings and fixtures at Buckley, Key Center, Lakewood, and Tillicum Pierce County Libraries.
- Increased checkouts for online choices. People checked out 26% more e-books and other online materials, rising from 777,000 in 2015 to 979,000 in 2016.
- Improved technology. Completed major equipment and infrastructure stabilization and upgrades to the network, applications, equipment and bandwidth. Previously up to 20 people at the same time could use Wi-Fi at each library; now up to 100 people at the same time can access Wi-Fi at each library.
- Promoted healthy work place. Association of Washington's Cities WellCity awarded to the Library for wellness program, providing a 2% reimbursement on health care premiums.
- 2015** Earned Innovations in American Government Bright Ideas award for Block Play program from Harvard's Kennedy School Ash Center for Democratic Governance and Innovation.
- Hosted the first Mini Fan-Con event featuring authors, a fan art exhibit, costume parade and more.
- Created Science 2 Go backpacks for preschoolers.
- Inaugurated the Kenneth B. DeRoche Reading Corner Dedication at University Place Library.
- Implemented state-of-art high speed Internet access for customers.
- Began offering laptops to check out at 5 libraries.
- 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.

- 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.
- 2012** Became tobacco free, to increase the Library's comfortable, accessible and welcoming environment for all people.
- Teen summer reading went online with gamification, and 653 teenagers participated in the successful Teen Summer Challenge.
- Created a website for military personnel and their families.
- During the annual library card drive, the Library System piloted a partnership program with Franklin Pierce Schools, resulting in 5,278 students having new cards.
- Earned national Distinguished Budget Presentation Award for its 2012 budget.
- 2011** Moved Milton/Edgewood Library to a high-traffic, central location. 1,300 people attended the grand opening.
- Opened University Place Library in new location, in collaboration with the City of University Place's town center. 4,541 people participated in the grand opening.
- Opened Fife Library, the first ever library in the City of Fife. 780 people attended the grand opening.

2006-2010

- 2010** Fife residents started library service with the bookmobile.
- Job and Business Centers opened.
- 2009** Fife citizens voted with a 69% approval to annex to the Library System.
- 2008** Downloadable e-books offered.
- Hours children and teenagers read during summer reading increased by 44%.
- 3 early literacy stations with computers to help children prepare to read added.
- 64 computers with high-speed Internet added.
- Pierce County READS involved thousands of people.
- Pierce County Library 2030 planned for library services and buildings to meet future community needs.
- 2007** Playaways and online school reading lists offered.
- Open hours increased by 20%.

Online homework help launched.

88 computers added for a total of 218 computers.

Free computer classes offered.

2006 Voters gave a 56% approval to re-authorize the Library's levy (Levy Lid-Lift):

- Wider variety of books and other materials
- More open hours.
- Additional services for kids and teenagers.
- Upgraded services and technology for customers.

2000 - 2005

2005 Express Checkout allowed customers to check out books on their own.

Downloadable audiobooks offered via the library's website.

2001 Bilingual story times started.

Explorer Kids' Bookmobile brought library service to children isolated from libraries.

2000 Audiobooks on CDs offered in libraries.

1990 - 1999

1999 DuPont and Milton citizens voted to annex to Library System.

1998 Library offered e-sources (online databases and subscription magazines) and computers with Internet access at all libraries.

1997 Library System website created.
Our Own Words Teen Writing Contest started.

1996 Edgewood and Lakewood citizens voted to annex to Library System.

1992 New libraries opened in Graham and Summit.

1990 New libraries opened in Eatonville, Gig Harbor, Parkland/Spanaway and South Hill.

1946 - 1989

1987 Gig Harbor citizens voted to annex to Library System.

Friends Connection formed to encourage communication among community library support groups.

1986 Voters approved \$28.9 million bond issue for system expansion program for 12 construction projects.

1985 New library opened in Tillicum.

1984 Audiobooks on cassettes offered in libraries.

Computer checkout system started.

Library services provided to children in child care centers.

1983 Buckley citizens voted to annex to Library System.

1982 Eatonville citizens voted to annex to Library System.

New libraries opened in Bonney Lake, Orting and South Hill.

1980 Orting, Steilacoom and Sumner citizens voted to annex to Library System.

New libraries opened in Gig Harbor and Key Center.

1965 The News Tribune reports on November 30 the results of a study to consolidate all libraries in Pierce County.

1946 Pierce County Library established as a department within Tacoma Public Library.

Four library locations: American Lake Gardens, Gig Harbor, Longbranch and Parkland.

APPENDIX C: Acronyms and Glossary

Acronyms

ACL..... Administrative Center & Library
ALA..... American Library Association
AWC..... Association of Washington Cities
CIF Capital Improvement Fund
CIPA..... Children’s Internet Protection Act
COLA Cost of Living Adjustment
CPI-U Consumer Price Index-Urban Workers
FTE Full-Time Equivalent
GFOA.... Government Finance Officers Association
ILS Integrated Library System
IPD Implicit Price Deflator

MLS.....Masters of Library Science
MLIS.....Masters of Library and Information Sciences
OCLCOnline Computer Library Center
OPAC.....Online Public Access Computer
PCLSPierce County Library System
PERS.....Public Employees Retirement System
PLA.....Public Libraries Association
WIFIWireless Fidelity, or Wireless
WLAWashington Library Association
WSL.....Washington State Library

Glossary

Administrative Center & Library (ACL). A branch library for the surrounding community and also houses the Library’s various departments, such as HR, Finance, IT, and Collection Management.

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.

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-Term, or Mid-Term Adjustment. A fiscal year’s revised budget of revenues and expenditures approved by the Board of Trustees during the fiscal year.

Capital Improvement Fund (CIF). A government fund used for capital improvement projects, such as buildings, major equipment, machinery, facility renovations, etc.

Capital Improvement Plan (CIP). The list and description of capital improvement projects included

in the budgeting process, of which the budget for the plan is approved by the Board of Trustees for current and future years.

Capital Improvement Project, or Capital Project. A specific project that improves a major aspect of the Library.

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 all of its funds in order to pay bills during the first four months of the next three to five 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 6 million range.

Contingency. Monies set aside in the General Fund to manage unforeseen circumstances. The contingency fund increases and decreases throughout the fiscal year.

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. The Collective Bargaining Agreement generally uses the June-to-June Seattle-Tacoma-Bellevue 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 and will be replaced by Tyler Munis beginning in 2019.

Full-Time Equivalent (FTE). The equivalent of a full-time position in the Library, defined as working 40 hours per week.

General Fund. An accounting fund category for which in its simplest form the Library uses to receive revenues and pay for ongoing operations.

Government Finance Officers Association (GFOA): An organization that promotes best practices and standards for governments, in particular, to accounting, budgeting, and reporting.

Integrated Library System (ILS). A mission-critical electronic data processing system that provides turnkey automation of a library's catalog and patron transaction system. Pierce County Library uses the Polaris ILS. More information available at www.polarislibrary.com

Implicit Price Deflator (IPD). The national index used in Washington State for purposes of establishing the lawful property tax levy rate for revenues. Under Initiative 747 passed in 2001 (the Washington State Legislature held a special session on November 29, 2007 to enact into law the court-overturned language of Initiative 747), if the IPD is less than 1%, the Board of Trustees must take action to levy the full 1%. If the IPD is more than 1%, the Board does not need to take action and the Library receives the full 1% levy rate.

Levy Lid-Lift. An election by the voters to restore funding for the taxing districts, including Pierce County Library System. The Library put Proposition 1 on the ballot for the 2006 September election, which was

subsequently passed by nearly 56% of the voters. Proposition 1 restored Library funding to 48 cents per \$1,000 of the district's assessed property value. In 2018, a similar proposition was put before the voters, which was approved and certified in late November, 2018.

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.

Operating Budget. The budget and activity in the General Fund (see also General Fund) exclusive of direct fund to fund transfers.

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 organized under Pierce County government.

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.

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 newly hired employees.

Public Libraries Association (PLA). The association for public libraries. PLA's parent organization is ALA. See also ALA, WLA. For more information, see www.pla.org, www.ala.org, and www.wla.org.

Wage Adjustment—sometimes known as Cost of Living Adjustment (COLA). The adjustment applied by an organization to all of its salary and wage tables. It can be a percentage tied to a local or national

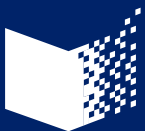
inflationary index, or a simple percentage based on funding available.

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.

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/ac, which is similar 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.

LEARNING ENJOYMENT COMMUNITY



**Pierce County
Library System**

Information & Imagination

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ADM 5/19 (30)