

AGENDA
Regular Meeting of the Pierce County Library System Board of Trustees
November 13, 2013
3:30 – 6:00 pm

3:30 pm	02 min.	Call to Order: <i>Linda Ishem, Chair</i>	
3:32 pm	05 min.	Public Comment: <i>This is time set aside for members of the public to speak to the Board of Trustees. Unless the item you wish to discuss is of an emergency nature, the Board ordinarily takes matters under advisement before taking action. Please sign up at the time of the meeting to speak during the public Comment period, and limit your comments to three minutes.</i>	
3:37 pm	03 min.	Consent Agenda	Action
		<ol style="list-style-type: none"> 1. Approval of Minutes of the October 16, 2013 Regular Meeting 2. Approval of October 2013 Payroll, Benefits and Vouchers 3. Resolution 2013-07: Schedule of Recurring Meetings 	
3:40 pm	10 min.	Board Members Report	
3:50 pm	10 min.	Officers Reports	
		<ol style="list-style-type: none"> 1. September Dashboard, <i>Georgia Lomax</i> 2. October 2013 Financial Report, <i>Dale Hough</i> 3. Recent Meetings with Officials, <i>Neel Parikh</i> 4. 2013 Summer Reading Program, <i>Judy Nelson</i> 5. Science to Go Advisory Board, <i>Judy Nelson</i> 6. Fife Turnaround - Temporary Lighting, <i>Lorie Erickson</i> 7. University Place Civic Building, <i>Neel Parikh</i> 8. 2014 Health Care Benefits Provider, <i>Georgia Lomax</i> 	
4:00 pm	10 min.	Public Hearing: 2014 Draft Budget of Estimated Revenue and Expenditures: 2014 Revenue sources and 2014 Expense Budget: Consideration of increases in property tax revenues, Regarding the 2013 property tax levies for collection in 2014 (per RCW 84.55.10)	
4:10 pm	15 min.	Unfinished Business	
		<ol style="list-style-type: none"> 1. 2014 Budget, <i>Neel Parikh and Clifford Jo</i> <ol style="list-style-type: none"> a. Review of Regular 2014 Budget b. Resolution 2013-08: Requesting Highest Lawful Levy and Levy Certification c. 2014 Capital Improvement Budget and 2014 Capital Improvement Plan 	Action
	15 min.	<ol style="list-style-type: none"> 2. Philosophy Statement, <i>Georgia Lomax and Neel Parikh</i> 	Action
4:40pm		New Business	
	15 min.	<ol style="list-style-type: none"> 1. Branch Service Plans, <i>Neel Parikh and Sally Porter Smith</i> 	
	15 min.	<ol style="list-style-type: none"> 2. Foundation Annual Report, <i>Lynne Hoffman</i> 	
	10 min.	<ol style="list-style-type: none"> 3. Microsoft Academy, <i>David Durante and Jaime Prothro</i> 	
	05 min.	<ol style="list-style-type: none"> 4. Resolution 2013-09 Association of Washington Cities Interlocal Agreement, <i>Georgia Lomax</i> 	Action
5:25 pm	30 min.	Executive Session: <i>At this time on the agenda, the Board of Trustees will recess to Executive Session, per RCW 42.30.110, to discuss personnel issues.</i>	
5:55 pm	05 min.	Announcements	
6:00 pm		Adjournment	

CONSENT

AGENDA

**BOARD OF TRUSTEES
PIERCE COUNTY LIBRARY SYSTEM
REGULAR MEETING, OCTOBER 16, 2013**

CALL TO ORDER

Chair Linda Ishem called to order the regular meeting of the Pierce County Rural Library District Board of Trustees at 3:33 p.m. Board members present were J.J. McCament (arrived late), Allen Rose, Robert Allen and Donna Albers.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Minutes of the September 11, 2013 Regular Meeting of the Board of Trustees
2. September 2013 Payroll, Benefits and Vouchers in the total amount of \$2,143,380.07
 - a. Payroll Warrants 3462-3476, dated 09/01/13 – 09/30/13 in the amount of \$7,392.83
 - b. Payroll Disbursement Voucher dated 09/06/13 in the amount of \$563,587.63
 - c. Payroll Disbursement Voucher dated 09/20/13 in the amount of \$712,494.27
 - d. Accounts Payable Warrants 620920-621129 dated 09/01/13 – 09/30/13 in the amount of \$844,279.91
3. Approval of the Holiday Policy
4. Approval of the Programming Policy

Moved by Mr. Rose, seconded by Mr. Allen to approve the consent agenda. Motion carried unanimously.

BOARD MEMBERS REPORT

Ms. Neel Parikh, Director, introduced and welcomed Rosalind Nguessan as Senior Finance Specialist. Members of the Board also welcomed her.

Clifford Jo, Finance and IT Director, provided information regarding the GFAO Distinguished Budget Award and displayed the plaque. He noted it was a group effort and a result of a compilation of work done by many. Board members commended Mr. Jo for producing the budget and receiving the award.

Ms. Parikh provided miniature IMLS medal lapel pins to Board members and noted they will also be distributed to staff.

Ms. Parikh informed Board members that Linda Farmer has accepted the position of Marketing and Community Relations Director and will begin work on November 1, 2013.

OFFICERS REPORT

1. **August Dashboard:** The Board had no questions regarding the Dashboard.
2. **September 2013 Financial Report:** Dale Hough, Finance Manager, noted the Library received \$500,000 more than anticipated, and in October the Library will receive 31% of the \$9 million budget. Mr. Hough responded to questions from the Board regarding funds received stating this is likely due to delinquent real estate property tax payments.
3. **SEC Decision - Municipal Advisors:** Ms. Parikh provided an overview of the item noting that the final language of the rule exempts appointed officials of governmental entities from the definition of municipal advisor. Members of the Board stated their pleasure with the decision.
4. **2013 GFOA Distinguished Budget Award:** Mr. Jo presented the award analysis to members of the Board. He responded to questions regarding comparisons of the comments received last year to the current year and how feedback shapes the development of the narrative. Mr. Jo noted as time goes on, the document will be improved in response to the feedback received. Ms. Parikh informed the Board that the budget has become a “living document” within the Library’s strategies, efficiencies, philosophies and values.

Ms. Parikh indicated work will be done to incorporate departmental metrics as well as system-wide metrics to expand the use of the document beyond management, making it useful across the organization.

5. **2011-2012 Fiscal Audit:** Ms. Parikh asked if any Board members would like to be present during the audit entry or exit interview. Mr. Hough informed the Board an entrance review would take place within a week and that he is currently receiving baseline information. Ms. Albers said she would sit in for educational purposes.
6. **HVAC Rebate:** Lorie Erickson, Facilities Director, briefed Board members on the item. Mr. Jo noted the actual rebate is calculated and issued after installation. The estimated rebate amount is \$80,000.
7. **Fife Turnaround:** Ms. Ishem expressed her concern about the absence of lighting in the new turnaround and parking area and asked if it is too dark in the location. Sally Porter Smith, Customer Experience Director, mentioned lighting has been ordered and will be installed soon. It was also noted that portable barricades would be made available to keep vehicles out of the area after dusk.
8. **Tacoma Community House Citizenship Grant:** Ms. Parikh provided information on the TCH grant partnership.

UNFINISHED BUSINESS

1. **Review of Regular 2014 Draft Revenue and Expenditure:** Ms. Parikh provided a brief overview of the item. It was noted as the growth trend continues, PCLS will recover well. Discussion ensued regarding pension rates. Mr. Jo said participation in the program is mandatory, the State sets the rates for the employee/employer contributions, and the employer's cost has increased significantly since 2003.

Mr. Jo briefed the Board on the item, noting that maintenance and operations costs had the largest increase due to University Place condominium fees. He responded to questions from the Board regarding the Collections and Materials budget, which has been cut by \$20,000, e-book acquisitions, the cost, and how to reduce the costs in other budget items to add new e-books. Mr. Jo recommended using \$128,000 in cash reserves rather than making further cuts. Ms. Parikh noted she will follow up on the collection and report to the Board at a future meeting.

Mr. Jo noted line items on revenues increased by 3.7% and other areas may be increased. Personnel increased approximately 1.58%, and the same percentage will be used in calculating reduction in salaries to match actuals. This year 3% is about the right number, higher is over expending. He stated the Library should be coming out on the positive side. He noted that a portion of the 3.7% increase was contributed by the Foundation.

Mr. Jo responded to questions regarding the Affordable Care Act and its effect on competitive prices, noting that we are working with our broker and are looking at Association of Washington Cities (AWC). Discussion ensued regarding what affordable healthcare means, and what other organizations are doing as a result of the Affordable Care Act. Discussion ensued regarding appropriate percentages for the budget and impacts to the budget resulting from the Affordable Care Act and retirees. Ms. Parikh responded to questions regarding the UP Condominium Agreement, efficiencies and costs, noting costs at University Place appear to be higher than other similarly-sized branches due to the parking garage and atrium.

Discussion ensued regarding utility providers, the new tax that could possibly be imposed by the City of Tacoma and the impact it could have on PCLS. Ms. Parikh informed the Board that the Reading and Materials analysis and reorganization continues and the process will begin in the IT Department soon.

a) 2014 Preliminary Levy Certification

Mr. Jo noted that the amount came in close to our expectation. Final analysis suggested 3.11%; the actual amount was 3.4%. He stated we have to catch up the budget revenues and expenditures and in theory, next year the gap should be closed. The Library is able to levy at 50 cents until we reach the 50 cent limit, which will be several years out. Although the certification is preliminary, the County doesn't expect much change in the final number.

b) 2013 Implicit Price Deflator (IPD) for 2014 Property Tax Levy

Mr. Jo briefed Board members on the item.

c) Review of 2014 Revenue and Expenditures Draft

Mr. Jo provided an overview of the item and responded to questions from the Board.

d) Review of 2014 Capital Plan Draft

Mr. Jo informed the Board that major maintenance projects are coming to an end and within the next few years, a new cycle will begin to maintain our buildings, such as upgrades to restrooms and furnishing replacements.

Ms. Parikh stated the Foundation stepped up and supported the budget. She informed members of the Board that the Friends and Foundation are doing a fundraising project at the South Hill branch like the Key Center project.

Ms. Parikh responded to questions regarding the Technology Plan designated in the amount of \$250,000 in the capital budget stating she wanted to be realistic about what might be spent for virtualization, mobile computing, etc. and the technology planning process will determine costs. Ms. Parikh said recruitment, with assistance from a consultant, for the new Digital Experience Director will begin soon. She said the budget was put together without the presence of three Directors, therefore additional projects were not included, but this may change at the mid-year budget review.

Discussion ensued regarding an automatic materials handling system, which is a machine that automatically checks in books and sorts them for re-shelving and reserves. It was noted that the machine requires a significant amount of space and would only work in larger locations; however, would save staff time. This item will be studied over the next two years to gain a better understanding.

It was also noted that staff is looking into upgrading to energy-efficient lights. Discussion ensued regarding the return on investment and reductions in staff time by eliminating the need to change bulbs as often.

e) 2014 – 2018 Cash Flow Chart

Mr. Jo provided an overview of cash flow chart attachment, which shows some of the projections, and provided explanations regarding the information.

2. Succession Planning: Vision of the Library's Future Summary Report:

Consultant Catherine McHugh noted she interviewed community leaders, the Board, Customer Experience Team and Administrative Team staff and has provided a summary report of those meetings.

Ms. McHugh reviewed the summary report calling attention to the external constraints. Community leaders indicated that the constrained budget environment is what we have to continue to look forward to over the next five years. She informed the Board that technology was another item of interest. The Library needs to keep its finger on the pulse of technological advancements, which will not only require funding for equipment, but restructuring the skill sets of staff.

Ms. McHugh indicated the County is going to be demographically broader as population increases, which will be reflected in the changes and needs of the community. With increased diversity and volume, PCLS will need to continue to seek out feedback and adapt. Discussion ensued regarding the different ways businesses are operating relating to the services they provide and how changes are being driven by technology and customer uses.

Ms. McHugh stated that partnering is becoming even more important and will begin look different than we presently know and will create a more efficient way to spend public dollars. It was also noted that public entities will be tasked with pooling resources, learning from other each other and thinking systemically to develop solutions.

Ms. McHugh responded to questions from the Board. Discussion ensued regarding the need to avoid getting caught up in fads and provide a rational assessment, dealing with rapid change and how it affects different groups.

Members of the Board noted their appreciation of Ms. Parikh's leadership and her ability and willingness to learn and make changes based on new information.

Ms. McHugh stated that given the recent turnover, it is critical that the Library continue to develop leadership talent and maintain, deepen and evolve the talent that is here now. It is imperative that strong strategic focus on customer service, staff, management, union and cross functional teams continue as PCLS evolves. She suggests that the incoming Director will need to aim at leadership development, relevancy, innovations and cultural leadership. Discussion ensued regarding how the data provided by Ms. McHugh's report can be used.

Ms. McHugh explained that the next part of the process will focus on competencies; she plans to have individual conversations with members of the Board to prepare a preliminary report. She noted she will develop a structure for the Board to prepare for the conversations and that more work with staff will occur. She will provide a report to the Board in December.

3. Philosophy Policy:

Ms. Parikh provided an overview of the item and noted Ms. Lomax intended to capture and use the things that the Board discussed at the last meeting. In the draft, it was noted that the policy gave the impression that the Library is in a supporting role of the public rather than a leadership element and should include that the Library adds value to the community at large. Discussion ensued regarding the possibility of adding the "democracy" statement and the need for a statement showing the Library as a place (building, meeting rooms) and not simply a service. Ms. Parikh stated although we often say what is available, we also do things and reach out to address specific needs, such as providing assistance to people in working with the new Affordable Healthcare Act. She noted staff would revise the policy and provide a new draft to the Board.

NEW BUSINESS

1. Confidentiality Policy:

Ms. Parikh briefed Board members on the item. She noted this is an updated policy that Ms. Lomax revised by reorganizing portions of the original policy and adding other policy elements.

Moved by Mr. Allen, seconded by Mr. Rose to approve the Confidentiality Policy as written. Motion carried unanimously.

2. Set 2014 Board Meeting Schedule:

Ms. Parikh reviewed the meeting schedule with the Board. A change in the schedule moving the March 12 meeting to March 19, 2014 was made. Moved by Ms. McCament seconded by Mr. Allen to approve the 2014 meeting schedule, as amended. Motion carried unanimously.

3. Affordable Care Act:

Ms. Jaime Prothro, Customer Experience Manager, Customer Services, provided an overview of the item. She informed Board members that staff has begun offering public

information opportunities, which are being relatively well-attended. She stated we are now a member of the National Network of Libraries and Medicine. Early on it was determined that in person assistance would be needed by the public. We have since partnered with other organizations that want to help, but previously didn't have a place to offer this service. She explained that ongoing data gathering will capture information regarding customers' web, digital and hard mediums to track progress, which will be provided to the Board at a later date.

4. Director Evaluation: Review Procedures:

Ms. Parikh noted that her job description is up-to-date, the Board has the evaluation forms and she will present her accomplishments to them for review.

Ms. Parikh distributed the ULC session packet to Board members and provided an overview of the day's schedule. It was also noted it is the same day as the Board meeting.

Discussion ensued regarding the Director evaluation process.

EXECUTIVE SESSION

No executive session was held.

ANNOUNCEMENTS

There were no announcements

ADJOURNMENT

Moved by Mr. Rose, seconded by Mr. Allen to adjourn the meeting at 5:56 p.m. Motion carried unanimously.

Neel Parikh, Secretary

Linda Ishem, Chair

October 2013 Payroll, Benefits and Vouchers

	<u>Warrant Numbers</u>	<u>Date(s)</u>	<u>Amount</u>
Payroll Warrants	3477-3492	10/01/13-10/31/13	\$19,209.45
Disbursement Voucher - Payroll & Acct Payable		10/07/13	\$539,634.26
Disbursement Voucher - Payroll & Acct Payable		10/21/13	\$548,754.76
Accounts Payable Warrants	621302-621556	10/01/13-10/31/13	\$1,826,238.71
Total:			<u><u>\$2,933,837.18</u></u>

Check History Listing
Pierce County Library System

Check #	Bank	Date	Paid to	Status	Can/Vd Date	Pay Period Dates	Dir Dep	Amount
3477	pr	10/07/2013	DONEY, ELISE			09/16/13 - 09/30/13	0.00	1,507.47
3478	pr	10/07/2013	ALVORD, PAIGE			09/16/13 - 09/30/13	0.00	1,285.18
3479	pr	10/07/2013	FAULHABER, JANICE			09/16/13 - 09/30/13	0.00	638.54
3480	pr	10/07/2013	RIGGS, DAWN			09/16/13 - 09/30/13	325.00	1,302.84
3481	pr	10/11/2013	RUNYAN, SUSAN			10/11/13 - 10/11/13	0.00	21.58
3482	pr	10/11/2013	GOUGH, ANDREA			10/11/13 - 10/11/13	0.00	59.75
3483	pr	10/11/2013	HALE, MEREDITH			10/11/13 - 10/11/13	0.00	78.67
3484	pr	10/11/2013	WENDOVER, MARTHA			10/11/13 - 10/11/13	0.00	173.28
3485	pr	10/11/2013	CALHOUN, AMANDA			10/11/13 - 10/11/13	0.00	33.72
3486	pr	10/11/2013	SMITH, DARLENE			10/11/13 - 10/11/13	0.00	358.59
3487	pr	10/11/2013	JACOBSON, LINDA			10/11/13 - 10/11/13	0.00	88.70
3488	pr	10/21/2013	DIKE, CAROL			10/01/13 - 10/15/13	0.00	962.95
3489	pr	10/21/2013	EDWARDS, WAYNE			10/01/13 - 10/15/13	0.00	175.33
3490	pr	10/21/2013	NDIRANGU, ALEXANDER			10/01/13 - 10/15/13	0.00	518.99
3491	pr	10/21/2013	LEVY, MARVETTA			10/01/13 - 10/15/13	0.00	521.71
3492	pr	10/31/2013	NIELAN, KERRY			10/31/13 - 10/31/13	0.00	11,482.15
Total:							325.00	19,209.45

Checks in report: 16

Grand Total: 325.00 19,209.45

COUNTY OF PIERCE
BUDGET AND FINANCE DEPARTMENT

Disbursement Journal Voucher (T/C) 74	Agency No.	D.J.V. Date	D.J.V. No.
	001-116	revised 10/18/2013	

	Account Code							Acct. Action	DESCRIPTION	AMOUNT
	Fund	Dept	Prog	BASUB	Elem	OB	M/OB			
1	697	001	0000	237	00				FIT EE and EIC- Wire to IRS	\$58,499.05
2	697	001	0000	237	00				Fica EE and Medicare - Wire to IRS	\$41,904.66
3	697	001	0000	237	00				Fica ER and Medicare - Wire to IRS	\$41,904.66
4	697	001	0000	237	00				DIR DEP-file to Columbia Bank	\$400,214.73
5	697	001	0000	237	00					
6	697	001	0000	237	00					
7	697	001	0000	237	00				dept of rev	\$2,015.46
8	697	001	0000	237	00					
9	697	001	0000	237	00				Supp. ForCOLA retro corrections FIT	\$133.27
10	697	001	0000	237	00				EE fica/medi	\$78.50
11	697	001	0000	237	00				ER fica/medi	\$78.50
12	697	001	0000	237	00					
13	697	001	0000	237	00				ING	\$1,955.00
14	697	001	0000	237	00				H.S.A. Employee deductions	\$1,970.93
15	697	001	0000	237	00				H.S.A. Employees Contributions	
16	697	001	0000	237	00					
									BCC	
									please put the total amt below into PCLS payroll account	
									TOTAL	\$548,754.76

Bank No.	Check No.	Issued To	Bank No.	Check No.	Issued To
		U.S. Treasury			

Prepared By:	Date:	Approved By:	
Christy Telling	10/18/2013	Christy Telling	10/18/2013

COUNTY OF PIERCE
BUDGET AND FINANCE DEPARTMENT

Disbursement Journal Voucher (T/C) 74	Agency No.	D.J.V. Date	D.J.V. No.
	001-116	revised 10/4/2013	

	Account Code							Acct. Action	DESCRIPTION	AMOUNT
	Fund	Dept	Prog	BASUB	Elem	OB	M/OB			
1	697	001	0000	237	00				FIT EE and EIC- Wire to IRS	\$58,056.30
2	697	001	0000	237	00				Fica EE and Medicare - Wire to IRS	\$41,866.21
3	697	001	0000	237	00				Fica ER and Medicare - Wire to IRS	\$41,866.21
4	697	001	0000	237	00				DIR DEP-file to Columbia Bank	\$397,063.13
5	697	001	0000	237	00					
6	697	001	0000	237	00				IRS refund	(\$973.15)
7	697	001	0000	237	00				dept of rev	\$0.00
8	697	001	0000	237	00					
9	697	001	0000	237	00				Supp. For K. Lindstrom FIT	\$45.09
10	697	001	0000	237	00				EE fica/medi	\$23.54
11	697	001	0000	237	00				ER fica/medi	\$23.54
12	697	001	0000	237	00					
13	697	001	0000	237	00					
14	697	001	0000	237	00				H.S.A. Employee deductions	\$1,970.93
15	697	001	0000	237	00				H.S.A. Employees Contributions	
16	697	001	0000	237	00				H.S.A. Fee adj 9/20	(\$224.20)
									H.S.A Fee adj 1/6	(\$83.34)
									BCC	
									please put the total amt below into PCLS payroll account	
									TOTAL	\$539,634.26

Bank No.	Check No.	Issued To	Bank No.	Check No.	Issued To
		U.S. Treasury			

Prepared By:	Date:	Approved By:	
Christy Telling	10/4/2013	Christy Telling	10/4/2013

Check History Listing
Pierce County Library System

Bank code: boa

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
621302	10/02/2013	001213 GIS INFORMATION SYSTEMS INC		3,282.00
621303	10/02/2013	004674 MCHUGH MANAGEMENT CONSULTING		11,655.00
621304	10/02/2013	001005 PETTY CASH CUSTODIAN		144.88
621305	10/02/2013	005338 PHOENIX MECHANICAL INC		388,917.00
621306	10/02/2013	005417 RICOH USA INC		359.26
621307	10/02/2013	004655 ROSE ENVIRONMENTAL LLC		747.75
621308	10/02/2013	001343 SCHOLASTIC INC		971.72
621309	10/02/2013	005416 WILMINGTON DRIVE HOLDINGS LLC		214.34
621310	10/02/2013	005704 ERIN ANTES		15.26
621311	10/02/2013	004129 MARIANNA BISSONNETTE		188.43
621312	10/02/2013	000242 BUCKLEY CITY OF		289.58
621313	10/02/2013	000094 ELMHURST MUTUAL POWER & LIGHT		1,031.78
621314	10/02/2013	001947 JILL HENRIKSEN		195.16
621315	10/02/2013	005107 ART HOOVER		27.69
621316	10/02/2013	002082 DALE HOUGH		274.44
621317	10/02/2013	005403 SARAH JENSEN		214.78
621318	10/02/2013	004346 CHERYL LARSON-POPEK		38.08
621319	10/02/2013	005712 STEVE LUKASIAK		11.30
621320	10/02/2013	003761 TERRI MAY		150.93
621321	10/02/2013	003737 TONIE MONTGOMERY		88.99
621322	10/02/2013	003808 SALLY PORTER-SMITH		660.58
621323	10/02/2013	000377 PUGET SOUND ENERGY		1,663.26
621324	10/02/2013	003497 TAMARA SAARINEN		82.25
621325	10/02/2013	005713 MICHAEL SCARFO		42.49
621326	10/02/2013	004972 LAURA SCHMINKEY		136.72
621327	10/02/2013	000460 STEILACOOM TOWN OF		714.82
621328	10/02/2013	001925 EMILIA TARAU		25.11
621329	10/03/2013	001583 ALIBRIS		55.80
621330	10/03/2013	000172 AMERICAN LIBRARY ASSOC		359.50
621331	10/03/2013	000830 BAKER & TAYLOR		52,888.96
621332	10/03/2013	000189 BAKER & TAYLOR ENTERTAINMENT		55.75
621333	10/03/2013	001634 BEARPORT PUBLISHING CO		4,103.28
621334	10/03/2013	000161 CENGAGE LEARNING		135.46
621335	10/03/2013	000847 CENTER POINT PUBLISHING		627.33
621336	10/03/2013	000243 INGRAM LIBRARY SERVICES		23,633.46
621337	10/03/2013	000352 MIDWEST TAPE	V	0.00
621338	10/03/2013	000352 MIDWEST TAPE	V	0.00
621339	10/03/2013	000352 MIDWEST TAPE		60,002.65

Check History Listing
Pierce County Library System

Bank code: boa

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
621340	10/03/2013	003398 MULTICULTURAL BOOKS & VIDEOS		2,005.30
621341	10/03/2013	000323 NEWS TRIBUNE		682.20
621342	10/03/2013	001060 SCHOLASTIC LIBRARY PUBLISHING		792.06
621343	10/07/2013	000828 AFSCME AFL-CIO		5,314.95
621344	10/07/2013	003311 DEPARTMENT OF LABOR & INDUSTRI		56,496.20
621345	10/07/2013	000898 DEPARTMENT OF RETIREMENT SYSTE		8,194.00
621346	10/07/2013	000825 ING-VC3371		1,955.00
621347	10/07/2013	003985 PACIFCSOURCE ADMINISTRATORS		2,066.00
621348	10/07/2013	001181 PIERCE CTY LIBRARY FOUNDATION		339.10
621349	10/07/2013	004276 STATE CENTRAL COLLECTION UNIT		151.67
621350	10/07/2013	000823 UNITED WAY		77.51
621351	10/07/2013	004782 US DEPARTMENT OF EDUCATION		173.41
621352	10/07/2013	000827 WA STATE- DEPT OF RETIREMENT S		76,450.36
621353	10/07/2013	000881 WASHINGTON STATE SUPPORT REGIS		450.00
621354	10/07/2013	002061 SUSAN ANDERSON-NEWHAM		65.61
621355	10/07/2013	000363 ARAMARK UNIFORM SERVICES		16.41
621356	10/07/2013	001348 BARRY UNIVERSITY		20.00
621357	10/07/2013	005711 CHAMPAIGN PUBLIC LIBRARY		34.95
621358	10/07/2013	000895 COLUMBIA BANK		50.00
621359	10/07/2013	001565 EASTERN WASHINGTON UNIVERSITY		72.50
621360	10/07/2013	005710 LAKESIDE PUBLIC LIBRARY		6.00
621361	10/07/2013	003811 PIERCE CO COMMUNITY NEWSPAPER		318.00
621362	10/07/2013	000370 PIERCE COUNTY		13,497.31
621363	10/07/2013	000370 PIERCE COUNTY		120.00
621364	10/07/2013	005509 PUGET SOUND GRANTWRITERS ASSOC		220.00
621365	10/07/2013	001290 REGIONAL BUILDING SVCS CORP		507.25
621366	10/07/2013	005417 RICOH USA INC		221.56
621367	10/07/2013	005709 DISTRICT LIBRARY SCHAUMBURG TOWN		10.00
621368	10/07/2013	000496 THYSSEN SOUND ELEVATOR		678.89
621369	10/07/2013	004521 TUSKEGEE UNIVERSITY		12.00
621370	10/07/2013	000635 WAYNES ROOFING INC		148,521.44
621371	10/07/2013	000534 WCP SOLUTIONS		231.12
621372	10/07/2013	000184 CITY TREASURER		1,441.80
621373	10/07/2013	000184 CITY TREASURER		472.42
621374	10/07/2013	000184 CITY TREASURER		41.23
621375	10/07/2013	004157 MINDY EWING		39.55
621376	10/07/2013	004529 ARLECIA HANSON		12.43
621377	10/07/2013	004625 JOY KIM		42.40
621378	10/07/2013	001643 MATRIX/TRINSIC		46.22

Check History Listing
Pierce County Library System

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Bank code: boa

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
621379	10/09/2013	000830 BAKER & TAYLOR		12,161.67
621380	10/09/2013	000830 BAKER & TAYLOR		1,806.10
621381	10/09/2013	000161 CENGAGE LEARNING		6,261.22
621382	10/09/2013	005300 DANGER ROOM COMICS LLC		3,157.27
621383	10/09/2013	000243 INGRAM LIBRARY SERVICES		28,458.25
621384	10/09/2013	005444 MERGENT INC		11,012.00
621385	10/09/2013	000352 MIDWEST TAPE	V	0.00
621386	10/09/2013	000352 MIDWEST TAPE	V	0.00
621387	10/09/2013	000352 MIDWEST TAPE		49,313.44
621388	10/09/2013	003398 MULTICULTURAL BOOKS & VIDEOS		4,484.50
621389	10/09/2013	000323 NEWS TRIBUNE		227.40
621390	10/09/2013	000377 PUGET SOUND ENERGY		970.83
621391	10/09/2013	000406 RECORDED BOOKS LLC		2,205.51
621392	10/09/2013	001060 SCHOLASTIC LIBRARY PUBLISHING		11,299.02
621393	10/09/2013	001060 SCHOLASTIC LIBRARY PUBLISHING		755.76
621394	10/09/2013	000451 SEATTLE TIMES SEATTLE PI		306.80
621395	10/10/2013	000176 ATS AUTOMATION INC		4,507.28
621396	10/10/2013	000895 COLUMBIA BANK		216.38
621397	10/10/2013	000895 COLUMBIA BANK		228.05
621398	10/10/2013	001467 DATA SECURITY CORP		132.50
621399	10/10/2013	005272 GREEN EFFECTS INC		4,733.60
621400	10/10/2013	004758 HELP DESK TECHNOLOGY INTL CORP		6,101.20
621401	10/10/2013	005235 KEY PENINSULA BUSINESS ASSOC		75.00
621402	10/10/2013	001586 NORTHWEST DOOR INC		459.90
621403	10/10/2013	001379 SENTINEL PEST CONTROL INC		708.00
621404	10/10/2013	005393 SWARNER COMMUNICATIONS		485.00
621405	10/10/2013	000496 THYSSEN SOUND ELEVATOR		1,442.87
621406	10/10/2013	003719 UNIQUE MANAGEMENT SERVICES		2,049.55
621407	10/10/2013	004022 US BANK		65,443.59
621408	10/14/2013	002061 SUSAN ANDERSON-NEWHAM		30.68
621409	10/14/2013	004129 MARIANNA BISSONNETTE		178.82
621410	10/14/2013	005714 JANELL BROWN		12.99
621411	10/14/2013	005453 DANA BROWNFIELD		46.90
621412	10/14/2013	003423 ALEXANDER BYRNE		43.51
621413	10/14/2013	000184 CITY TREASURER		4,279.20
621414	10/14/2013	000184 CITY TREASURER		992.09
621415	10/14/2013	001342 KRISTINE COUNTRYMAN		48.03
621416	10/14/2013	003378 NICHOLE DAVIS		10.17
621417	10/14/2013	004159 LORIE ERICKSON		492.12

Check History Listing
Pierce County Library System

Bank code: boa

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
621418	10/14/2013	001875 LINDA ESKESEN		8.98
621419	10/14/2013	003883 SUSAN FORDHAM		55.65
621420	10/14/2013	005226 DENNIS GOULD		36.72
621421	10/14/2013	005055 CHRISTOPHER HAMILTON		37.86
621422	10/14/2013	002074 PAMELA J HANSON		14.13
621423	10/14/2013	005720 KATY KAVALSKI		28.99
621424	10/14/2013	002043 LISA LEE		13.79
621425	10/14/2013	003737 TONIE MONTGOMERY		55.09
621426	10/14/2013	005680 GRETCHEN NELSON		60.12
621427	10/14/2013	001941 JUDY T NELSON		554.05
621428	10/14/2013	001967 CYNTHIA PARIDO		12.43
621429	10/14/2013	005508 CHRISTINA PEDERSON		13.00
621430	10/14/2013	005044 KATHERINE SAVAGE		57.91
621431	10/14/2013	002094 CHARLOTTE STRAIN		62.72
621432	10/14/2013	004114 MEGHAN SULLIVAN		37.29
621433	10/14/2013	002000 MALIA TUI		38.42
621434	10/14/2013	001930 MARGARET VENEMON		60.12
621435	10/14/2013	002038 ROSINA VERTZ		80.82
621436	10/14/2013	003433 MARY WORTINGER		31.41
621437	10/15/2013	000273 CARRILLO & ASSOCIATES		1,718.75
621438	10/15/2013	004779 CONVERGENT TECHNOLOGY SYS		3,457.04
621439	10/15/2013	004397 SHKS ARCHITECTS PS INC		4,387.00
621440	10/15/2013	005613 SUNWEST PROPERTY MAINTENANCE		393.84
621441	10/15/2013	000534 WCP SOLUTIONS		153.97
621442	10/16/2013	005708 DONALD ALLGOOD		21.35
621443	10/16/2013	005715 ANDREW BOLLAND		7.99
621444	10/16/2013	000184 CITY TREASURER		912.29
621445	10/16/2013	005723 SHEENA FERNANDEZ		26.60
621446	10/16/2013	001958 SHARRON GRAHAM		19.21
621447	10/16/2013	004625 JOY KIM		350.00
621448	10/16/2013	005722 ASHLEY NAGLICH		20.82
621449	10/16/2013	005717 JULIE NASH		4.69
621450	10/16/2013	005716 PAIGE THOMAS		14.84
621451	10/16/2013	001684 MICROWEST SOFTWARE SYSTEMS INC		3,175.00
621452	10/16/2013	005261 MODERN DATA PRODUCTS INC		827.00
621453	10/16/2013	004018 STAPLES INC		273.68
621454	10/16/2013	004022 US BANK		42,609.26
621455	10/18/2013	000830 BAKER & TAYLOR		18,477.90
621456	10/18/2013	005581 JESSICA EHLI		22.60

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Pierce County Library System

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Check #	Date	Vendor	Status	Check Total
				7.35
621457	10/18/2013	005724 JESSICA GROEL		153.16
621458	10/18/2013	004293 HENDRICKSON ASSOCIATES LLC		15,095.54
621459	10/18/2013	000243 INGRAM LIBRARY SERVICES		1,288.58
621460	10/18/2013	000352 MIDWEST TAPE		40.00
621461	10/18/2013	003682 NISQUALLY VALLEY NEWS		305.38
621462	10/18/2013	001445 OPES INC		6,782.19
621463	10/18/2013	003824 OVERDRIVE INC		396.08
621464	10/18/2013	000541 STATE OF WASHINGTON		3,347.29
621465	10/18/2013	004622 DATABAR INC		1,540.71
621466	10/18/2013	005417 RICOH USA INC		26,975.72
621467	10/18/2013	001780 UNIVERSITY PLACE CITY OF		90,420.09
621468	10/10/2013	004022 US BANK		585.20
621469	10/18/2013	000541 STATE OF WASHINGTON		209.85
621470	10/18/2013	000534 WCP SOLUTIONS		3,401.86
621471	10/21/2013	003778 AFLAC		5,321.89
621472	10/21/2013	000828 AFSCME AFL-CIO		1,107.96
621473	10/21/2013	001578 COLONIAL SUPPLEMENTAL INSURANC		7,236.00
621474	10/21/2013	000898 DEPARTMENT OF RETIREMENT SYSTE		2,066.00
621475	10/21/2013	003985 PACIFICSOURCE ADMINISTRATORS		112.76
621476	10/21/2013	000821 PIERCE COUNTY SUPERIOR COURT		339.10
621477	10/21/2013	001181 PIERCE CTY LIBRARY FOUNDATION		151.67
621478	10/21/2013	004276 STATE CENTRAL COLLECTION UNIT		77.51
621479	10/21/2013	000823 UNITED WAY		173.37
621480	10/21/2013	004782 US DEPARTMENT OF EDUCATION		2,686.77
621481	10/21/2013	001355 VOLUNTARY EMPLOYEES' BENEFICIA		76,832.12
621482	10/21/2013	000827 WA STATE- DEPT OF RETIREMENT S		450.00
621483	10/21/2013	000881 WASHINGTON STATE SUPPORT REGIS		16.41
621484	10/22/2013	000363 ARAMARK UNIFORM SERVICES		124.00
621485	10/22/2013	004392 CENTRAL WASHINGTON UNIVERSITY		4,198.23
621486	10/22/2013	000895 COLUMBIA BANK		15.00
621487	10/22/2013	001558 CREIGHTON UNIVERSITY		79,766.28
621488	10/22/2013	005428 GRITTON BUILDING CO INC		7.50
621489	10/22/2013	005735 LOS ANGELES PUBLIC LIBRARY		50.00
621490	10/22/2013	005737 GEORGE FOX UNIVERSITY PORTLAND C		30.00
621491	10/22/2013	005736 UNC WILMINGTON RANDALL LIBRARY		29.95
621492	10/22/2013	002282 SEATTLE PUBLIC LIBRARY		1,166.10
621493	10/22/2013	005337 WELLSTEPS		10,004.63
621494	10/22/2013	000830 BAKER & TAYLOR		24,508.85
621495	10/22/2013	000243 INGRAM LIBRARY SERVICES		

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Check History Listing

Pierce County Library System

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Bank code: boa			Status	Check Total
Check #	Date	Vendor		
				105.85
621496	10/22/2013	001886 NEEL PARIKH		96.62
621497	10/22/2013	003374 JAMI SCHWARZWALDER		465.08
621498	10/22/2013	000463 SUMMIT WATER & SUPPLY CO		774.61
621499	10/24/2013	003938 BINW		433.58
621500	10/24/2013	003311 DEPARTMENT OF LABOR & INDUSTRI		2,068.10
621501	10/24/2013	001345 MICHAEL'S CUSTOM UPHOLSTERY		155,566.80
621502	10/24/2013	005338 PHOENIX MECHANICAL INC		2,578.30
621503	10/24/2013	001640 PRINT NW LLC		1,934.62
621504	10/24/2013	000497 TILlicum COMMUNITY SERVICE CEN		131.60
621505	10/24/2013	000534 WCP SOLUTIONS		900.00
621506	10/28/2013	001168 ANIMAL CRACKERS		2,750.53
621507	10/28/2013	003938 BINW		324.92
621508	10/28/2013	005272 GREEN EFFECTS INC		4,239.60
621509	10/28/2013	000497 TILlicum COMMUNITY SERVICE CEN		287.11
621510	10/28/2013	000534 WCP SOLUTIONS		64.64
621511	10/29/2013	001583 ALIBRIS		389.76
621512	10/29/2013	000846 AUDIOGO		5.00
621513	10/29/2013	005742 LISA BABBITT		28,875.75
621514	10/29/2013	000830 BAKER & TAYLOR		199.16
621515	10/29/2013	002017 LISA BITNEY		5,998.82
621516	10/29/2013	000161 CENGAGE LEARNING		108.48
621517	10/29/2013	005421 STACIEY DARGAN		4,429.80
621518	10/29/2013	001223 GARETH STEVENS INC		46.70
621519	10/29/2013	005738 REBECCA HARMON		15,452.07
621520	10/29/2013	000243 INGRAM LIBRARY SERVICES		25.20
621521	10/29/2013	005518 JULIE KRAMER		17.52
621522	10/29/2013	001898 BARBARA LARSON		40.68
621523	10/29/2013	003418 KAREN MCGHEE		11,050.10
621524	10/29/2013	000352 MIDWEST TAPE		159.16
621525	10/29/2013	001910 CLARE MURPHY		74.71
621526	10/29/2013	003521 SHARON NICHOLS		165.79
621527	10/29/2013	000367 PARTNERS WEST DISTRIBUTING		18.14
621528	10/29/2013	002100 ALISON PASCONE		3,182.92
621529	10/29/2013	000377 PUGET SOUND ENERGY		26.60
621530	10/29/2013	005743 KIRSTEN ROBERTS		3.40
621531	10/29/2013	005740 LENA SANDELL		118.09
621532	10/29/2013	004972 LAURA SCHMINKEY		337.67
621533	10/29/2013	000451 SEATTLE TIMES SEATTLE PI		166.87
621534	10/29/2013	000506 UNIVERSITY PLACE REFUSE SERVIC		

Check History Listing
Pierce County Library System

Bank code: boa

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
621535	10/30/2013	001342 KRISTINE COUNTRYMAN		124.80
621536	10/30/2013	003374 JAMI SCHWARZWALDER		125.00
621537	10/30/2013	005428 GRITTON BUILDING CO INC		1,884.66
621538	10/30/2013	000079 SUPERIOR SAW		16.75
621539	10/30/2013	003835 TACOMA NARROWS ROTARY		125.00
621540	10/30/2013	004391 WRP SURPRISE LAKE LLC		7,643.07
621541	10/31/2013	000541 STATE OF WASHINGTON		809.42
621542	10/31/2013	000541 STATE OF WASHINGTON		25.00
621543	10/31/2013	000541 STATE OF WASHINGTON		6.00
621544	10/31/2013	000541 STATE OF WASHINGTON		538.00
621545	10/31/2013	001936 MARCELLA ADAMS		12.43
621546	10/31/2013	000830 BAKER & TAYLOR		18,837.57
621547	10/31/2013	000184 CITY TREASURER		1,795.18
621548	10/31/2013	000184 CITY TREASURER		620.94
621549	10/31/2013	005745 KIM FROST-OLIN		11.87
621550	10/31/2013	005747 SHANNON LEPKOWSKI		9.13
621551	10/31/2013	000377 PUGET SOUND ENERGY		1,911.11
621552	10/31/2013	000460 STEILACOOM TOWN OF		690.83
621553	10/31/2013	005744 THANH TRUONG		13.00
621554	10/31/2013	000541 STATE OF WASHINGTON		5.00
621555	10/31/2013	003434 HARLAN ZINCK		31.08
621556	10/31/2013	000541 STATE OF WASHINGTON		1,244.25
boa Total:				1,826,238.71
Total Checks:				1,826,238.71

255 checks in this report

PIERCE COUNTY LIBRARY SYSTEM BOARD OF TRUSTEES

2014 Meeting Schedule

Meetings are regularly scheduled from 3:30 – 6:00 on the second Wednesday of the month, with the exception of the October meeting, to be held on the third Wednesday of the month. The dates of the 2014 Board of Trustee meetings are as follows:

January 8
 February 12
 March 19 ¹
 April 9
 May 7
 June 11
 July 9
 August 13
 September 10
 October 15²
 November 12
 December 10

2014 Conferences	
January 24 - 28	American Library Association Midwinter, Philadelphia, PA
April 30 - May 2, 2014	Oregon Library Association/Washington Library Association, Wenatchee, WA
June 26-July 1, 2014	American Library Association Annual, Las Vegas, NV

¹ 3rd week of the month due to PLA

² 3rd week of the month due to budget development

RESOLUTION NO. 2013-07

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT
TO SET THE 2014 SCHEDULE OF RECURRING MEETINGS**

WHEREAS, the Board of Trustees of the Pierce County Rural Library District must adopt a schedule of recurring meetings in compliance with Chapter 42.30 of the Revised Code of Washington, and

WHEREAS, the Board of Trustees intends to hold recurring meetings in the year 2014, now, therefore,

BE IT RESOLVED that in 2014, the Board of Trustees of the Pierce County Library System will meet in the Board Room of the Processing and Administrative Center, 3005 112th Street East, Tacoma, Washington, on the second Wednesday of each month at 3:30 p.m., with the exceptions of the month of October when the meeting will be held on the third Wednesday, and the month of March, when the meeting will be held on the third Wednesday.

DATED THIS 13TH DAY OF NOVEMBER, 2013

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Linda Ishem, Chair _____

Allen Rose, Vice-Chair _____

Donna Albers, Member _____

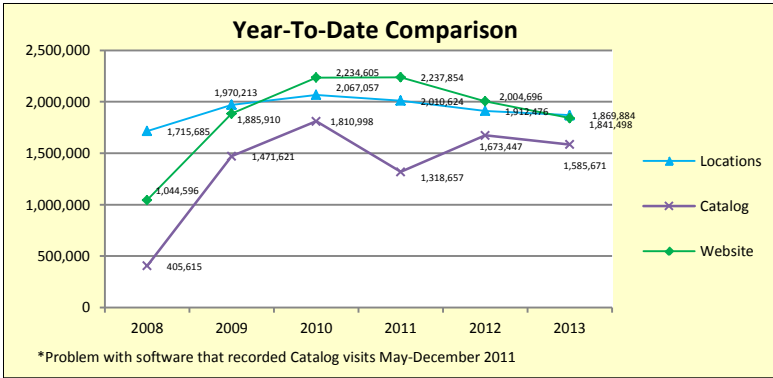
Robert Allen, Member _____

J. J. McCament, Member _____

OFFICERS REPORT

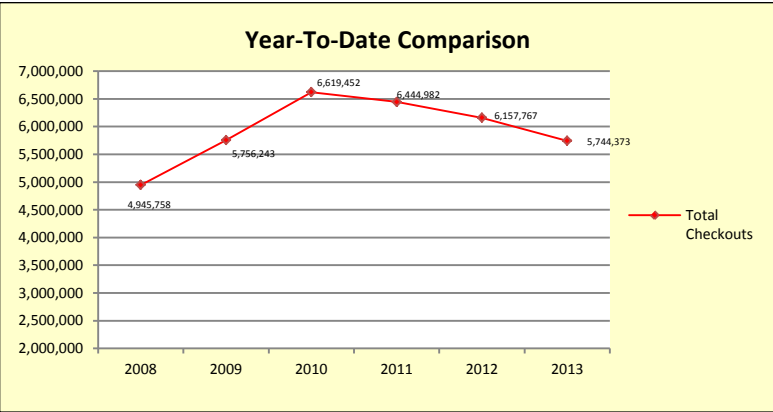
CUSTOMER SERVICE/PHILANTHROPY DASHBOARD - SEPTEMBER

VISITS



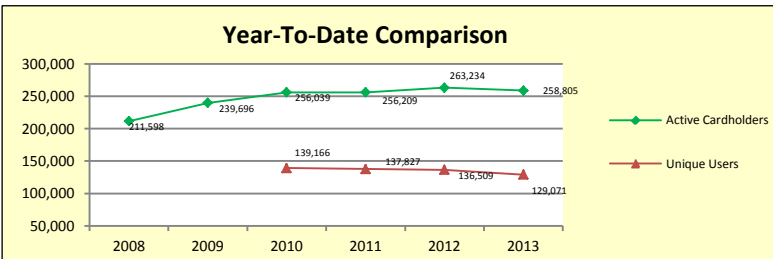
	September		
	2012	2013	% Change
Door Count	192,392	200,501	4.21%
Catalog	117,421	166,818	42.07%
Website	204,968	186,320	-9.10%
Job & Business Portal	1,015	2,796	175.47%
Military Portal (launched 3/12)	197	125	-36.55%
Total	515,993	556,560	7.86%

CHECKOUTS



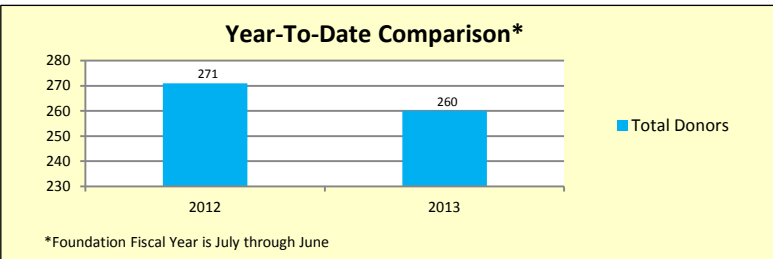
	September		
	2,012	2,013	% Change
Checkouts	578,381	560,603	-3.07%
eBook Downloads	43,647	49,962	14.47%
Total	622,028	610,565	-1.84%

CUSTOMERS



	September		
	2,012	2,013	% Change
Active Cardholders	263,234	258,805	-1.68%
New Cards	4,374	4,504	2.97%
Checkout Transactions	96,112	94,563	-1.61%
Unique Users	45,935	44,338	-3.48%

PHILANTHROPY



	September		
	2012	2013	% Change
Foundation Donors	129	190	47.29%
New Foundation Donors	18	2	-88.89%
\$ Raised by Foundation	\$ 17,710	\$ 105,651	496.56%
\$ Provided by Friends	\$3,689	\$0	NA

BRANCH CLOSURES

2012

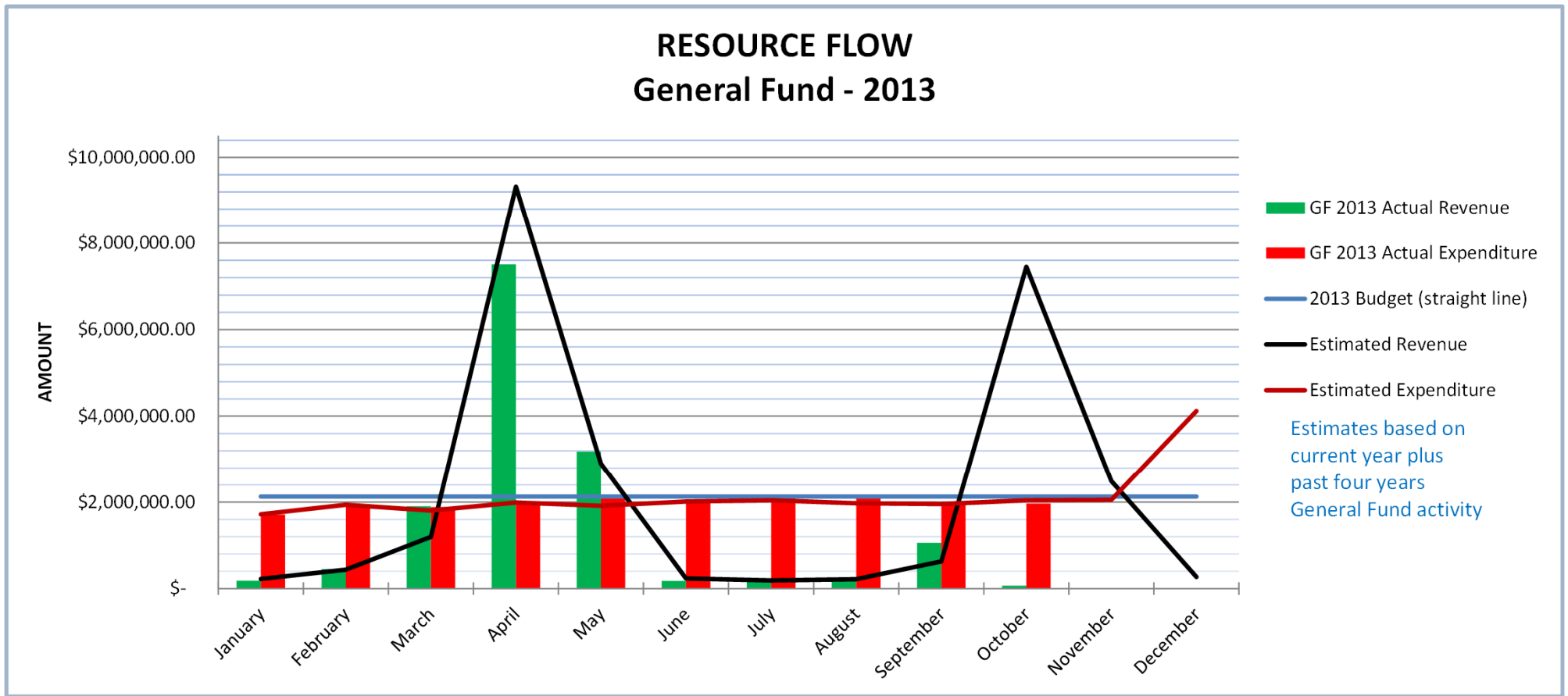
- Snow Closures 1/17-1/23 (7 Days)
- Bonney Lk 2/13-2/26 (13 Days)
- Graham 3/21-4/5 (15 Days)
- South Hill 4/9-5/6 (27 Days)
- Tillicum 7/3-8/5 (33 Days)
- Sumner 7/30-9/3 (35 Days)
- Summit 9/17-9/30 (13 Days)
- Steilacoom 10/17-11/14 (28 Days)
- Bkmb1 Ended 11/11
- Key Center 11/14-12/31 (47 Days)

2013

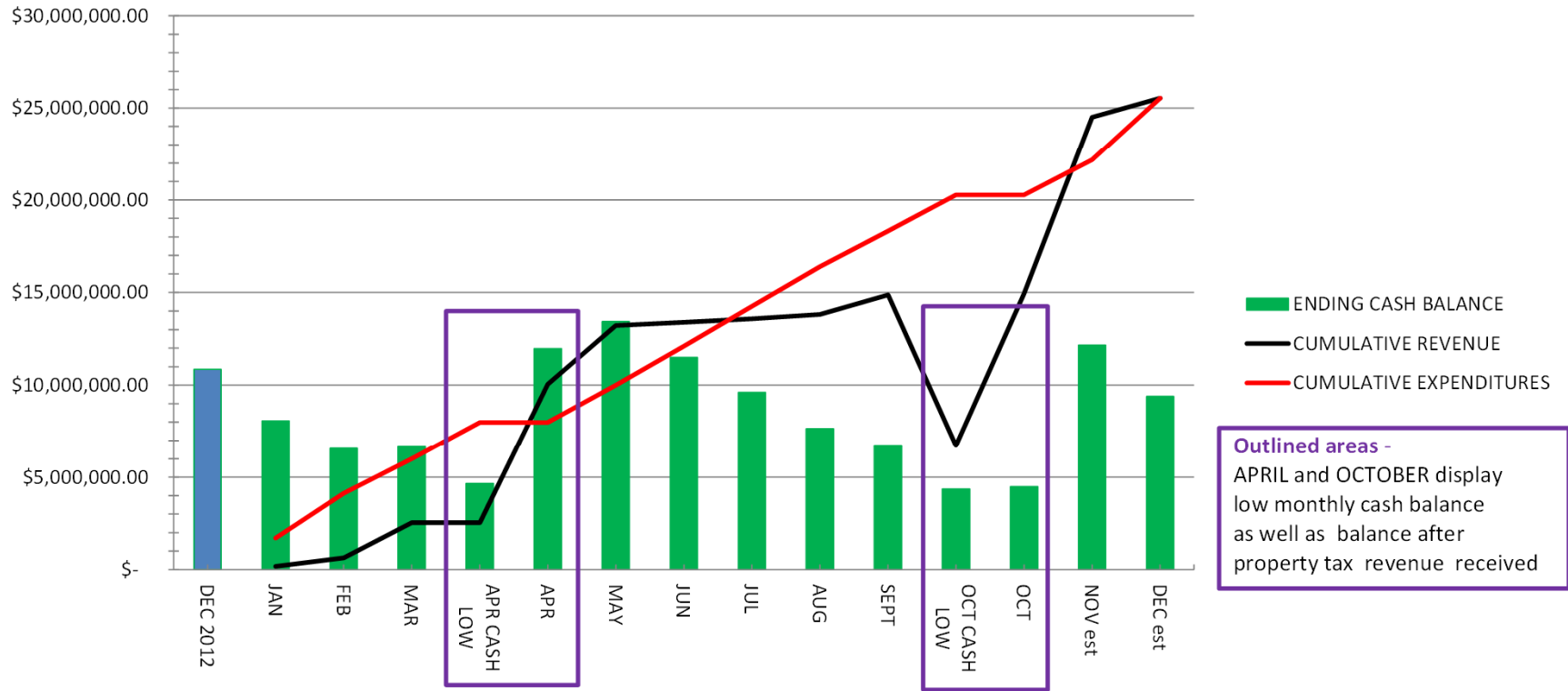
- Key Center 1/1-2/3 (34 Days)
- Fife 9/24-25 (2 Days)

Monthly Financial Reports – October 2013

Pierce County revenue data was not available at the time this report as prepared.



CUMULATIVE GENERAL FUND REVENUE AND EXPENDITURE Including Cash Flow Projection 2013



PIERCE COUNTY LIBRARY SYSTEM
Statement of Revenue and Expenditures
Year to Date through October 31, 2013
no pre-encumbrances

<u>General Fund</u>	<u>2013 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ 24,614,170	\$ 14,165,336	\$ -	\$ 10,448,834	58%
Other Revenue	\$ 932,400	\$ 775,514	\$ -	\$ 156,886	83%
Total Revenue	\$ 25,546,570	\$ 14,940,850	\$ -	\$ 10,605,720	58%
Expenditures					
Personnel/Taxes and Benefits	\$ 18,285,836.00	\$ 15,097,554	\$ -	\$ 3,188,282	83%
Materials	\$ 3,304,075	\$ 2,502,484	\$ -	\$ 801,591	76%
Maintenance and Operations	\$ 3,460,970	\$ 2,391,650	\$ 425,289	\$ 644,031	81%
Transfers Out	\$ 495,689	\$ -	\$ -	\$ 495,689	0%
Total Expenditures	\$ 25,546,570	\$ 19,991,688	\$ 425,289	\$ 5,129,593	80%
Excess/(Deficit)		\$ (5,050,838)			
(less encumbrances)		(425,289)			
Net Excess (Deficit)		\$ (5,476,126.90)			

<u>Debt Service Fund</u>	<u>2013 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ -	\$ 99	\$ -	\$ (99)	0%
Other Revenue	\$ -	\$ -	\$ -	\$ -	0%
Total Revenue	\$ -	\$ 99	\$ -	\$ (99)	0%
Expenditures					
	\$ -	\$ -	\$ -	\$ -	0%
Excess/(Deficit)		\$ 99			

Capital Improvement Projects

<u>Fund</u>	<u>2013 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Use of Fund Balance	\$ 1,793,411	\$ 1,793,411	\$ -	\$ -	100%
Other Revenue	\$ -	\$ 98,682	\$ -	\$ (98,682)	0%
Transfers In	\$ 495,689	\$ -	\$ -	\$ 495,689	0%
Total Revenue	\$ 2,289,100	\$ 1,892,093	\$ -	\$ 397,007	83%
Expenditures					
Maintenance and Operations	\$ 2,289,100	\$ 1,539,816	\$ 449,744	\$ 299,540	87%
Total Expenditures	\$ 2,289,100	\$ 1,539,816	\$ 449,744	\$ 299,540	87%
Excess/(Deficit)		\$ 352,277			
(less encumbrances)		(449,744)			
Net Excess (Deficit)		\$ (97,467)			

Pierce County Library System
Comparative Statement of Financial Position
General Fund - Rolling Comparison
(as of the listed date of the reported month)

	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	CURRENT
	10/31/2012	11/30/2012	12/31/2012	1/31/2013	2/28/2013	3/31/2013	4/30/2013	5/31/2013	6/30/2013	7/31/2013	8/31/2013	9/30/2013	10/31/2013
Assets													
Current Assets - Cash													
Cash	\$ 10,666,037	\$ 2,577,504	\$ 10,858,588	\$ 959,998	\$ 1,261,690	\$ 2,797,368	\$ 8,648,366	\$ 4,759,718	\$ 1,697,396	\$ 1,759,564	\$ 1,741,018	\$ 2,327,531	\$ 1,689,155
Investments	\$ 2,764,114	\$ 11,123,000	\$ -	\$ 7,110,000	\$ 5,300,000	\$ 3,860,000	\$ 3,323,000	\$ 8,681,493	\$ 9,800,000	\$ 7,850,000	\$ 5,900,000	\$ 4,400,000	\$ 2,800,000
Total Cash	\$ 13,430,151	\$ 13,700,504	\$ 10,858,588	\$ 8,069,998	\$ 6,561,690	\$ 6,657,368	\$ 11,971,366	\$ 13,441,211	\$ 11,497,396	\$ 9,609,564	\$ 7,641,018	\$ 6,727,531	\$ 4,489,155
													\$ -
Total Current Assets	\$ 13,430,151	\$ 13,700,504	\$ 10,858,588	\$ 8,069,998	\$ 6,561,690	\$ 6,657,368	\$ 11,971,366	\$ 13,441,211	\$ 11,497,396	\$ 9,609,564	\$ 7,641,018	\$ 6,727,531	\$ 4,489,155
Liabilities and Fund Balance													
Current Liabilities													
Warrants Payable	\$ 306,737	\$ 355,677	\$ 1,190,010	\$ 290,600	\$ 309,158	\$ 384,525	\$ 182,186	\$ 307,368	\$ 201,001	\$ 61,424	\$ 255,774	\$ 214,897	\$ 50,853
Sales Tax Payable	\$ 7,019	\$ 4,142	\$ 2,986	\$ 3,869	\$ 1,519	\$ 2,496	\$ 2,527	\$ 2,361	\$ 1,500	\$ 1,861	\$ 2,076	\$ 2,024	\$ 1,932
Payroll Taxes and Benefits Payable	\$ 75,204	\$ 76,155	\$ 79,154	\$ 59,580	\$ 98,196	\$ 114,830	\$ 91,874	\$ 99,447	\$ 117,325	\$ 118,009	\$ 95,641	\$ 115,866	\$ 85,954
Total Current Liabilities	\$ 388,959	\$ 435,974	\$ 1,272,150	\$ 354,048	\$ 408,872	\$ 501,851	\$ 276,587	\$ 409,176	\$ 319,826	\$ 181,293	\$ 353,490	\$ 332,788	\$ 138,739
Fund Balance													
Reserve for Encumbrances	\$ 235,508	\$ 223,152	\$ -	\$ 463,130	\$ 465,957	\$ 452,172	\$ 474,946	\$ 399,459	\$ 483,361	\$ 470,718	\$ 461,818	\$ 441,712	\$ 425,289
Net Excess (Deficit)	\$ 4,191,395	\$ 4,427,089	\$ 786,965	\$ (1,991,920)	\$ (3,492,470)	\$ (3,461,979)	\$ 2,054,493	\$ 3,231,322	\$ 1,292,956	\$ (443,701)	\$ (2,575,544)	\$ (3,448,222)	\$ (5,476,127)
Unreserved Fund Balance	\$ 8,614,289	\$ 8,614,289	\$ 8,799,473	\$ 9,244,740	\$ 9,179,330	\$ 9,165,324	\$ 9,165,341	\$ 9,401,254	\$ 9,401,254	\$ 9,401,254	\$ 9,401,254	\$ 9,401,254	\$ 9,401,254
Total Fund Balance	\$ 13,041,192	\$ 13,264,529	\$ 9,586,438	\$ 7,715,950	\$ 6,152,818	\$ 6,155,517	\$ 11,694,779	\$ 13,032,035	\$ 11,177,570	\$ 9,428,271	\$ 7,287,528	\$ 6,394,744	\$ 4,350,416
Total Liabilities and Fund Balance	\$ 13,430,151	\$ 13,700,504	\$ 10,858,588	\$ 8,069,998	\$ 6,561,690	\$ 6,657,368	\$ 11,971,366	\$ 13,441,211	\$ 11,497,396	\$ 9,609,564	\$ 7,641,018	\$ 6,727,531	\$ 4,489,155
Anticipated Property Tax Revenue	\$ 3,712,600	\$ 1,537,464	\$ 1,349,456	\$ 24,973,702	\$ 24,554,434	\$ 22,817,140	\$ 15,377,335	\$ 15,377,335	\$ 12,250,392	\$ 10,921,417	\$ 11,930,745	\$ 10,921,417	\$ 10,921,417

Pierce County Library System
Statement of Financial Position
October 31, 2013
All Funds



	General Fund	Debt Service Fund	Capital Improvement Projects Fund
Assets			
Current Assets - Cash			
Cash	\$ 1,689,155	\$ 11	\$ 434,173
Investments	\$ 2,800,000	\$ 83,532	\$ 700,000
Total Cash	\$ 4,489,155	\$ 83,543	\$ 1,134,173
Total Current Assets	\$ 4,489,155	\$ 83,543	\$ 1,134,173
Liabilities and Fund Balance			
Current Liabilities			
Warrants Payable	\$ 50,853	\$ -	\$ 10,842
Sales Tax Payable	\$ 1,932	\$ -	\$ -
Payroll Taxes and Benefits Payable	\$ 85,954	\$ -	\$ -
Total Current Liabilities	\$ 138,739	\$ -	\$ 10,842
Fund Balance			
Reserve for Encumbrances	\$ 425,289	\$ -	\$ 449,744
Net Excess (Deficit)	\$ (5,476,127)	\$ 99	\$ (97,467)
Unreserved Fund Balance	\$ 9,401,254	\$ 83,444	\$ 771,054
Total Fund Balance	\$ 4,350,416	\$ 83,543	\$ 1,123,331
Total Liabilities and Fund Balance	\$ 4,489,155	\$ 83,543	\$ 1,134,173
Anticipated Property Tax Revenue	\$ 10,921,417	\$ 39	\$ -

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2013

FUND: GENERAL FUND (01)

Object	2013 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
29150 USE OF FUND BALANCE-BUDGET	762,126.00	0.00	0.00	0.00	762,126.00	0.0
31111 PROPERTY TAXES CURRENT	22,831,773.00	0.00	13,421,518.65	0.00	9,410,254.35	58.8
31112 PROPERTY TAXES DELINQUENT	913,271.00	0.00	673,773.95	0.00	239,497.05	73.8
31130 SALE OF TAX TITLE PROPERTY	3,000.00	0.00	853.49	0.00	2,146.51	28.4
31210 PRIVATE HARVEST TAX	70,000.00	0.00	34,360.11	0.00	35,639.89	49.1
31720 LEASEHOLD EXCISE TAX	20,000.00	0.00	21,372.02	0.00	(1,372.02)	106.9
TAXES:	24,600,170.00	0.00	14,151,878.22	0.00	10,448,291.78	57.5
33533 STATE FOREST FUNDS	4,000.00	0.00	1,869.51	0.00	2,130.49	46.7
33872 CONTRACTS FEES - CITIES	3,400.00	0.00	2,430.00	0.00	970.00	71.5
33890 GOVERNMENTAL GRANTS	0.00	0.00	5,200.20	0.00	(5,200.20)	0.0
34160 COPIER FEES	28,000.00	2,532.47	24,010.14	0.00	3,989.86	85.8
34161 GRAPHICS SERVICES CHARGES	4,400.00	605.06	5,435.41	0.00	(1,035.41)	123.5
34162 PRINTER FEES	70,000.00	6,581.38	62,615.73	0.00	7,384.27	89.5
34730 INTERLIBRARY LOAN FEES	0.00	13.49	157.36	0.00	(157.36)	0.0
35970 LIBRARY FINES	580,000.00	46,889.57	483,154.98	0.00	96,845.02	83.3
36110 INVESTMENT INCOME	10,000.00	0.00	8,526.09	0.00	1,473.91	85.3
36111 INTEREST - STATE FOREST FUND	0.00	0.00	0.47	0.00	(0.47)	0.0
36190 OTHER INTEREST EARNINGS	0.00	0.68	5.86	0.00	(5.86)	0.0
36200 KEY PEN HLTH DEPT FACILITY REV	0.00	0.00	419.12	0.00	(419.12)	0.0
36700 FOUNDATION DONATIONS	150,000.00	250.00	51,132.00	0.00	98,868.00	34.1
36710 FRIENDS' DONATIONS	0.00	0.00	2,762.11	0.00	(2,762.11)	0.0
36720 FRIENDS' REIMBURSEMENTS	12,000.00	0.00	11,510.58	0.00	489.42	95.9
36725 DONATIONS - OTHER	1,000.00	57.91	2,697.06	0.00	(1,697.06)	269.7
36910 SALE OF SCRAP AND SALVAGE	0.00	0.00	151.00	0.00	(151.00)	0.0
36920 BOOK SALE REVENUE	6,000.00	6.00	3,201.61	0.00	2,798.39	53.4
36990 MISCELLANEOUS REVENUE	30,000.00	7,993.48	49,349.98	0.00	(19,349.98)	164.5
36991 PAYMENT FOR LOST MATERIALS	17,000.00	1,106.90	13,155.13	0.00	3,844.87	77.4
36994 UNCLAIMED PROPERTY	0.00	-768.19	179.38	0.00	(179.38)	0.0
36995 COLLECTION AGENCY REVENUE	0.00	50.00	653.98	0.00	(653.98)	0.0
36996 JURY DUTY REIMBURSEMENT	0.00	0.00	270.00	0.00	(270.00)	0.0
36997 PRIOR YEAR'S REFUNDS	1,600.00	0.00	3,838.99	0.00	(2,238.99)	239.9
36998 E RATE REIMBURSEMENT	6,000.00	0.00	12,936.29	0.00	(6,936.29)	215.6
36999 REBATES - PROCUREMENT CARD	19,500.00	0.00	21,820.86	0.00	(2,320.86)	111.9
CHARGES OTHER:	942,900.00	65,318.75	767,483.84	0.00	175,416.16	81.4
39510 SALE OF FIXED ASSETS	0.00	0.00	18,061.60	0.00	(18,061.60)	0.0
39520 INSURANCE RECOVERIES - CAPITAL ASSE	3,500.00	0.00	3,426.32	0.00	73.68	97.9
TOTAL FOR REVENUE ACCOUNTS	25,546,570.00	65,318.75	14,940,849.98	0.00	10,605,720.02	58.5
EXPENSE ACCOUNTS						
51100 SALARIES AND WAGES	13,310,332.00	1,072,941.57	10,833,732.30	0.00	2,476,599.70	81.4
51105 ADDITIONAL HOURS	240,200.00	28,096.22	231,450.27	0.00	8,749.73	96.4
51106 SHIFT DIFFERENTIAL	147,872.00	10,477.16	112,224.73	0.00	35,647.27	75.9
51107 SUBSTITUTE HOURS	316,350.00	28,381.98	247,568.97	0.00	68,781.03	78.3
51109 TUITION ASSISTANCE PROGRAM	3,000.00	0.00	1,410.35	0.00	1,589.65	47.0
51200 OVERTIME WAGES	7,100.00	607.83	3,894.91	0.00	3,205.09	54.9
51999 ADJ WAGE/SALARY TO MATCH PLAN	(259,227.00)	0.00	0.00	0.00	(259,227.00)	0.0
52001 INDUSTRIAL INSURANCE	165,787.00	14,474.87	137,183.19	0.00	28,603.81	82.7

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2013

FUND: GENERAL FUND (01)

Object	2013 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
52002 MEDICAL INSURANCE	2,077,991.00	149,595.51	1,632,640.48	0.00	445,350.52	78.6
52003 F.I.C.A.	1,085,861.00	85,173.73	858,894.54	0.00	226,966.46	79.1
52004 RETIREMENT	994,557.00	96,666.36	835,874.91	0.00	158,682.09	84.0
52005 DENTAL INSURANCE	217,822.00	16,865.45	169,037.98	0.00	48,784.02	77.6
52006 OTHER BENEFIT	10,620.00	720.00	7,320.00	0.00	3,300.00	68.9
52010 LIFE AND DISABILITY INSURANCE	24,185.00	1,815.53	19,444.33	0.00	4,740.67	80.4
52020 UNEMPLOYMENT COMPENSATION	20,000.00	0.00	6,877.30	0.00	13,122.70	34.4
52200 UNIFORMS	1,300.00	0.00	0.00	0.00	1,300.00	0.0
52999 ADJ BENEFITS TO MATCH PLAN	(77,914.00)	0.00	0.00	0.00	(77,914.00)	0.0
PERSONNEL	18,285,836.00	1,505,816.21	15,097,554.26	0.00	3,188,281.74	82.6
53100 OFFICE/OPERATING SUPPLIES	158,300.00	12,309.56	145,162.73	33,717.71	(20,580.44)	113.0
53101 CUSTODIAL SUPPLIES	56,100.00	3,546.34	48,574.95	0.00	7,525.05	86.6
53102 MAINTENANCE SUPPLIES	60,200.00	5,758.47	52,592.97	0.00	7,607.03	87.4
53103 AUDIOVISUAL PROCESSING SUP	30,000.00	0.00	24,756.11	4,352.65	891.24	97.0
53104 BOOK PROCESSING SUPPLIES	25,000.00	0.00	13,159.61	0.00	11,840.39	52.6
53200 FUEL	58,000.00	0.00	37,574.80	0.00	20,425.20	64.8
53401 ADULT MATERIALS	847,684.00	113,969.07	684,473.55	0.00	163,210.45	80.7
53402 SERIALS	0.00	0.00	1,369.18	0.00	(1,369.18)	0.0
53403 PERIODICALS	80,000.00	565.07	71,986.21	0.00	8,013.79	90.0
53405 JUVENILE BOOKS	496,458.00	63,824.73	383,762.11	0.00	112,695.89	77.3
53406 PROFESSIONAL COLLECTION	20,000.00	310.22	16,918.01	0.00	3,081.99	84.6
53407 INTERNATIONAL COLLECTION	76,000.00	2,356.60	50,608.13	0.00	25,391.87	66.6
53408 AUDIOVISUAL MATERIALS - ADULT	816,000.00	27,235.40	741,891.08	0.00	74,108.92	90.9
53409 AUDIOVISUAL MATERIALS - JUV	102,040.00	2,625.15	67,906.56	0.00	34,133.44	66.5
53411 ELECTRONIC INFO SOURCES	170,355.00	11,012.00	19,911.26	0.00	150,443.74	11.7
53412 REFERENCE SERIALS	36,414.00	2,436.88	11,578.10	0.00	24,835.90	31.8
53413 ELECTRONIC SERVICES	244,124.00	213.74	84,583.64	0.00	159,540.36	34.6
53414 ELECTRONIC COLLECTION	255,000.00	6,799.14	215,107.67	0.00	39,892.33	84.4
53464 VENDOR PROCESSING SERVICES	153,000.00	10,222.04	141,346.23	0.00	11,653.77	92.4
53490 COLLECTION PROJECTS	6,000.00	0.00	5,155.64	0.00	844.36	85.9
53499 GIFTS - MATERIALS	1,000.00	5,546.92	5,886.60	0.00	(4,886.60)	588.7
53500 MINOR EQUIPMENT	8,300.00	3,457.04	5,484.11	0.00	2,815.89	66.1
53501 FURNISHINGS	60,000.00	3,525.14	31,485.59	17,788.39	10,726.02	82.1
53502 IT HARDWARE	296,200.00	60,665.48	186,257.47	24,963.28	84,979.25	71.3
53503 PRINTERS	20,000.00	0.00	6,380.55	0.00	13,619.45	31.9
53505 SOFTWARE	33,500.00	299.26	26,548.57	0.00	6,951.43	79.2
54100 PROFESSIONAL SERVICES	362,450.00	9,142.26	247,074.09	86,800.14	28,575.77	92.1
54101 LEGAL SERVICES	105,000.00	0.00	66,672.40	0.00	38,327.60	63.5
54102 COLLECTION AGENCY	30,000.00	2,049.55	17,940.77	0.00	12,059.23	59.8
54161 RESOURCE SHARING SERVICES	25,000.00	54.50	13,822.24	0.00	11,177.76	55.3
54162 BIBLIOGRAPHICS SERVICES	40,000.00	0.00	18,772.82	395.00	20,832.18	47.9
54163 PRINTING AND BINDING	2,000.00	0.00	820.67	0.00	1,179.33	41.0
54165 ILL LOST ITEM CHARGE	3,000.00	405.51	1,627.20	0.00	1,372.80	54.2
54200 POSTAGE	42,000.00	51.86	34,441.07	0.00	7,558.93	82.0
54201 TELEPHONE/DATA LINES	161,300.00	442.30	114,076.14	0.00	47,223.86	70.7
54300 TRAVEL	29,140.00	2,750.13	16,468.62	0.00	12,671.38	56.5
54301 MILEAGE REIMBURSEMENTS	31,050.00	4,458.78	27,844.33	0.00	3,205.67	89.7

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2013

FUND: GENERAL FUND (01)

Object	2013 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
54400 ADVERTISING	28,920.00	485.00	14,465.95	5,632.52	8,821.53	69.5
54501 RENTALS/LEASES - BUILDINGS	197,000.00	5,369.07	135,114.73	61,461.37	423.90	99.8
54502 RENTAL/LEASE - EQUIPMENT	32,000.00	2,758.63	25,710.82	4,343.62	1,945.56	93.9
54600 INSURANCE	189,500.00	0.00	4,901.00	0.00	184,599.00	2.6
54700 ELECTRICITY	220,000.00	19,881.41	193,365.12	0.00	26,634.88	87.9
54701 NATURAL GAS	17,000.00	611.06	7,599.24	0.00	9,400.76	44.7
54702 WATER	20,200.00	881.63	20,841.25	0.00	(641.25)	103.2
54703 SEWER	21,700.00	646.96	22,506.27	0.00	(806.27)	103.7
54704 REFUSE	22,500.00	434.78	20,066.11	0.00	2,433.89	89.2
54800 GENERAL REPAIRS/MAINTENANCE	204,300.00	12,661.69	164,330.13	39,963.61	6.26	100.0
54801 CONTRACTED MAINTENANCE	703,800.00	52,193.28	515,847.80	141,471.62	46,480.58	93.4
54803 MAINT. TELECOM EQUIPMENT	30,200.00	0.00	21,214.45	3,981.19	5,004.36	83.4
54805 VEHICLE REPAIR - MAJOR	0.00	0.00	8,406.65	0.00	(8,406.65)	0.0
54900 REGISTRATIONS	21,700.00	2,575.99	25,165.39	0.00	(3,465.39)	116.0
54901 DUES AND MEMBERSHIPS	31,320.00	200.00	4,650.00	418.00	26,252.00	16.2
54902 TAXES AND ASSESSMENTS	30,500.00	21.56	27,495.69	0.00	3,004.31	90.1
54903 LICENSES AND FEES	37,750.00	3,269.90	26,423.51	0.00	11,326.49	70.0
54904 MISCELLANEOUS	1,040.00	0.00	118.44	0.00	921.56	11.4
54905 EVENT REGISTRATION	0.00	41.00	1,192.15	0.00	(1,192.15)	0.0
54906 INTERNAL TRAINING	0.00	0.00	4,380.00	0.00	(4,380.00)	0.0
55100 INTERGOVERNMENTAL	15,000.00	585.20	1,672.00	0.00	13,328.00	11.1
56400 MACHINERY & EQUIPMENT	0.00	0.00	8,645.04	0.00	(8,645.04)	0.0
59700 TRANSFERS OUT	495,689.00	0.00	0.00	0.00	495,689.00	0.0
ALL OTHER EXPENSES	7,260,734.00	458,650.30	4,894,133.52	425,289.10	1,941,311.38	73.3
TOTAL FOR EXPENSE ACCOUNTS	25,546,570.00	1,964,466.51	19,991,687.78	425,289.10	5,129,593.12	79.9
NET SURPLUS / DEFICIT	0.00	(1,899,147.76)	(5,050,837.80)	(425,289.10)	5,476,126.90	0.0

FUND: DEBT SERVICE FUND (20)

Object	2013 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
31112 PROPERTY TAXES DELINQUENT	0.00	0.00	0.15	0.00	(0.15)	0.0
TAXES:	0.00	0.00	0.15	0.00	(0.15)	0.0
36110 INVESTMENT INCOME	0.00	0.00	98.70	0.00	(98.70)	0.0
CHARGES OTHER:	0.00	0.00	98.70	0.00	(98.70)	0.0
TOTAL FOR REVENUE ACCOUNTS	0.00	0.00	98.85	0.00	(98.85)	0.0
NET SURPLUS / DEFICIT	0.00	0.00	98.85	0.00	(98.85)	0.0

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2013

FUND: CAPITAL IMPROVEMENT PROJECTS FUND (30)

Object	2013 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
29150 USE OF FUND BALANCE-BUDGET	1,793,411.00	0.00	1,793,411.00	0.00	0.00	100.0
36110 INVESTMENT INCOME	0.00	0.00	1,781.99	0.00	(1,781.99)	0.0
36700 FOUNDATION DONATIONS	0.00	0.00	96,900.26	0.00	(96,900.26)	0.0
CHARGES OTHER:	1,793,411.00	0	1,892,093.25	0.00	(98,682.25)	105.5
39700 TRANSFERS IN	495,689.00	0.00	0.00	0.00	495,689.00	0.0
TOTAL FOR REVENUE ACCOUNTS	2,289,100.00	0.00	1,892,093.25	0.00	397,006.75	82.7
EXPENSE ACCOUNTS						
53100 OFFICE/OPERATING SUPPLIES	0.00	0.00	679.75	0.00	(679.75)	0.0
53102 MAINTENANCE SUPPLIES	0.00	0.00	397.28	0.00	(397.28)	0.0
53500 MINOR EQUIPMENT	2,500.00	0.00	3,952.57	0.00	(1,452.57)	158.1
53501 FURNISHINGS	0.00	1,560.94	34,672.79	984.60	(35,657.39)	0.0
53502 PC HARDWARE	0.00	0.00	20,303.68	0.00	(20,303.68)	0.0
53505 SOFTWARE	14,000.00	0.00	0.00	0.00	14,000.00	0.0
54100 PROFESSIONAL SERVICES	161,900.00	5,275.75	111,480.20	43,030.73	7,389.07	95.4
54101 LEGAL SERVICES	0.00	0.00	1,110.00	0.00	(1,110.00)	0.0
54400 ADVERTISING	0.00	0.00	45.00	0.00	(45.00)	0.0
54800 GENERAL REPAIRS/MAINTENANCE	10,000.00	0.00	745.01	0.00	9,254.99	7.5
54912 CONTINGENCY/RESERVE	67,000.00	0.00	0.00	0.00	67,000.00	0.0
56200 BUILDINGS & BLDG IMPROVEMENTS	510,000.00	148,521.44	357,775.08	11,798.75	140,426.17	72.5
56201 CONSTRUCTION	227,600.00	83,964.51	215,408.94	18,707.40	(6,516.34)	102.9
56202 ELECTRICAL	17,100.00	0.00	48,226.78	8,580.70	(39,707.48)	332.2
56203 FLOORING	0.00	0.00	24,350.15	0.00	(24,350.15)	0.0
56204 PAINTING AND WALL TREATMENTS	3,000.00	0.00	0.00	0.00	3,000.00	0.0
56400 MACHINERY & EQUIPMENT	66,000.00	0.00	48,993.15	0.00	17,006.85	74.2
56401 VEHICLES	160,000.00	0.00	72,119.76	0.00	87,880.24	45.1
56402 HVAC	1,050,000.00	155,566.80	599,555.76	366,642.03	83,802.21	92.0
TOTAL FOR EXPENSE ACCOUNTS	2,289,100.00	394,889.44	1,539,815.90	449,744.21	299,539.89	86.9
NET SURPLUS / DEFICIT	0.00	(394,889.44)	352,277.35	(449,744.21)	97,466.86	0.0

MEMO

Date: November 13, 2013

To: Chair Linda Ishem and members of the Board of Trustees

From: Neel Parikh, Executive Director

Subject: Local Recent Meetings with Officials

Last year I began a series of meetings with new superintendents of schools and college presidents. This year I continued that tradition, meeting with five superintendents and with the new city manager of Lakewood.

Kathi Weight, Superintendent, Steilacoom School District

Kathy has just begun her term as superintendent of schools. She is a former primary school teacher. She was very enthusiastic and interested in library services. This meeting was well timed. She was going to meet with all the principals the following week and said she would share the information with them.

Charles Cuzzetto, Superintendent, Peninsula School District

Chuck is the former finance director. He has been in his job for the past six months. We had a great conversation about changes in the School District and changes in housing patterns in the Peninsula. Chuck was anxious to share library services and programs with parents. He requested an article for his upcoming newsletter. He also invited a youth services librarian to come to the parents council in the winter fall.

John McCrossin, Superintendent, Fife School District

John opened the meeting sharing a recent lunch with Frank Hawkins and how much Frank has enjoyed working with the Pierce County Library System. John was very anxious to institute the library card program at Fife. He also was very excited about ways to share library services with school staff. Fife had not been in the plans for the library card distribution in 2014, but since then Judy has revised the list to include Fife.

Dr. Sara Johnson, Superintendent, Sumner School District

Sarah comes to Sumner from Newport, Oregon. In Newport she had received a very large federal grant for literacy and science programs. We discussed that grant, and possible collaboration with library services, in particular, the early learning or our digital services.

Krestin Bahr, Superintendent, Eatonville School District

I had a wonderful meeting with Krestin. She is a former principal from Tacoma Public Schools who lives very near Eatonville. She is young and excited about the school district. She was particularly interested in our online summer reading game and our online resources. I showed her the e-books for children on her computer. We then had a discussion about how we could collaborate with Eatonville to either provide an online summer reading game for the town or help her provide learning for students who ride the school bus from Ashford for over an hour. She invited a Youth Services Librarian to come to a principal meeting and introduce the principals to our downloadable resources.

Christine Maloney, Director of instructional leadership, Puyallup School District

Judy Nelson and I met with Christine in response to a letter she sent me congratulating the library for the IMLS medal. Christine was very anxious to develop a partnership and open communication channels between the library and the school district. She and Judy discussed tactics for publicizing library programs throughout the school district. This was an excellent meeting. We have had difficulty communicating with the school district and Christine was anxious to remedy the situation.

John Caulfield, City Manager, Lakewood

John recently arrived in Lakewood from the City of Mountlake Terrace. John was formerly the assistant city manager in University Place. He requested a meeting in response to a letter I sent welcoming him to the City of Lakewood. John was pleased to receive the letter. We talked about our experiences in University Place, and we also talked about the library relationships with Lakewood.

I updated John regarding city's past interest in locating a new branch library in the Towne Center. He had not heard of this interest yet. He asked me why we could not locate somewhere else in the community. I agreed that there were excellent locations outside of the Towne Center. We followed up later with a discussion about the library participating in the Lakewood joint agencies meeting (the City, fire district, police, schools and community college – similar to the one in University Place). John secured an invitation for the library. I will join the December meeting.



Date: October 15, 2013

To: Linda Ishem, Chair Board of Trustees, Board of Trustees, Neel Parikh, Executive Director

From: Judy T Nelson, Customer Experience Manager for Youth

Subject: 2013 Summer Reading Program

The Pierce County Library System targets the “learn to read” crowd for summer reading in order to minimize summer learning loss. While the summer reading program is developed to provide service to every age between birth to 18 years of age, the focus of summer reading is primarily children between ages 5 and 9 who are mastering the skill of reading. Research shows that summer is a critical time for these children because without practice and experiential learning opportunities children in this age category are at risk of having their reading skills diminish before the new school year begins. These children will start behind their peers when fall comes round. Over several years, this gap widens and leaves the children further behind their peers as they move into the “read to learn” phase of their growth and development at 4th grade. In Pierce County, there are approximately 38,600 children in the 5 to 9 age range who fall into the Library’s service area. Youth Services has set a target of 50 % participation in summer reading for this group. This past year we engaged 40% of the children in our service area, an increase of 13.5% over 2012.

By working with the thirteen school districts, one tribal school and numerous private schools served in the PCLS service area, the Youth Services librarians were able to get in front of 63% of this age category to share information and generate interest in the summer reading program during the last week of May and the first weeks of June.

In reviewing the overall numbers from the summer reading program there is much to celebrate. Below are a few of the highlights along with a question.

Over 24% more children registered in 2013 to participate in summer reading than were registered in 2012.

Over 33% percent of registered participants indicated they finished the program by receiving their completion award for 15 hours of reading. This is an increase of over 23%.

Surveys at the conclusion of the 2012 Summer Reading program indicated the public wanted more programs. Programs offered through the Library provided families and children with a wide array of experiential learning opportunities, including live puppet shows, magic shows, music programs, science activities and nature related activities. The number of programs increased by over 38% while attendance increased by over 36%.

Children recorded more hours read than in previous years. The number of hours recorded increased by over 23% but the number of items checked out decreased by over 6%. Youth librarians are determining possible reasons for this discrepancy, including more children reading longer chapter books, more

**Pierce County Library System
2013 Summer Reading Program**

Target: Participation by 50% of the 5 – 9 year-olds in our service area (50% = 19,296). 2010 census numbers indicate 38,592 children 5-9 yrs. live in target area. (Pierce County minus Cities of Tacoma, Puyallup, Fircrest)

Achievement: 16,136 children participated = 40% (+13.5%) of targeted audience participated.

Promotion: Librarian visits to Schools	Visits to child cares	# of Elementary (K – 3rd gr)	# of Middle Schools
Schools	2	100	0
Classes	N/A	1,100	0
Students	38	24,453	0
Teachers	6	821	0
Total	44	25,274 (+1,440) +6%	0

Participation	Wee Ones 0 – 6	Children 6 – 10	Tweens 10-13	Teens 12+	Total
Children registered	540	15,012	Combined w/ children	584 (-37)	16,136 (+3153) +24.3%
Booklets: Number of Booklets handed out	1,710 (-1,416)	15,348 (+1,645)	5,525 (+703)	N/A	22,583 (+932) + 4%
Wee Ones: Number of Children read to by an Adult for 31 Days (received a duck)	540 (+113)	N/A	N/A	N/A	540 (+113) +26%
Number of 10 hour fine forgiveness coupons distributed	N/A	5,415 (+384)	Combined w/ children	Combined w/ children	5,415 (+384) + 7.6%
Number redeemed					1,215 by 9/25/13
Number of 15 hr child/tween completion awards distributed (Zoo/Trek passes, badges awarded teens)	N/A	5,273 (+928)	Combined w/ children	105	5, 378 (+1033) 23.7%

Program Attendance	Number of Programs	Child	Adult	Total
Summer Stories for Babies, Toddlers, combined	87 (+30)	1099	826	1925 (+358) +22.8%
Discover Summer/Summer Stories & Crafts	101 (+20)	2089	1289	3378 (+799) +30.9%
Puppet Shows	29 (0)	1022	535	1557(+177) +12.8%
Brainstorm programs (outreach to 3 B&G's Clubs)	39 (+15)	863	77	940 (+537) +133%
Summer Theme Programs (Friends, Foundation & PCLS)	157 (+59)	4391	2450	6841 (+2197) +47%
Teen/Tween Programs	25 (-2)	288	30	318 (-67) -17%
Total Programs	438 (+122) +38.6%	5017	5207	14,959 (+4001) +36.5%

SUMMARY OF OVERALL SUMMER READING STATISTICS FOR PREVIOUS 3 YEARS

	2011	2012	2013
Students Visited in classrooms	25,091 K-3rd grade + 29%	23,834 K-3rd grade (decrease due to change in state testing schedule) 182 child care infant/toddlers visited	25,274 K – 3rd grade (6%) 44 child care children visited (1 librarian out on maternity leave)
	3,361 teens (+ 3%)	1,373 teens (new online challenge launched, class visits limited to “by request” only)	0 teen classes visited (see 2012) (short 1 teen librarian)
Students Reached	32,042 (tracked all youth from 0-18 who participated with program materials) (65% increase)	22,699 (booklets, wee readers & online registration) Actual registered participants only. Does not include anyone who participated in the youth level without signing in for a reading log.	23,167 (2%) (booklets, wee readers, online teen registration only)
Kids Hours Read/ Completion (0 to 12 yrs)	69,670 hours read 6500 completed 10 hours 4,670 hrs read for wee readers 467 completed	75,450 hours read 4345 completed 15 hours 4,536.33 hours read for wee readers 439 completed (-5.9%)	93,470 hours read (+23.9%) 5415 completed 15 hrs (+23.7%) 5,579.99 hours read for wee readers (+24.6%) 540 completed (+23%)
Teen Participation	13,250 teen reading hours recorded on logs	# of hours reading not recorded, changed to online teen challenge w/badges	6,740 hours reading recorded - reading badge only
Badges earned	(1352 teen entries submitted)	1241 badges earned	9426 badges earned (+659%)
Hours engaged		10,261 hours engaged on web	17,985 hours engaged on web
Program Attendance	14,901	10,958	14,959 (+36.5%)
# of programs	443 programs	316 programs (1 cancelled due to branch closure)	438 programs (+38.6%)
Circulation of all YS/YA materials	629,540 items checked out (+11,7%)	614,830 items checked out (-2%) (Summer closed 5 weeks of summer)	573,393 items checked out (-6.7%)
Unique users	21,868 unique users	20,756 unique users (-.01%)	34,818 unique users (+67.7%)

children using electronic books (something we are not able to measure) or perhaps more children purchasing books but recording hours read.

The complete program had four parts:

Wee Ones encourages parents to read twenty minutes a day for thirty days because getting parents into the habit of reading to their children on a daily basis is an inexpensive, easy way to support a child's pre-reading development. Research shows that children who are read to on a regular basis are more likely to become strong readers and therefore be successful in school.

The Children and Tween categories include a reading log/poster with earned incentives for completing 5, 10 and 15 hours of reading. These children/tweens are entered into a final drawing for a grand prize when they reach the 15 hour mark. Programs and weekly prize drawings for t-shirts and tote bags are offered throughout the eight weeks of the designated summer reading program to bring children and their families in to the library. Children are encouraged to select their own recreational reading, but reading lists are available both by grade and by summer reading topic.

The Teen Summer Challenge was an expansion of the online gaming program created for 2012. Teens signed up and participated in a wide variety of challenges that required them to engage with other teens and with their community, as well as read, write, interact with music, science and art. Teens mastered categories, earning points towards badges. There were 198 possible badges. The overall number of teens who signed up for this program decreased slightly (down 6%) over 2012, but there was no marketing campaign for this category. While the number of teens who joined in 2013 was slightly lower than in 2012, those who did significantly increased their participation in the challenge. In 2013 at least 83% earned at least one badge and 18.7% reached the Read Down fines level, earning over 500 points while in 2012 48.6% earned a badge and 15.6% earned enough points to receive their Read Down fines coupon. Overall, those who participated in 2013 earned 86% more badges than were earned in 2012. This is a significant increase in participation by the teens that chose to participate, with the reading badge being the most single most earned badge. It is interesting to note that 116 different schools across Pierce County and the South Sound were represented, but that homeschoolers represented 11.7% of all participants (66 teens). Teen Services will be reaching out to homeschoolers to try and understand what drove their participation. Teen Services will also be adding a paper version of the children's/tween program aimed at teens as has been requested in both the 2012 and 2013 survey.

The name of the 2014 Cooperative Summer Library Program is "Fizz, Boom, Read", a science related theme which lends itself very well to the STEM focused work being executed by PCLS youth services librarians.

M E M O



Date: October 25, 2013

To: Linda Ishem, Chair Board of Trustees, Board members, Neel Parikh, Executive Director

From: Judy T Nelson

Subject: Science to Go Advisory Committee

One important element of the Science to Go grant funded by the Paul Allen Family Foundation is the Advisory Committee. I have been recruiting members for this committee over the past several months, and have put together a group who will support the work of the grant, provide guidance for the curriculum development and help make sure the grant is a success. I continue to seek out additional appropriate committee members.

Attached is the email invitation sent out and the list of participants who have agreed to serve.

Science to Go Advisory Committee 2013 -2015

The following is the invitation sent to persons considered valuable for the Advisory Committee.

I would like to invite you to join the *Science to Go* Advisory Committee.

The Pierce County Library System has been awarded a grant by the Paul Allen Family Foundation for a two year project called *Science to Go* for students in kindergarten through 3rd grade.

As part of the grant project the library will be creating *Science to Go* bags with five age appropriate books on a topic related to STEM. These bags will be housed in our eighteen branch facilities and available for check out by parents, caregivers and teachers. These bags will also include a curriculum type sheet with simple science activities suitable for execution in the home. Each bag will focus on one topic and each topic will tie back to the Science Essential Academic Learning Requirements identified by Washington State for these grades. Additional titles and activities will be available on the PCLS website. As a secondary part of the grant, STEM kits will be created for library programming use either in a branch or as an outreach activity.

As a member of the advisory committee, we are looking to you for your knowledge and expertise around k-3 learning and/or science, and any related subjects that will support this project and help students in Pierce County develop an interest in STEM subjects. The committee will meet four times over the two year grant period. The first meeting will be scheduled for mid-November, 2013.

I hope you will consider joining this work and lending your expertise and knowledge to our project.

If you are unable to participate, can you point me to a colleague who may be interested in participating.

I look forward to your response and am happy to answer any questions you might have.

Thank you for considering my request.

Judy T Nelson

The following have accepted this invitation.

Judy Cheatham - PhD
Vice President of Literacy Services
Reading Is Fundamental
1730 Rhode Island Ave NW, Suite 1100
Washington, DC 20036
202-536-3476
www.rif.org

Eva Mitnick
Coordinator of Children's Services
Los Angeles Public Library
213-228-7483
emitnick@lapl.org

Maren Ostergard
Early Literacy/Outreach Librarian
King County Library System
425.369.3323
ostergar@kcls.org

Jay Brower
Director of Community Connections
Bethel Public Schools
253-683-6052
Fax: 253-683-6098
jbrower@bethelsd.org

Kelly Racca
Teacher-Librarian
Roy Elementary School
Office: (253) 683-5195
Bethel School District
kracca@bethelsd.org

April Harris
Spanaway Middle School
7th Grade Science teacher
Bethel School District
amharris@bethelsd.org
(former elementary science building representative)

Linda DiGiorgi
Curriculum Specialist
Teaching & Learning Dept.
Franklin Pierce Schools
253-720-4081
ldigiorgi@fpschools.org

Dennis Schatz
Pacific Science Center
Senior Vice President for Strategic Programs
(206) 443-2867
schatz@pacsci.org
www.dennisschatz.org

Debbie Kray
Education Manager
Lemay Car Museum
253-779-8490
253-683-3964
Debbie.kray@lemaymuseum.org

Steve Colgan
Pacific Lutheran University
Parkland, WA
colgansj@plu.edu

Brian Brandt, MIT
WSU 4-H Youth Development Faculty
WSU Pierce County Extension
3602 Pacific Avenue Suite B
Tacoma WA 98418-7920
253 798-3250 www.pierce.wsu.edu
bbrandt@wsu.edu

Eliza T. Dresang, PhD
Beverly Cleary Professor for Children and Youth
Information School
University of Washington
edresang@uw.edu

PCLS Staff members

Judy T Nelson
Customer Experience Manager – Youth
253-548-3412
jnelson@piercecountylibrary.org

Lauren Lindskog
Science to Go Librarian
253 548-3713
llingskog@piercecountylibrary.org

Genevieve Dettmer,
Youth Services Librarian
South Hill Pierce County Library
(253)548-3303
gdettmmer@piercecountylibrary.org

Elise deGuiseppe,
Collection Management Librarian
Children's Materials
253-548-3364
edeguiseppe@piercecountylibrary.org

Julie Kramer
Development Associate
Pierce County Library Foundation
253-548-3458
jkramer@piercecountylibrary.org

M E M O

Date: October 25, 2013

To: Chair Linda Ishem and members of the Board of Trustees

From: Lorie Erickson, Facilities Director

Subject: Fife Turnaround: Temporary lighting

A temporary light pole will be installed in the center planting area of the Fife turnaround today, October 25, 2013. The temporary light pole will have two light heads and will cast adequate lighting for safe use of the turnaround. The permanent light poles are scheduled to arrive late November/early December. These will be installed immediately once received by the contractor.



University Place Civic Building

BOARD OF DIRECTORS' MEETING MINUTES October 17, 2013

Meeting **was called to order** at 10:06 AM. In attendance were President Steve Sugg, Vice President Gary Cooper, Secretary-Treasurer Neel Parikh, Eric Faison, Clifford Jo, Lianna Collinge and Katie Bohocky.

The August 2013 **Minutes** was accepted as written.

Lianna confirmed receipt of master "A" key and master key charts. Staff is working on gaining keys to access Men's and Women's restrooms in Atrium.

Contractor process is on hold until Lianna receives attorney response regarding prevailing wage. The bid process will begin once response is received. Current contractors are receiving prevailing wage.

Draft 2014 budget reviewed by Board. Lianna will update 2014 draft budget after review of June – September expenses received from the City yesterday. Board would like 2014 budget to include a breakdown between City and Library, including a side by side comparison of 2013 approved budget. Board would like future budgets to be available for review by October 1.

Insurance currently covered by City, but coming off of City insurance policy as of November. New Commercial Umbrella & D & O insurance will begin November 15th. Eric will touch base with Lorie regarding AWC and if the UPCB can be covered under their insurance policy. Insurance budgeted at \$24,965 for 2014. Board approved to add Earthquake to our policy. This will raise our insurance policy by \$23,000. Bringing our total policy to \$47,965 for 2014. Lianna will ask for an insurance expense breakdown (atrium, traffic, parking, etc.), how volume contributes to costs & a \$5,000 vs \$10,000 deductible.

Financial reports reviewed by Board. Lianna will be invoicing entities for 2nd half of 2013. Financial statements did not include City paid vendor costs from June – September. Board approved quarterly financial statements. Reserves have not been funded, and the reserve account has not yet been set up. Lianna and Clifford will schedule to meet regarding reserve schedule.

Discussion of Atrium gas fireplace timing and costs. Fireplace is currently off. Current timer only allows for one on/off setting. Board approved to replace timer that will allow for multiple settings where we could potentially schedule the fireplace to go on/off at different times on different days. Gary & Lynne Zeiher, branch manager, will decide scheduling of on/off timing for fireplace based on activity levels. Board feels the fireplace acts as a community living room / fireplace, and invites the public in.

Discussion of adding a 2nd security camera in Atrium to be directed toward Atrium front doors and outside. Lianna will request costs from Jack for 2nd camera with installation. Lianna will include this in 2014 draft budget. Board will decide if they wish to purchase at that time.

Public safety officer/Community support officer has been hired. Officer works ½ shift in Atrium and ½ shift in office. Officer is 5 days a week and has some police officer authority. Lianna will cut back janitorial time since officer is now hired.

5727 Baker Way NW, Suite 200
Gig Harbor, WA 98332

P: 877.460.5880 | F: 253.265.3043 | E: lianna@aminc.org

The Board will hold **quarterly meetings**, on the third Thursday of the first month of each quarter, 10:00 to 11:00 AM in the Library conference room. Neel will reserve space. (January 16, April 17, July 17, October 16, 2014). Lianna will send calendar notices for all 2014 Board meeting dates.

With no further business, meeting was adjourned at 10:58 am.

**5727 Baker Way NW, Suite 200
Gig Harbor, WA 98332**

P: 877.460.5880 | F: 253.265.3043 | E: lianna@aminc.org

University Place Civic Building
Profit & Loss Budget vs. Actual
January 1 through October 17, 2013

DRAFT
2014
Budget

	<u>Jan 1 - Oct 17, 13</u>	<u>Budget</u>		
Income				
To be invoiced/allocated	\$243,996	n/a	--	
Contributions	\$102,155	\$394,990	\$438,826	
Total Income	\$346,151	\$394,990	\$438,826	
Expense				
ATRIUM				
Administraton				
Staff 60%	\$4,118	\$23,408	\$23,400	
Total Administraton	\$4,118	\$23,408	\$23,400	
Building Maintenance				
Cleaning Labor	\$34,550	\$51,014	\$51,014	
Cleaning Supplies	\$311	\$800	\$800	
Interior Window Cleaning	\$0	\$2,750	\$2,750	
Repairs & Maint. - Supplies	\$738	\$3,000	\$3,000	
Repairs & Maint. labor	\$0	\$6,000	\$6,000	
Reserves for Replacement	\$0	\$10,000	\$10,000	
Security 75%	\$18,752	\$29,877	\$29,877	
Total Building Maintenance	\$54,351	\$103,441	\$103,441	
Utilities				
Fireplace Gas	\$4,396	\$8,051	\$9,500	
HVAC Electricity House 2	\$3,589	\$7,500	\$7,500	
Lighting House 1	\$2,481	\$4,600	\$4,600	
Waste Disposal	\$1,778	\$1,778	\$1,778	
Water	\$137	\$400	\$400	
Total Utilities	\$12,380	\$22,329	\$23,778	
Total ATRIUM	\$70,849	\$149,178	\$150,619	
				CITY PCLS
				\$75,310 \$75,310
COMMON				
Administration				
Bank Fees	\$9	\$96	\$96	
CPA - Tax Return Prep & Review	\$0	\$1,800	\$1,800	
Insurance - Earthquake	\$0	\$0	\$21,502	

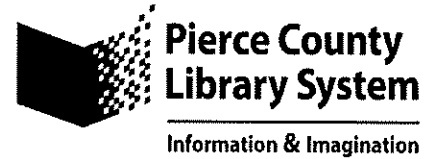
University Place Civic Building
Profit & Loss Budget vs. Actual
January 1 through October 17, 2013

	<u>Jan 1 - Oct 17, 13</u>	<u>Budget</u>	DRAFT 2014 Budget	
Insurance - D & O	\$2,150	\$2,150	\$2,150	
Insurance General Liability/Umb	\$0	\$1,937	\$19,966	est 10% parking
Legal Fees	\$0	\$500	\$500	
Licenses	\$125	\$140	\$60	
Management 30%	\$3,263	\$11,704	\$11,700	
Telephone	\$0	\$130	\$60	
Administration - Other	\$706	\$0	\$950	
Total Administration	\$6,253	\$18,457	\$58,784	
Building Maintenance				
Agricultural Supplies	\$0	\$350	\$350	
CO2 Units Maintenance	\$3,656	\$1,600	\$4,200	
Elevator Maintenance "C"	\$1,514	\$2,200	\$2,200	
Entry Canopy Cleaning & Mainten	\$0	\$300	\$300	
Equipment Purchase - Pressure W	\$4,856	\$4,856	\$0	
Exterior Window Cleaning	\$0	\$5,400	\$5,400	
Fire Alarm Monitoring	\$315	\$420	\$420	
Fire System inspections	\$43	\$1,187	\$1,187	
HVAC Maintenance	\$9,980	\$14,850	\$14,850	
Repair & Maintenance labor	\$2,671	\$3,942	\$3,942	
Repair & Maintenance Supplies	\$5,364	\$6,000	\$6,000	
Scissor Lift rental	\$525	\$500	\$1,050	
Sprinkler Inspection	\$0	\$750	\$750	
Stair vestibule cleaning	\$0	\$400	\$400	
Total Building Maintenance	\$28,925	\$42,755	\$41,049	
Reserves				
Insurance Deductibles	\$0	\$3,335	\$3,335	
Legal Reserve	\$0	\$1,000	\$1,000	
Repair & Replacement	\$0	\$30,000	\$30,000	
Total Reserves	\$0	\$34,335	\$34,335	
Utilities				
Lighting Electricity House 1	\$14,298	\$14,350	\$16,500	

University Place Civic Building Profit & Loss Budget vs. Actual January 1 through October 17, 2013

	Jan 1 - Oct 17, 13	Budget	DRAFT 2014 Budget		
Mechanical Electricity House 2	\$22,118	\$26,850	\$26,850		
Natural Gas/HVAC	\$8,681	\$21,769	\$21,769		
Pest Control	\$1,012	\$1,341	\$985		
Sewer	\$1,017	\$1,020	\$1,020		
Surface Water Management	\$0	\$3,292	\$3,292		
Telephone	\$64	\$204	\$204		
Unused House 3	\$936	\$875	\$875		
Water	\$776	\$2,191	\$2,191		
Total Utilities	\$48,902	\$71,892	\$73,686	CITY	PCLS
Total COMMON	\$84,080	\$167,439	\$207,854	\$156,161	\$51,693
PARKING					
Fire Supression Water	\$2,275	\$3,400	\$3,400		
Glass Elevator Cleaning	\$0	\$1,500	\$3,200		
HVAC & Lighting Electricity	\$12,964	\$27,500	\$27,500		
Insurance	\$0	\$1,937	\$2,219		
Repairs & Maint	\$2,506	\$10,000	\$10,000		
Rescue Station Monitoring	\$0	\$3,075	\$3,075		
Reserves for Repair & Replace.	\$0	\$15,000	\$15,000		
Security 25%	\$5,584	\$7,959	\$7,959		
Staff Time 10%	\$820	\$3,902	\$3,900		
Sweeping	\$0	\$900	\$900		
Telephone Alarm Monitoring	\$1,215	\$3,200	\$3,200		
Total PARKING	\$25,364	\$78,373	\$80,353	CITY	PCLS
				\$71,273	\$9,080
Estimated Expenses through year end	\$165,858	n/a	n/a		
Total Expense	\$346,151	\$394,990	\$438,826	\$302,743	\$136,083
Net Income	\$0	\$0	\$0	\$269,830	\$125,063
				Budgeted 2013 Total Expense	
				\$239,720	\$106,431
				Estimated ACTUAL 2013 Total Expense	

MEMO



Date: November 13, 2013

To: Chair Linda Ishem and members of the Board of Trustees

From: Georgia Lomax, Deputy Director

Subject: 2014 Health Benefits Provider

In 2014 the Library will be switching Health Benefit providers. Open enrollment is November 4 – 22, 2013.

In September, the Library received renewal rates for plans through Alliant's Group Health-administered services. The overall premium increases were 17.6% (ranging from 16.69% to 18.89% depending on the plan). 6.4% of the increase was for fees and charges related to the Affordable Care Act.

A team of staff and management (Georgia Lomax, Clifford Jo, EliseDeGuisseppi, Jennifer Patterson, Susan Rigley and Trisha Muschett) reviewed options through Alliant and assessed benefits, costs and impacts. In addition, with the sponsorship of the City of Lakewood, the Library was accepted as a non-city entity to the Association of Washington Cities (AWC). This provided access to the AWC's benefits offerings, which were also reviewed by the Benefits Team.

As a result of the assessment, the Team recommended the Library obtain benefits through the AWC. Following successful bargaining with Local 3787, employees will have four plan options. For HMO users, two Group Health plans will be available (one a high deductible with a \$1500 annual Library contribution to the HSA). For PPO users, two Regence plans will be available (one a high deductible, with a \$1500 annual Library contribution to the HSA).

Attached is a copy of the form showing the plan premium comparison between 2014 and 2013. Based on the Collective Bargaining Agreement, the Library's contribution to employee health benefits (medical, vision, dental, life) is a maximum of \$758.71.

AWC's 2014 vision plan provides full-family coverage. In 2015 it will offer an employee-only option, which we expect will decrease the premium cost. AWC's fee for plan administration is an annual assessment of \$500 plus a charge of 1% of the annual premium. (Alliant's 2014 fee would be \$45 per benefitted employee per month, up from \$35 per benefitted employee per month).

AWC participants are required to adhere to its "wellness philosophy", which aligns with the Library's approach. This program also offers the opportunity to earn a 2% "WellCity discount". The Library also offers an "opt out" option for employees who prefer to receive medical coverage through their spouse or partners insurance.

Currently 74 employees are covered by the high-deductible/HSA plan, 61 by the PPO offering, and 111 by the HMO. In the future, we will provide a report and analysis of results of the change in providers and plan choices. Additionally, 230 employees are covered by Washington Dental Service and 57 are covered by Willamette Dental.

**Pierce County Library System
2014 Employee-Only
Medical, Vision, Dental and Life Insurance Monthly Premiums**

2014 Maximum Library Contribution = \$758.71

Monthly premiums for employee-only medical, vision, dental & basic life insurance are completely covered by the Library's contribution, no matter which plans you choose!

For 2014, the Library will purchase health insurance through the Association of Washington Cities (AWC), instead of the Employer's Health Coalition of Washington. Coverage will be provided by Group Health Cooperative and Regence Blue Shield.

If you have other group medical coverage for 2014, you may choose to waive PCLS medical coverage and receive a taxable incentive payment \$150 per pay period (\$300/month) in your paycheck instead.

Please ask Staff Experience (HR) about requirements.

Note: Employees may not waive PCLS vision, dental or basic life insurance.

	2014 Total Monthly Premium	2013 Total Monthly Premium	\$ Difference from 2013	% change 2013
MEDICAL PLANS				
Group Health - \$10 Copay	\$519.69	\$594.79	-\$75.10	-12.63%
Group Health-High Deductible	*\$505.56			
Regence – HealthFirst	\$665.63	\$621.15	\$44.48	7.16%
Regence - High Deductible *	\$481.36	\$551.44	-\$70.08	

**Includes. \$125 Library-paid contribution to employee's HAS account*

	2014 Total Monthly Premium	2013 Total Monthly Premium	\$ Difference from 2013	% Increase from 2013
VISION PLAN				
Vision Service Plan (VSP)**	\$16.82	\$4.50	\$12.32	273.78%

*** (Includes full-family coverage for 2014 only)*

	2014 Total Monthly Premium	2013 Total Monthly Premium	\$ Difference from 2013	% change from 2013
DENTAL PLANS				
Delta Dental PPO (WDS)	\$51.94	\$62.65	-\$10.71	-17.09%
Willamette Dental Plan	\$58.20	\$49.70	\$8.50	17.10%

	2014 Total Monthly Premium	2013 Total Monthly Premium	\$ Difference from 2013	% Increase from 2013
BASIC LIFE & AD&D				
\$12,000 Policy with The Standard	\$2.28	\$1.44	\$0.84	58.33%

The cost of medical, vision, dental and life insurance for spouses/partners and children are on the reverse side of this sheet.

M E M O

Date: October 10, 2013

To: Linda Ishem, Chair Board of Trustees, Board of Trustee members & Neel Parikh, Executive Director

From: Judy T Nelson: Customer Experience Manager for Youth

Subject: Let's Play Together grant project with Child Care Aware of Tacoma/Pierce County

Child Care Aware of Tacoma/Pierce County invited the Pierce County Library Early Learning team to work in partnership on a grant called "Let's Play Together". Child Care Aware of Tacoma/Pierce County is provided with annual funds to work on developing and/or increasing the manner in which they reach out and provide support to parents and caregivers identified as part of the Family/Friend & Neighbor (FFN) category of child care services. Local Child Care Aware agencies are expected to work with community partners. This was the first time PCLS had been invited to partner on this work.

Parents and caregivers in the category of Family, Friend & Neighbor (FFN) are the least trained and supported group of child care service providers. Like parents, they have no licensing requirements, little or no formal early learning training and often little or no support. Unlike parents they are caring for someone else's children regularly and too often become little more than babysitters providing limited, if any, enriching experiences for children. This group is made up of relatives, such as grandparents or aunts and uncles, neighbors who watch over several children on a regular basis or stay at home friends who are raising their own children and add one or more other children to the mix. They may or may not be paid. Their facilities are unlicensed.

This category is a target audience with agencies and organizations who serve parents and caregivers, but are the most challenging to reach on a sustained basis because they have no centralized organizations. Child Care Aware provides their local organizations with funds to reach out and provide information and support to this group in any way that is successful with an eye to developing strategies that work for each local community.

Working together, the Pierce County Library and Child Care Aware of Tacoma/Pierce County created and executed the project called Let's Play Together. Two sites were identified, Tillicum and Fife. The final report of the project is attached. Further collaboration is being discussed.

Final Report - Let's Play Together September 19, 2013

**Alison Pascone,
Early Learning Librarian
Pierce County Library System
apascone@piercecountylibrary.org
253-548-3417**

Brief Program Overview:

Let's Play Together was a grant funded project that targeted family, friend, and neighbor caregivers. These are primarily the unlicensed places of childcare around the county. The project was to connect these groups with quality early learning resources and information.

The Pierce County Library System worked in partnership with Childcare Aware of Tacoma/Pierce County and created a series of programs for two communities in Pierce County this past winter. Childcare Aware funded this project. Two staff members from each partner organization ended up working on this project although much of the groundwork was done by one staff person from each organization. In choosing appropriate sites for the two programs, we wanted to reach low income families and, if possible, bilingual caregivers. We selected Tillicum and Fife as the two communities that would receive this service. Programs were housed at the Fife Library and Tillicum Community Center, across the hall from the Tillicum Library.

The original plan was for each community – Tillicum and Fife – to receive three programs at the site every other week, first Tillicum for three programs, followed by Fife for three programs. The programs would last an hour and a half. Each program would have a different topic or theme. However, the overall structure of the program was the same from week to week.

Every week, activities related to the theme of the week were set out on tables and on the floor. As families arrived, they were invited to sit down and do the activities with their children. There were always at least two art/craft activities set out at the tables. We also always set out books for parents and children to read together as they arrived. We made sure that there were some toys set out for babies each week including a variety of soft blocks.

Another separate table had the giveaways/brochures we were offering to families that week. Caregivers received information and hands-on activity ideas that they could take home and use with their children right away. The information given to caregivers included Thrive by Five Washington's "Love, Talk, Play" brochures, the Pierce County Library's "Wiggles, Tickles, and Rhymes" booklets and "100 Books Every Child Should Hear Before Kindergarten" booklist, and the booklists included in the oral health bags.

After an initial greeting and free play time that usually lasted around 40 minutes to an hour, we gathered everyone together for a story time program that involved books, flannel boards,

rhymes, musical games, and many other literacy activities again centered around the theme of the week. This story time lasted around 20 minutes. The remainder of the program was for families to share a snack, finish their art/craft activities, gather resources and giveaways, play, and get ready to go home. All of the programs included a healthy snack.

The themes for the original three weeks were:

Week 1 – Music and Play

- At this program, children made egg shakers and rainbow streamers. We all danced with scarves during story time. Each family took home a set of 12 scarves, a “Wiggles, Tickles, and Rhymes” book, and an oral health bag for each of their children.

Week 2 – Reading and Books

- At the second program, each child made their own book and a book character stick puppet. The giveaways were five books for each child. Children and/or parents selected their five books.

Week 3 – Blocks and Science

- The story time theme at this block program was transportation. Each family took home a set of table blocks and the activities were all centered around building with a large variety of blocks – on the tables and the carpet.

Tillicum’s program began in February and Fife’s program began in April.

Budget:

The original budget for Let’s Play Together –

Pierce County Library Staff	\$1000
Materials for the sessions	3000
Food for the sessions	1000
Data collection	<u>200</u>
Total	\$5200

How Dollars were actually spent:

Staff	\$2690.66
Materials	2603.84
Food	228.38
Data Collection	<u>0.00</u>
Total	\$5522.88

In three of the four categories, less was spent than budgeted. The staff category went well over the budget. A large part of this was because of not anticipating the amount of time all the pre-planning and advertising would take, combined with the materials gathering, travelling between the Administrative building and the site, and carrying out the actual program itself. Once we realized how much over budget we had gone already, we were able to streamline and/or eliminate some of the work so as to maximize use of the remaining available time.

Distribution of Fliers:

Before any of these programs actually took place, the largest task was getting the word out to the communities we hoped to reach. Advertising for a new program takes a lot of work and time. It becomes even more challenging when the target audience is a difficult-to-reach group. The Library's Communications department printed out flyers and posters to distribute/post at various locations. Staff members from both the library and Childcare Aware distributed these flyers and posters to locations such as local WIC offices, neighborhood schools, Headstart/ECEAP classrooms, churches, community/family support centers, the library, and even the swimming pool.

We spoke on two different occasions with parent support groups hosted by Relatives Raising Children. One of these groups met in Puyallup and the other in their main office in Tacoma. The flier was included in the Relatives Raising Children newsletter as well. Colleen, our colleague from Childcare Aware, made contact with Joint Base Lewis-McChord staff to generate interest prior to the Tillicum programs.

Donations:

Thanks to several generous organizations and businesses, we received extra donations/giveaways for families. These included large, colorful plastic bags from Lakeshore Learning, "Love, Talk, Play" pamphlets from Thrive by Five, and free oral health kits for children from the First Five Fundamentals of Pierce County. We also gave away the Pierce County Library's "Wiggles, Tickles, and Rhymes" booklets. Each program, therefore, had many extra resources for caregivers to take with them.

Planning and Programs:

Staff members from PCLS and Childcare Aware met several times over the course of the winter to plan the program. We also worked with the library staff from both libraries and, in the case of Tillicum, with the Tillicum Community Center staff, to inform them about our program. We shared who we intended to reach, and how we planned to use the space. It was our hope to partner with library/community center staff and solicit their help in word-of-mouth advertising for these new programs since they are the experts on their communities. See section below – **Changes for the Future** – for more information.

The first of these programs took place at the Tillicum Community Center on February 5th. We went, we set-up, we were well-staffed, and no one came! However, a library coworker who distributes Spanish language materials regularly to a Tillicum ESL class put us in touch with the ESL teacher. As a result of bringing this teacher on board and her ongoing encouragement to the families to attend our program, we began to get regular and repeat participation in our subsequent programs. The Tillicum session ended up seeing primarily Spanish speaking families. At the end of the initial three sessions, with the much improved numbers, we decided to extend the program to ten weeks and created more themes and activities.

PCLS and Childcare Aware staff met again to brainstorm themes and activities for the remaining sessions.

Additional themes included:

Boxes

Play dough/sensory

Mural

Dance and Movement

The remaining seven weeks of the Tillicum sessions were fairly well attended and we again saw a lot of the same families returning week after week.

The Fife session began on April 25th and, again, at the first session, no one attended. However, this series never picked up. We did have two families attend one program and one family came twice, but the overall attendance numbers remained low and were not enough to justify seven more weeks of programming. Therefore, after the conclusion of the three original sessions, we ended the series at Fife and concentrated on the remaining programs at Tillicum.

Results:

Below is a summary of the number of attendees from each of our Fife and Tillicum programs.

Tillicum

Program Name and Location	Date	#FFN	#Parents	#Children
Let's Play Together - Tillicum	2/5/2013	0	2	1
Let's Play Together - Tillicum	2/19/2013	1	4	6
Let's Play Together - Tillicum	3/5/2013	1	9	9
Let's Play Together - Tillicum	3/15/2013	1	4	10
Let's Play Together - Tillicum	3/29/2013	0	5	4
Let's Play Together - Tillicum	4/12/2013	1	3	4
Let's Play Together - Tillicum	4/26/2013	1	6	6
Let's Play Together - Tillicum	5/10/2013	0	0	0
Let's Play Together - Tillicum	5/24/2013	0	3	5
Overall Total		5	36	45

Fife

Program Name and Location	Date	#FFN	#Parents	#Children
Let's Play Together – Fife	4/11/2013	0	0	0
Let's Play Together – Fife	4/25/2013	0	1	1
Let's Play Together - Fife	5/9/2013	0	2	2
Overall Total		0	3	3

Successes:

Tillicum was deemed a success. Although we did not always have large numbers, we were able to connect with a hard-to-reach group in the community. The families who attended the ESL class became our primary audience but the fact that they came back repeatedly, speaks volumes. Although many families already attend the library with their class, this program specifically designed for the adult and their children was one more avenue for them to connect with the library. The support and enthusiasm of the ESL teachers combined with the support and enthusiasm of the Tillicum Library and community center staff, helped tremendously to get this program up and running.

Beyond this program, we also went out to the ESL class on two separate occasions and talked about early literacy with parents. These sessions were very well attended – at least 25 adults each time - because they occurred during their class time. We presented most of the information in English and the ESL teacher translated as needed. We included many hands-on activities. The Diverse Communities Specialist from the Lakewood Library, also attended one of the classes, introduced herself to families as a resource for them, and advertised her new talk time conversation class at the Lakewood Library.

Hopefully, this connection, established in the spring, will be one we can keep going and build on in the future with continued visits to the ESL class. The teachers were very willing to have us come and speak again. Also, hopefully the Let's Play Together programming offered this past spring will encourage families to continue bringing their children to the library for regular children's programming offered at Tillicum and Lakewood libraries, like story times offered for a wide variety of ages.

Changes for the Future:

The largest obstacle to this program's success was making the connection with the intended audience. This was very labor intensive and took a great deal of direct staff time and is therefore costly for the return on investment (or attendance). Once families came, it was easier to get them to return.

Another challenge was the publicity. The fliers and posters printed for our program were confusing to the staff at the Fife library, because the Block Play program, going on at the same time at Fife, had fliers that looked very similar. The initial advertising of the Let's Play Together

program somehow needed to be adjusted since both programs came out of the Early Learning department. As a result, I do not believe we had as comprehensive word-of-mouth advertising from Fife Library staff as was provided by the staff of the Tillicum Library and Community Center.

In order to make the program a success, I believe we needed to be more aggressive in our guerilla marketing, reaching out to more organizations and focusing on word of mouth “talking the program up” with customers to create excitement!

We learned that the time of day the program was scheduled made a significant difference in participation. At Tillicum, we found out that many of the Tillicum community events are planned for the afternoon because this is when people in the community are out and about. Therefore, planning a program in the afternoon for this community might have increased regular attendance. The Fife library does not open until 11 am and this program was scheduled at 10:30 am. It would have been logical to begin the program after the library had opened for the day and may also have added to the attendance. These are small changes but could possibly have made a difference to participation by the intended audience.

Along with these changes, adjusting the duration of the program (longer than the three weeks originally scheduled) and continued enthusiastic advertising could have potentially done much to grow the program week by week.

The project was executed to see if and how we could reach this difficult audience. We learned some strategies: work with existing organizations, who are already engaged with this community, pay attention to scheduling, and be prepared to do much more guerilla marketing than usual. We also learned it takes time to connect with this audience but that using these strategies it is possible to succeed.

MEMO

Date: November 13, 2013

To: Chair Linda Ishem and members of the Board of Trustees

From: Neel Parikh, Executive Director

Subject: University Place Apartments

The apartments next to the University Place Library are ready for occupancy. We have learned that the rent for the apartments range from \$700 for a studio to \$1,800 for a two bedroom apartment. As of yesterday, 18 apartments have been rented.

Construction will begin on the apartment building to the south of the library this month. It is expected that the gravel parking lot will be closed for now, and the street access also will be closed for many days. Lynne Zeiher and I discussed tactics for informing library patrons in advance.



Memorandum

To: Pierce County Library System Board of Trustees
Linda Ishem, Chair

From: Lynne Hoffman, Foundation Director

Date: November 4, 2013

Re: Support of the Foundation by Library Trustees

At the June Board Meeting, the Foundation was asked to report back on how the Trustees could support the work of the Foundation. The Foundation continued their discussion after meetings resumed in September. Suggestions included:

1. Make a personally significant annual gift. As a member of the board, 100% participation is crucial in raising credibility among grant makers and supporters.
2. Friend raise. Identify and ask others to give. Even if you are not comfortable in asking, please help “open the door” for Foundation staff and board to include interested friends and colleagues in cultivation activities.
3. Identify and determine the interest of library supporters to serve on the Foundation board.
4. Communicate your view of the strategic vision of the library. Keep the Foundation informed about big issues facing the library that you share as representatives of the community.



**Pierce County
Library Foundation**

**Pierce County Library Foundation
Board of Directors Annual Meeting
September 24, 2013**

President Michael Gordon called to order the regular meeting of the Pierce County Library Foundation Board of Directors on Tuesday, September 24, 2013 at 7:40 a.m. at the Processing and Administration Center.

Attendance 72% Present: Jack Conway, Joan Cooley, Kathryn Galbraith, Caireen Gordon, Michael Gordon, Kim Heggerness, Janice Ludwig, Craig Richmond, Tim Sherry, Adam Small, Molly Stuen, Stacy Topping, Karen Triplett, Mary Ann Woodruff. Excused: Cyndi Chaney, Larry Faulk, Keri Kennard, Doug Whitton, Shelia Winston.

Staff Members: Lynne Hoffman, Foundation Director; Julie Kramer, Development Associate; Neel Parikh, Executive Director; Georgia Lomax, Deputy Director.

Approval of Minutes: Mary Ann Woodruff moved and Joan Cooley seconded the motion to approve the minutes of the June 25, 2013. It was passed unanimously.

2012-13 Year end Development Report: Lynne Hoffman shared that the Fall 2013 donor appeal has been mailed and donors are responding and the Leadership donor appeal will be mailed in October. Julie Kramer discussed the grants awarded this summer. The Paul Allen Family Foundation awarded \$175,000 to the Science-to-Go program, Lucky Seven Foundation funded the completion of the Block Play program in all branches, Target funded board books for kids, Milgard Family Foundation awarded \$75,000 for a senior outreach van, Puyallup Tribe provided \$10,000 in funds for early learning programs. There is \$300,000 in pending grants. Julie passed around a list of foundation and corporate contacts and asked board members to provide any information they can regarding companies or contacts on this list.

Approval of Final 2012-13 Distributions: The foundation plans to transfer a total of \$332,968 to Pierce County Library System. This will cover Books and Materials, Programs for Youth, Programs for Adult Learners, Lakewood, Key Center and University Place Libraries' capital projects. Joan Cooley moved and Kathryn Galbraith seconded the motion to approve the 2012-13 distributions. It was passed unanimously.

Finance Report: Mary Ann Woodruff moved and Kathryn Galbraith seconded the motion to approve the June 2013 financial reports. It was passed unanimously.

2013-14 Development Plan: The Development Plan provides important information for the board members concerning Foundation matters for 2013-14. Board members are to use this and provide feedback. Accomplishments include a 50% increase over last year revenue. Early Learning and Senior Outreach are the program areas that will be focused on for the next two years. The addendums provide information about these two program areas that will help board members talk to others about the need to donate to the Foundation. There will be breakout committee meetings in upcoming board meetings which are identified in the Board Activity Calendar.

Board Retreat: The board retreat is scheduled for November 22 from 10am to 4pm at the Pierce County Administrative Center.

Trustee Evaluation: Foundation board members want Library Trustees to donate to the Foundation and connect the Foundation to people they know who may be potential donors. Board members are asked to pass along any other thoughts about what the Foundation wants from the Trustees.

A Literary Evening: It is a cultivation event for donors who have given \$500 or more. It is usually held in a

supporter's home. Board members are encouraged to attend the event and meet the donors. This event is a recognition of these donors for their leadership gifts. Lynne Hoffman passed around a list of people who had not RSVP'd yet and asked board members to write their name next to those they are willing to call and personally invite to the event.

New Board Member: Karen Triplett was nominated and unanimously approved by the board as a new member.

Library Director's Report: Neel Parikh shared pictures of the National Medal Award ceremony in Washington D.C. Most of the programs featured in the submission for the award were funded in part by the Foundation and instrumental in Pierce County Library System receiving the award.

The Foundation has submitted a nomination for an award from the Paul Allen Family Foundation for the library's work on a collection budget strategy which eliminating \$1 million from the library's general operation budget without a negative impact on the Library customers. Urban Library Council has already presented an innovation award to Pierce County Library for this budget strategy. Pierce County Library System was recently awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association. The budget is online for anyone to review. Pierce County Library System is continuing to look at all departments in terms of efficiencies affecting its budget.

Two Pierce County Library employees have published books through the American Library Association. One is Kati Irons whose book is about programing in films and Susan Anderson-Newham, who also won a Mover and Shaker award.

Currently, the managers of the Human Resources and Marketing departments have been recruited by other organizations and their positions are in the process of being filled. So far, a new Human Resources director has been hired and the Marketing director candidates have been narrowed down and are being interviewed.

The meeting adjourned at 9:16 a.m.

The next regular board meeting is scheduled for Tuesday October 22, at 7:30 a.m.

The New York Times

October 2, 2013

Next Time, Libraries Could Be Our Shelters From the Storm

By MICHAEL KIMMELMAN

Two big storms and a major blackout have battered New York City since the Sept. 11 attacks. Climate change threatens higher tides and more extreme heat. Architects and engineers look for ways to respond.

So here's an out-of-the-box suggestion: Let's build more branch libraries.

That thought came to mind while talking with Eric Klinenberg, a sociologist at New York University, who wrote a book about the 1995 heat wave in Chicago, which killed hundreds. Mr. Klinenberg discovered that while many predominantly poor neighborhoods fared badly, others, also poor, didn't.

The difference? Less ravaged neighborhoods were more densely populated, with vibrant commercial strips and social networks, community gardens, parks and well-tended sidewalks. They drew people out of overheated homes and into the streets, shops, gardens, parks, and into libraries, too: places where there were things to do and friends to meet.

"People needed cool places to go," is how Mr. Klinenberg put it to me. He meant oases that weren't only air-conditioned or breezy. He meant destinations that were also attractive and familiar. Official city-run "cooling stations" in centers for the elderly, police stations and hospitals tend to be the last places people want to hang out. So they don't.

A couple of lessons: Places that serve us well every day serve us best when disaster strikes. Health and safety go hand in hand with lively urban spaces. Invest in one, and you aid the other. Also, disasters can be opportunities.

It was instructive, after Hurricane Sandy, to see where relief hubs sprang up. The Rockaway Beach Surf Club, a party space in one of the hardest-hit areas, sheltered a homegrown movement. The club's young owners, anxious to be good neighbors, posted a note on Facebook: If you need anything, come; if you have anything, bring it.

Hundreds arrived, then thousands, some bringing generators, even solar panels. People came to charge phones, locate a plumber, find a lawyer and commiserate with neighbors. They left dark, flooded, scary, lonely homes for the fellowship of a bright, crowded place.

The club became the heartbeat for a struggling neighborhood. It had a big yard and open spaces, so it was adaptable and good for crowds. A similar island after the storm, in Brooklyn, the Red Hook Initiative, is a community youth center hard by public housing, whose thousands of residents lost

heat, electricity and running water. Without a basement that could be flooded, the Initiative weathered Sandy unscathed.

It had a kitchen for hot meals and a big common room, so groups could congregate. There was art on the walls, which made the place cheery. For weeks, the Initiative became a beehive, with residents and relief workers providing crisis counseling, checking in on homebound older people, collecting and distributing supplies, money and employment advice about recovery-related jobs. Like the Surf Club, the building was open and adaptable, an already organic part of the community, with a staff flexible enough to let outsiders in and take over.

Mr. Klinenberg stopped by the Initiative the other morning. He was shepherding several dozen competing architects and engineers around Red Hook as research director for the innovative Rebuild by Design competition organized by Shaun Donovan, President Obama's secretary of housing and urban development, who oversees the Hurricane Sandy Rebuilding Task Force.

"Can we design places like this?" Mr. Klinenberg asked the group at the youth center.

Serendipity played a big role after the storm. Elsewhere in Red Hook, an art gallery-real estate office, Real Estate Collective, became another hub, the art providing solace, or so neighbors said. The window racks normally for apartment listings morphed into an impromptu billboard for neighborhood announcements.

To some extent, churches, libraries, schools and malls already serve as emergency centers, albeit not all churches responded or were equipped to be of help after Sandy. And as the novelist Zadie Smith lamented last year in *The New York Review of Books*, apropos the closing of neighborhood libraries in London, libraries are "the only thing left on the high street that doesn't want either your soul or your wallet."

Even schools are not quite like branch libraries. The branches have become our de facto community centers, serving the widest range of citizens — indispensable in countless, especially poorer, more vulnerable neighborhoods. They are much threatened by budget cuts, but never more in demand by toddlers and teenagers, working parents, the elderly and the unemployed, new immigrants and traditional readers.

With disaster in mind, they could be designed in the future with electrical systems out of harm's way and set up with backup generators and solar panels, even kitchens and wireless mesh networks. After September 2001, Americans built bollards, barriers and berms. We outfitted airports and office buildings with metal detectors and long lines, fortified command centers, installed street cameras and constrained access to many sidewalks and plazas.

"We were possibly preventing another attack but certainly making our lives less pleasant and efficient," is how Mr. Klinenberg phrases it.

In this case, we can learn from the Rockaways and Red Hook. If serendipity can't be planned, it can be planned *for*; still, we shouldn't have to rely on it. Disasters aside, branch libraries are a safe and equitable bet on our social and economic health. Trustees at the always tin-cup-wielding New York Public Library are now pondering a \$300 million renovation scheme for its 42nd Street landmark. (Bill de Blasio, the Democratic candidate for mayor, told me recently that if elected, he would take a second look at the Bloomberg administration's promise of \$150 million in taxpayer money toward that renovation.) Meanwhile, potential billions in federal dollars could be available to rebuild the region, post-Sandy.

Maybe some of those resources could go toward improving our lives every day in ways that will also serve us well after the next disaster strikes.

Catie Marron is married to Donald Marron, the former C.E.O. of Paine Webber.

'MY LIFE HAS BEEN ONE HOP FROM HERE TO THERE'

The High Line co-chairwoman Catie Marron on private wealth and public spaces.

Interview by AMY CHOZICK

Your book, "City Parks: Public Places, Private Thoughts," is an anthology of writers musing about their favorite public parks. What was the genesis of the idea? I went to Paris for the first time when I was 23. We went to the Luxembourg Gardens one morning, and I was nearly moved to tears. It became my favorite place in the world. Whenever I was in Paris, I would insist on going there, even on the way to the airport.

Bill Clinton wrote about Dumbarton Oaks in Washington. I was thrilled he did it. I've been a fan of the Clintons for years. I met Huma Abedin at an event when I was chairman of the New York Public Library. I always wanted to get Hillary to come speak there. I had a nice exchange with Huma, and within a week they said they'd be glad to do it. I thought that was a wonderful example of women helping women.

Or of Abedin being a good person to know. Yes, she's someone who can get things done.

Nicole Krause's essay about Prospect Park touched on the seedier side of parks in New York City. She said it was a "lawless zone" in the 1970s. Jane Jacobs wrote that parks don't necessarily help a neighborhood. They cost a lot of money to maintain. And there were times when the city went down, and so went the parks; when the city goes up, so go the parks.

There's also an essay about the High Line, of which you were recently named co-chairwoman. A lot of people blame the park for sanitizing the area. I don't think the High Line should be held culprit. I really don't. It has done a lot for the community. It's free. The city isn't what it was, and I think the Meatpacking District was changing at the same time.

So we should blame Pastis? Yes. Or Jeffrey or the Gansevoort hotel. Those opened before the High Line was finished.

You were chairwoman of the New York Public Library for seven years. Why parks and libraries? Libraries are free, and parks are free. When you think about the world and the



economic inequality that is getting more extreme here in New York and elsewhere, you need to have great public spaces where people can all participate.

Under your leadership, the N.Y.P.L.'s endowment grew by nearly 70 percent, to \$800 million. Andrew Heiskell, whom I consider a guardian angel, once told me, "You don't go out and ask people for money." Instead, you create a place where they want to be involved.

You oversaw a \$1.2 billion capital campaign called "Creating the Library for the Future." What is a public library in the era of e-books? It's a place of congregation. Librarians are there to help you find the information you need, to tell you about things you didn't know about. They're a place of refuge. And people still check out books.

They sound like community centers. Partly, but with a base of knowledge and learning.

People were not happy that you named the Fifth Avenue building for Stephen A. Schwarzman, the C.E.O. of the Blackstone Group. I think we have to distinguish that it was naming a building, not naming a library. One hundred million was a very generous donation.

After leaving Lehman Brothers, you worked for Vogue. That's a jarring career change. My life has been one hop from here to there. I was next to Si Newhouse at a dinner, some art-related event, and I said, "I love decorating." And he said, "You should come work at House & Garden." I did. A week later, Anna Wintour came and took it over and brought me with her to Vogue.

You told me there was a certain park you were partial to in New York. I used to live on 11th and Fifth. There was a little church on one of those side streets in the West Village, and you could go in the park, and it would feel like you were in England. I can't tell you how many times I wandered around looking for it.

It's probably a condo now. Yeah, it's gone. ♦

PHOTOGRAPH BY ROBYN TWOMEY

2014 BUDGET

PUBLIC

HEARING

M E M O

Date: November 5, 2013

To: Chair Linda Ishem and Members of the Board

From: Neel Parikh, Executive Director

Subject: Public Hearing: 2014 Budget

This Board meeting is the first public hearing for the 2014 budget. The Board will open discussion of the budget with a public hearing. After presentation of the budget and any comments from the public, the public hearing will be closed.

Following are the formal motions and steps to be taken:

Opening the Public Hearing:

“I move that in accordance with RCW 85.44.120, the public hearing be opened for consideration of increases in property tax revenues, regarding 2013 property tax levies for collection in 2014.” The motion is seconded and passed.

Public Comment:

After presentation of the 2014 budget, the chair must ask if there was anyone in the audience who would like to comment on the budget. If there is no response or when public comments have ended, the public hearing is then closed.

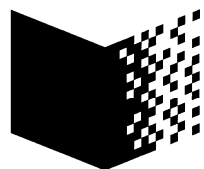
Closing the Public Hearing:

“I move to close the public hearing on the 2014 budget of estimated revenue and expenditures.” The motion is seconded and passed.

UNFINISHED BUSINESS

Annual
2014 Budget

First Reading
November 13, 2013

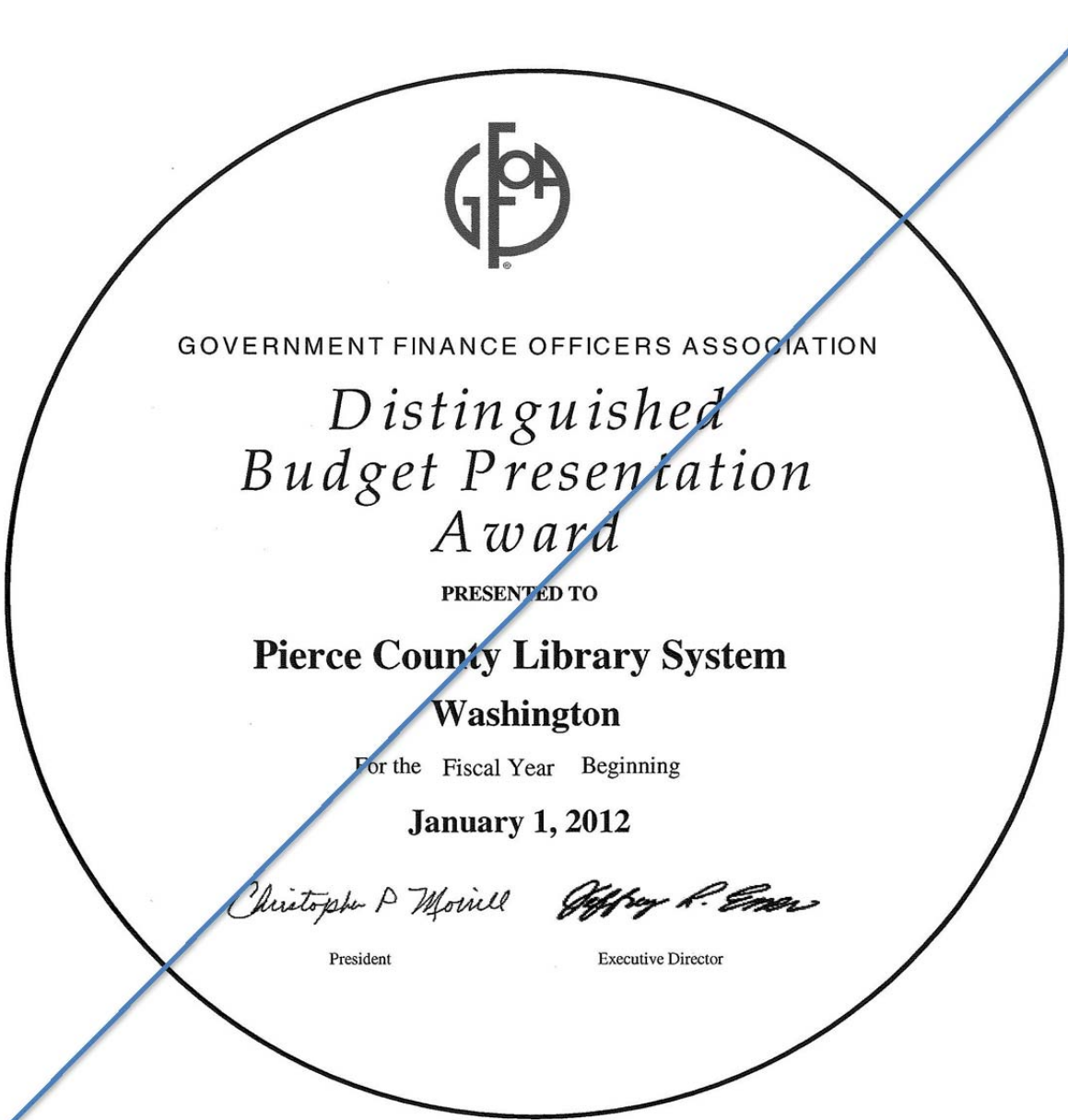


Pierce County
Library System

INFORMATION ■ IMAGINATION

{REPLACE WITH 2013'S}

Figure 0-1: GFOA Distinguished Budget Presentation Award



PIERCE COUNTY LIBRARY SYSTEM

BOARD OF TRUSTEES

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

BUDGET PREPARED BY DIRECTOR'S TEAM

Neel Parikh
Executive Director

Clifford Jo
Finance & Business Director

Georgia Lomax
Deputy Director

Sally Porter Smith
Customer Experience Director

WITH ASSISTANCE FROM

ADMINISTRATIVE TEAM

Lisa Bitney
Reading & Materials Director

Linda Farmer
Marketing & Community
Relations Director

(Vacant)
Staff Experience Director

OPERATIONS TEAM

Lorie Erickson
Facilities Director

Lynne Hoffman
Development Director

Dale Hough
Finance Manager

(Vacant)
Digital Experience Director

CUSTOMER EXPERIENCE TEAM

David Durante
Customer Experience Manager

Judy Nelson
Customer Experience Manager

Jennifer Patterson
Customer Experience Manager

Jaime Prothro
Customer Experience Manager

AND

Petra McBride
Executive Assistant to the Director

Library Locations/Hours of Operations/Phone

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

The document is available online at the Library's website:

<http://www.piercecountylibrary.org>

To obtain copies of this document, please contact:

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

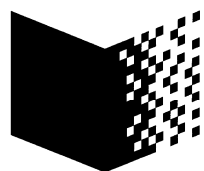
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We hope you enjoy the poetry, art, and photography from our community; they reflect creativity, tenderness, smarts, family... the thoughts and dreams of children.

Part 1 Introducing the 2014 Budget



Pierce County
Library System

INFORMATION ■ IMAGINATION

Budget Messages



Picture replaced prior to publication

REPLACED IN DECEMBER

Board of Trustees Message

Dear Pierce County Residents:

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

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

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

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

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

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

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

Sincerely,

Linda Ishem
Chair, Pierce County Library System Board of Trustees



Library Board of Trustee
and Chair Linda Ishem

Library Director's Message

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

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



Neel Parikh, Executive Director
South Puget Sound Woman of Influence

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

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

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

reflect the long-term interests of the taxpayers and maintain their confidence in the decisions and services of the Library.

In the past three years, the Library has been focused on ensuring that library operations are organized to meet contemporary needs, respond to changes in technology and continue to serve the customer. The

Library has systematically evaluated each department's staffing and services in order to reorganize or streamline operations to provide better service for our customers and operate more cost effectively. The first such reorganization took place in 2010, when the Customer Experience department reconfigured branch staffing and services to reflect the impact of changing customer demands and the capabilities of new technologies, such as express checkout. The Staff Experience department totally reorganized in 2011. At the end of 2012, Library management was restructured to flatten the organization and more effectively manage decision making. The

Branch Services department created a new management team which strengthened support and collaboration for Branch Services and key service initiatives: youth, adult and virtual services. Also in 2012, the Library commissioned a study of the Information Technology department in order to determine the capabilities of that department and begin to identify tactics needed to move technology forward in the future. As a result of that study, the Library embarked on a technology planning process, which will guide future development and should result in the examination of the effectiveness of the IT department structure.

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

Budget Priorities

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

1. **Maintain Core Services Voters Called in for the 2006 Levy:**
 - a. Access: Provide access to staff, resources and materials, services and facilities. Maintain current building open hours.
 - b. Books and Materials: Provide a quality collection to support reading, listening and viewing experiences.
 - c. Children and Teens: Support youth in reading and building skills to succeed in school and for the future.
 - d. Service and Technology: Offer up-to-date technology and excellent customer service.
2. **Good Stewardship of Taxpayers' Money:** Use sound judgment expending taxpayers' money, including:
 - a. Implement operational and workflow efficiency.
 - b. Rigorously evaluate services.
 - c. Spend money to save money. Focus on expenditures that will reduce long-term operational costs.
 - d. Examine return on investment and cost benefits.
3. **Provide Up-To-Date and Future-Oriented Service:** Keep the Library contemporary by innovating and providing services and resources customers expect. "Pierce County Library 2030: A Facilities Master Plan for Library Services and Buildings" created a solid framework for changes in methods in delivering services, organization of buildings, and public access.
4. **Building a Customer Base for the Future:** Customer focus is a major priority. The Library will continue to improve service for new customers, provide services valued by the community, and expand engagement with communities.

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

Notable Budget Changes

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

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

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

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

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

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

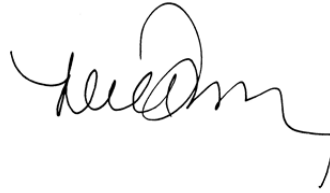
Foundation—Minding the Gap: Anticipating the continued revenue decline, the Library Foundation provided \$75,000 in additional revenue intended to help to continue programs such as Early Learning and Senior Outreach and to support the materials collection. This strategy was developed by the Board to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

Cash Reserves: In addition, for the third year, this budget includes use of cash reserves. Rather than reducing services and laying off more staff, \$128,000 in cash reserves is budgeted to help balance the budget. This will only be used if necessary. It is Pierce County Library System's Board of Trustees' policy to maintain at least sufficient funds to operate the Library during the first four months of every year, prior to the Library receiving its first of two annual deposits of tax revenue. Since the cost to operate the Library has reduced, the need for cash has also reduced. The Board has agreed to judicious use of the cash reserves in this current situation.

It is estimated that revenue will increase in 2015, but the Library will need to reduce the budget by approximately \$ [REDACTED] million for 2014, based upon preliminary estimates of tax revenues. This budget anticipates continued economic challenges and the necessity for the Library to deliver the best product to customers and taxpayers within the available dollars. At the same time, the Library must also continue to deliver service that responds to changing communities. The Library is committed to providing the services our customers value, want and need, maintaining aging buildings, and planning for capital needs.

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

Respectfully submitted,



Neel Parikh
Executive Director

Budget in a Page

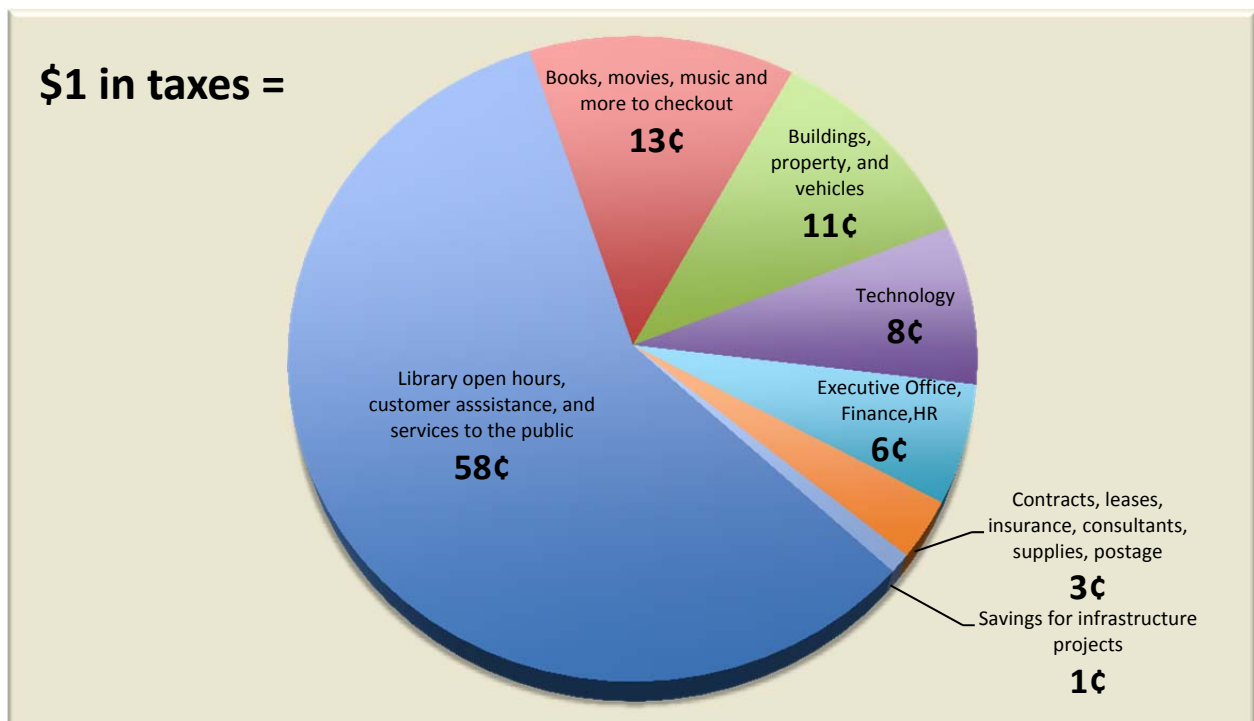
The 2014 budget is hereby submitted. It is *the Library's story of commitment to the community and costs to provide services.*

After three years of property value declines, property values increased by 2.94% with a corresponding year-to-year budgeted revenue increase of 3.7%. The Library's mill rate, the rate used to levy taxes on properties, remained at its statutory limit of 50 cents per \$1,000 assessed property value and will stay there for years. After implementing \$1.1 million in reductions, the Library will use \$127,663 of cash reserves to mitigate service impacts. The budget is presented as balanced by fiscal management policy: source of all revenues and use of fund balances equals expenditures.

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

	2012	2013	2014
	ACTUALS	FINAL (12/12)	BUDGET (12/11)
OPERATING BUDGET			
New Revenues	\$ 27,509,605	\$ 24,616,725	\$ 25,526,372
Use of Fund Balance	0	807,172	127,663
Total Available Funds	27,509,605	25,423,927	26,654,035
Less:			
Operating costs	25,908,077	24,931,592	25,398,771
Set-asides & Transfers	814,563	492,335	255,264
Total Expenditures	26,722,640	25,423,927	26,654,035
Net of Revs & Exps	\$ 786,965	\$ 0	\$ 0
CAPITAL IMPROVEMENT BUDGET			
New Revenues	\$ 498,548	\$ 0	\$ 160,000
Transfers from General Fund	814,563	492,335	255,114
Use of Fund Balance	686,269	1,139,665	808,886
Total Available Funds	1,999,380	1,632,000	1,224,000
Less:			
Capital project costs	1,999,380	1,632,000	1,224,000
Net of Revs & Exps	\$ 0	\$ 0	\$ 0
DEBT SERVICE FUND			
Revenues	\$ 111	\$ 0	\$ 0
Expenditures	0	0	0
Net of Revs & Exps	\$ 111	\$ 0	\$ 0
2014 Combined Fund Balances (Cash Reserves)			
General, Capital Improvement, and Debt Service Funds			
Begin Balances, Jan 1	\$ 13,790,985	\$ 13,412,097	\$ 11,468,260
Net of all revs, exps, transfers	(378,888)	(1,943,837)	(936,549)
End Balances, Dec 31	\$ 13,412,097	\$ 11,468,260	\$ 10,531,711

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



The Library: Organized to Serve the Community



Picture replaced prior to publication

The Organization of the Pierce County Library System

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

Administrative Team

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

Director’s Team

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

Operations Team

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

Leadership Team

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

Customer Experience Team

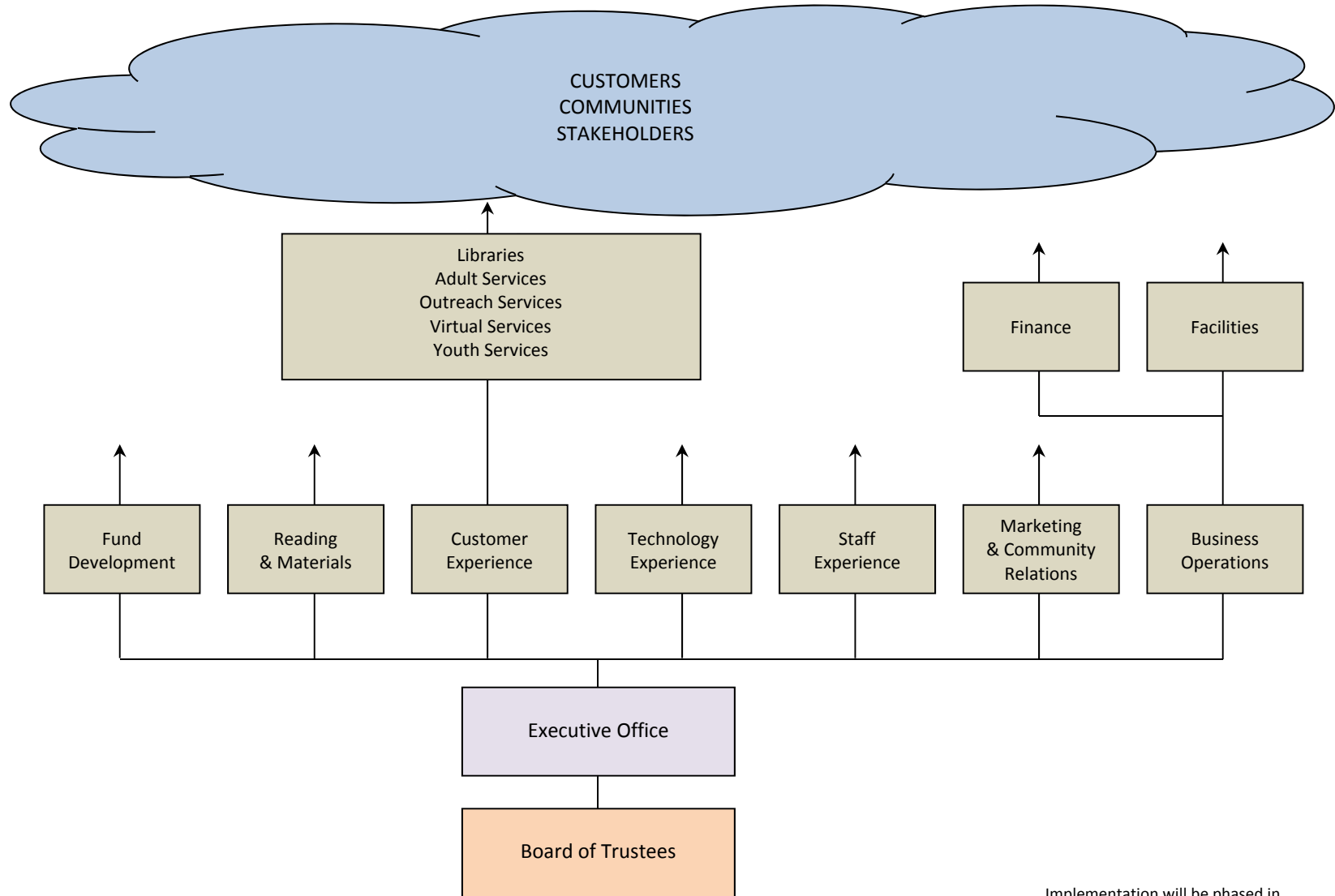
Delivers a valued customer experience through branch, community, and virtual operations. The Customer Experience Team *brings to the table the voice of the customer*.

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

Figure 1-2: Management Teams

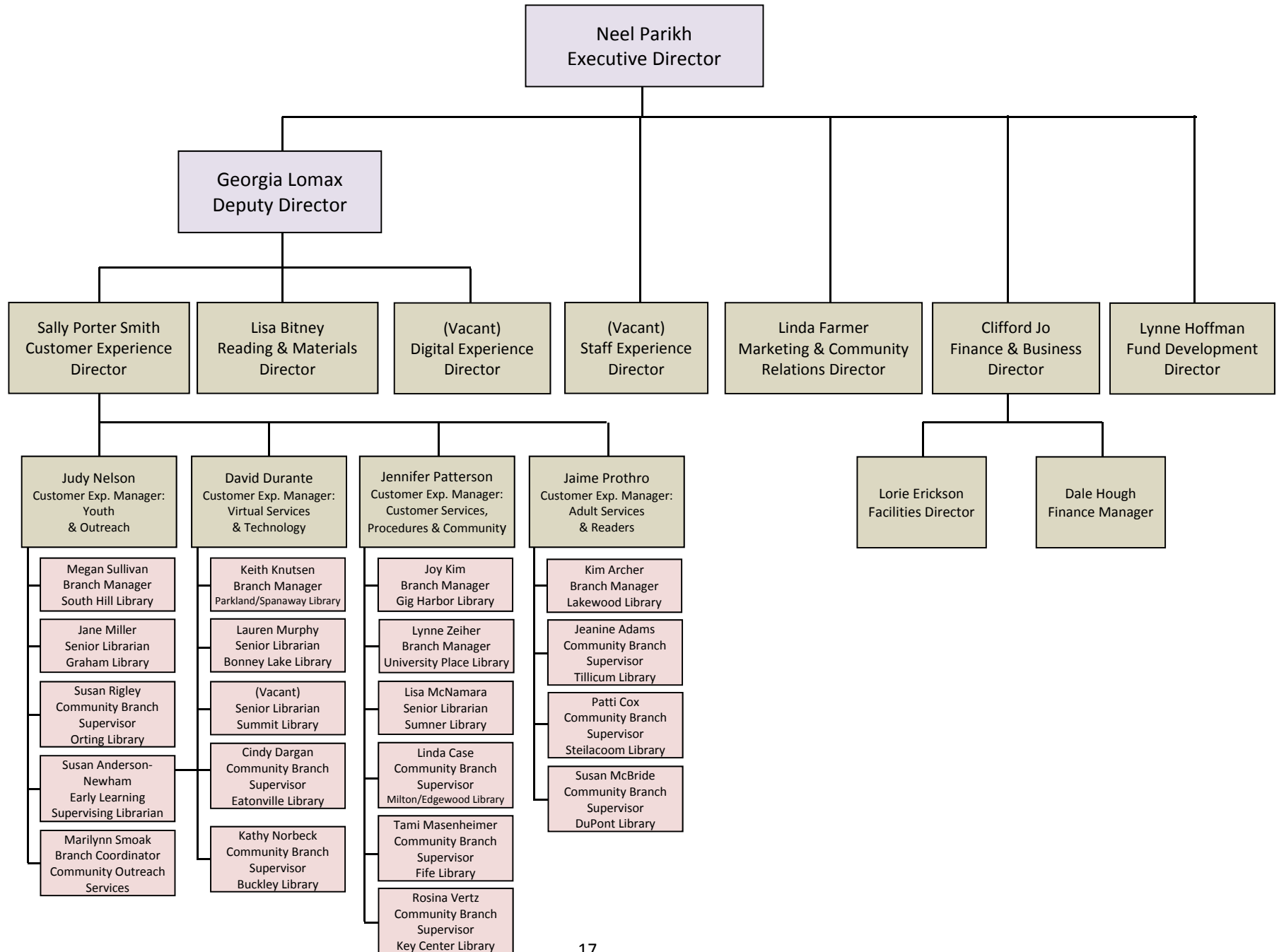


Figure 1-3: 2014 Organizational Chart-Operations View



Implementation will be phased in

Figure 1-4: 2013 Organizational Chart-Leadership View



Mission / Vision / Values

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

MISSION

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

VISION

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

VALUES

We value...

- Customer service excellence
- Freedom of expression and free flow of ideas
- The diversity of people we serve, their opinions, capabilities, needs and interests
- The power and worth of words and images
- Equitable access to all library resources and services
- Responsible stewardship of public funds
- Creative solutions by solving problems in innovative ways
- Our diverse, skilled, and knowledgeable employees working in a safe and stimulating environment

Library Priorities

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

2012 LIBRARY PRIORITIES	2013 LIBRARY PRIORITIES	2014 LIBRARY PRIORITIES
Levy Promises: develop and maintain services based on the goals established in the levy voters approved in 2006.	Maintain core services voters called for in the 2006 levy: maintain library services and aspects of the levy promises as much as possible.	Maintain core services voters called for in the 2006 levy: maintain library services and aspects of the levy promises as much as possible.
Good stewardship of taxpayer's dollar: Use sound judgment in expending the taxpayer's dollar.	Good stewardship of the taxpayers dollar: Use sound judgment in expending the taxpayers dollar.	Good stewardship of the taxpayers dollar: Use sound judgment in expending the taxpayers dollar.
Provide up to date and future-oriented services: keep the Library contemporary, innovating, and providing services and resources customers expect.	Provide up to date and future-oriented service: Keep the library contemporary, innovating and providing services and resources customers expect	Provide up to date and future-oriented service: Keep the library contemporary, innovating and providing services and resources customers expect
Build a customer base for the future: customer focus is a major priority of the Library	Build a customer base for the Future: customer focus is a major priority of the library	Build a customer base for the Future: customer focus is a major priority of the library

The priorities from 2013 to 2014 remain unchanged. The Library recognizes that multiple years of significant revenue decline challenges the degree to which the Levy Promises can be kept past its original intent of six years, which ended 2012.

The 2014 Library priorities are further articulated in the Executive Director's budget message (see page 10).

Finance



Picture replaced prior to publication

Fiscal Principle, Policy, and Practices

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

Guiding Principle

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

Fiscal Management Policy

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

Policy

1. Current year operations are funded from current year revenues. Permitted exceptions include, but are not limited to, transferring funds between fund accounts or the incurring of debt.
2. Cash reserves is a fiscal resource to stabilize long-term library sustainability. Cash reserves will not be used as a substitute for budget reductions to meet economic challenges.
3. Cash reserves (fund balance) may be used to plan or pay for current or future operations. Cash reserves shall not fall below twenty percent (20%) of the following year's anticipated revenues.
4. Fiscal year carryovers of funds within the General Fund are limited in nature, and are used for special purposes that are related to grants, gifts/donations, and collection materials.

5. To pay for qualified capital projects, a Capital Improvement Fund is established and funded appropriately by and through the General Fund.
6. For purposes of managing the Library's finances, additional fund types may be implemented.
7. Capital Improvement Fund revenues may be supplemented by unanticipated revenues or unanticipated savings in expenditures in the General Fund.
8. The Board approves a budget for revenues and expenditures in each fund, annually or any substantial modifications throughout the year.
9. Upon declaring a need for cash reserves to address a severe emergency having effects that cannot be addressed through the existing budget, the Board may pass a motion to release cash reserves for purposes of continuity of operations and services. Examples of emergencies are a natural disaster or a virulent pandemic.

Responsibilities

The Board of Trustees expects the Library to:

1. Establish a budget system and administer the budget process.
2. Establish and maintain financial procedures for managing the Library's cash. Document, keep prudently current, and enforce such financial procedures as an implementation of this fiscal policy.
3. Establish and maintain a ten-year cash reserve strategy to sustain operations that best funds services to the Library's communities.
4. Set solvency goals to achieve and implement a perpetual positive fund balance that ensures short-term debt, excluding inter-fund loans, is not used to pay for operations. This may require cash of at least three to four months of operations available in the fund balance during certain times in a fiscal year.
5. Develop and manage fiscal practices and strategies so that cash reserves do not fall below twenty percent (20%) of the following year's anticipated revenues.
6. Administer a cash-flow system as an anticipatory approach to budget for and meet

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

7. Implement the State of Washington's Budget, Accounting, and Reporting System (BARS).
8. Furnish to the Board appropriate financial reports on a monthly basis, and deliver the annual report to the Board subsequent to filing it with the State of Washington.

Proven Practices

1. The Library uses a thoughtful and purposeful budget method that is communicated to Library staff, customers, and the community. Through surveys and formal budget hearings, the public is invited to present its thoughts on services, budget, and fiscal matters.
2. To the best extent possible and available, the Library uses objective methods and estimators to establish projections. Such methods are confirmed and documented.
3. The Library uses long-term cash flow charts to determine revenues and expenditures in future years to give the Library an understanding of future fiscal realities that may need to be addressed today.
4. The Library reserves cash in the form of restricted funds for intra-year cash flow management so that bills can be paid without borrowing from external sources. The Library may set aside other restricted uses of cash, for example the set-aside for paying costs for a future levy lid-lift.
5. During years of revenue growth, the Library increases cash reserves to cover the additional costs it may incur. During years of revenue decline, the Library may decrease cash reserves because less is needed to cover operational costs.
6. The Library reviews all revenue projections, including property taxes, other public sources, fines/fees, investment income, Foundation donations, and other sources of revenues. Only those revenues that can be reasonably projected for receipt are budgeted. Other revenues that are received throughout the year may be recognized during the mid-year budget process, or simply recorded and reported as unbudgeted actuals.
7. The Library actively searches for and achieves operational efficiencies without sacrificing—if

not improving—services to the customer and community.

8. The Library will only use cash reserves to cover budget shortfalls when after all possible reductions have been attained, the remaining option is to either use cash reserves or enact further painful reductions.
9. The Library presents and has approved an annual balanced operating budget; revenues and expenditures must match. If new revenues are less than expenditures by the time the budget is presented for final passage, cash reserves may be used to cover the shortfall.
10. Debt will not be used to cover operational shortfalls irrespective of revenue shortfalls.
11. The Library assesses capital facility needs, such as repairs and improvements, for at least 5 years into the future. Facility needs are based on when the buildings were constructed, when major repairs and replacements were made, the current condition of the facilities, and future estimated needs.
12. The Library uses a mid-year budget process to make necessary changes and corrections to the current budget. It recognizes changes that occurred during the first six months of the fiscal year, estimates for the remaining half of the year, and makes adjustments to prepare for the following fiscal year's budget or begin planning for long-term fiscal realities.
13. The Library may transfer some or all unanticipated revenues or savings to the Capital Improvement Fund to pay for current or future capital projects. The need for transferring money to the Capital Improvement Fund is balanced with the need for cash reserves.
14. The Library invests its available funds with the Pierce County investment pool.

Budget Recognition

In 2013 the Library submitted the budget document to the Government Finance Officers Association (GFOA) for review in comparison to best practices. In September 2013, the GFOA issued the Distinguished Budget Presentation Award to Pierce County Library System for the 2013 fiscal year budget. This is the second consecutive year of receiving this award. The emblem is depicted on page 2 of this document.

Budget Planning Process

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

Executive Priorities

Continuously, the Executive Director assesses the realities of the external world, the needs of the community and customers, as well as directions of library activities nationwide and regionally. In July, shortly after the mid-year budget concludes, the Executive Director sets the priorities for the upcoming fiscal year. These priorities are communicated with the Administrative Team and fed into the strategic management process (Balanced Scorecard), and then to the Operations Team with instructions to craft their budgets accordingly. The priorities for 2014 are:

1. Maintain core services
2. Good stewardship of the taxpayers dollar
3. Provide up to date and future-oriented service
4. Build a customer base for the future

Priorities slightly changed from the previous year.

Performance Measures

The Library gathers performance measures and evaluates progress. The data is culled from multiple areas of Library performance. Examples include how many items have been checked out, customer visits to the libraries, and website hits. The data snapshot is crucial to understanding the year's services and other factors, based on current priorities and strategies. The Library keeps system-wide and departmental measures. Performance measures are checked against the strategic management process and are also discussed with the Administrative Team and the Operations Team. Continuing in 2014, the Library is using an important tool, Civic Technologies' Community Connect system, to analyze information related to the Library's communities and make service-related decisions.

Long Range Approach

The Library's budgeting and decision-making process always considers the future, not just 2 years out, but 5 to 10 years out. Board of Trustees and Executive Management are committed to making the optimal decisions related to ensuring future fiscal sustainability and meeting current Executive Priorities. Throughout the year, as data becomes available, current, next year, five year, and as applicable ten year projections are created and analyzed, leading to actions that must be taken immediately to ensure the Library remains focused on its mission in the now and future, without decimating services because of lack of effective planning. The chapter on cash flow analysis (see page 114) in this document shows the thinking behind this process. The Library recognizes that strategic goals and fiscal realities intertwine; it is exemplified in making clear priorities for the Library, and then exacting a conservative approach to budgeting and an aggressive pursuit of efficiencies. The Director's Team is relentless in requiring Managers to implement efficiencies and objectively show evidence for the funds needed to operate. Some of the efficiencies are provided in this document under in the Operational Changes for Efficiency, Savings, and Improvement chapter (see page 54).

Strategic Management

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

Operations Team Planning

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

Executive Review

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

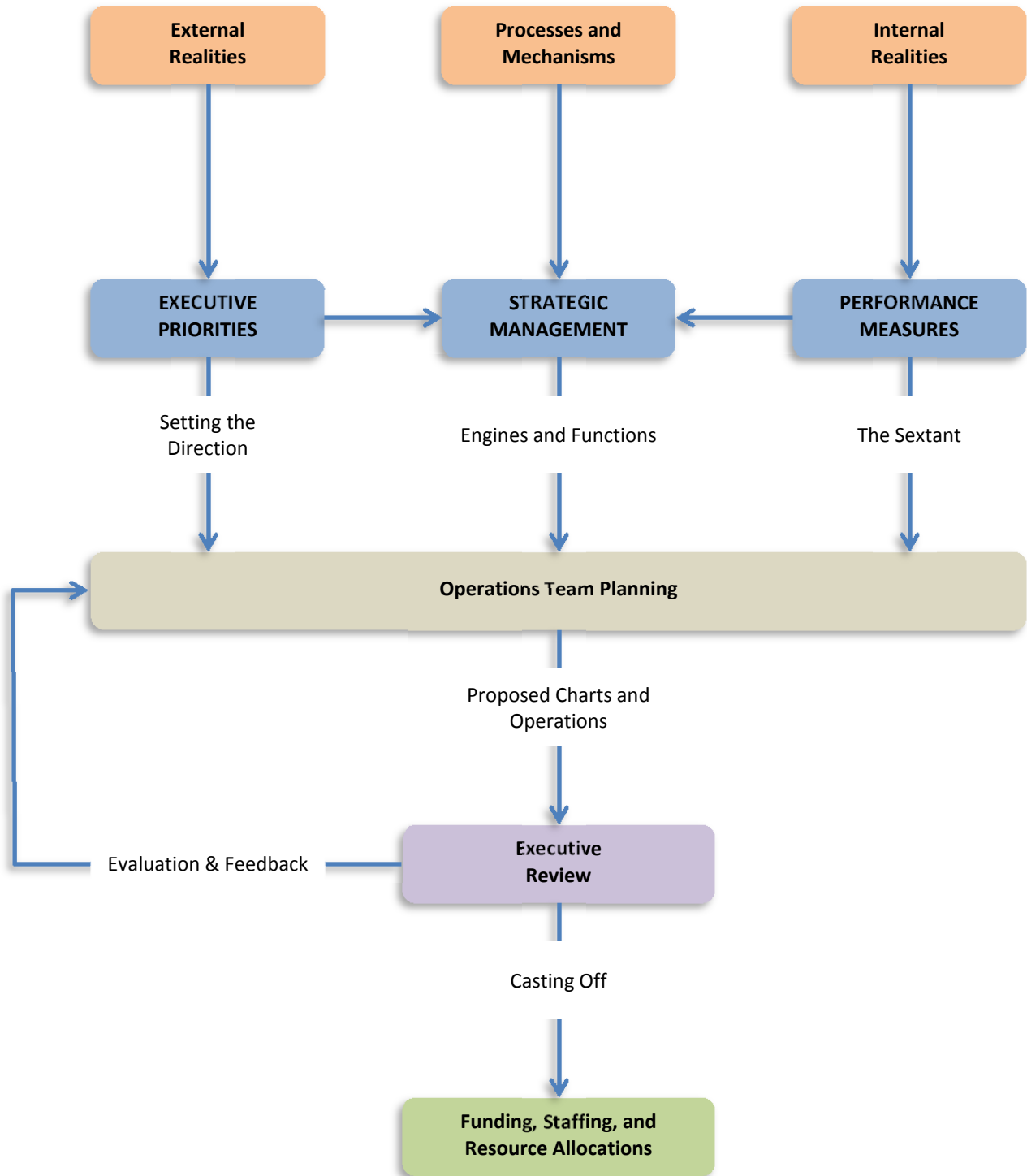
The Budget

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

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

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

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



Budget Method and Sequence

Pierce County Library's 2014 budget was developed for maintaining services from the Executive Director's four priorities, including services created by the voter-approved 2006 levy lid-lift. Managers followed a process that required maintaining services while submitting proposals for a 10% departmental budget reduction, looking for efficiencies, and considering how their budgets incorporated the Library's priorities.

Director's Team's Approach

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

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

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

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

Budget Method

The 2014 budget was developed by applying the following method:

1. The Administrative Team discussed service priorities, fiscal realities, and developed strategies.
2. Managers began conducting extensive budget studies in January 2013 to narrow the major

recommendations that would address most of the 2014 budget problem.

3. Managers were advised to plan and budget for 2014 services during the 2013 mid-year budget process.
4. Projected revenues were calculated in July 2013, from initial indicators of property value assessments.
5. The Director's Team updated the Library's five-year cash flow driver.
6. Managers were given the Executive Director's guidance on how to create their budgets in light of major budget reductions.
7. Managers developed and submitted operating budgets. Certain line items were called out for sub-itemization and analysis.
8. Managers collaborated to create and present capital projects, using an improved process.
9. Managers presented their budget proposals to the Director's Team.
10. Second drafts of departmental budgets were calculated and adjustments were made.
11. The Library received Pierce County's preliminary tax certification, which contained revenue calculations for 2014.
12. The Director's Team reviewed the compiled list of reductions and additions and calculated a draft budget that was unbalanced. The Implicit Price Deflator was received. As it was over 1%, it did not affect revenues.
13. The Director's Team finalized an implementation of \$1.1 million in reductions.
14. The (unbalanced) 2014 draft budget (operating and capital) was presented at the October 2013 Board of Trustees meeting. The Board was amenable for the Library to propose use of cash reserves/fund balance to cover the remaining \$127,663 gap, in lieu of further significant reductions that would affect services.
15. The 2014 draft balanced budget was presented at the November 2013 Board of Trustees meeting for public hearing and first reading. The public was invited to comment.
16. The Director's Team made adjustments to departmental budgets, as needed.

17. The 2014 final budget was presented at the December 2013 Board of Trustees meeting for public hearing and second reading and final passage. The public was invited to comment on the final budget.
18. If Pierce County submits amended property tax certifications at the end of December 2013, the Library will recognize those during the following summer’s mid-year budget process. It will not amend the budget approved during the December 2013 Board of Trustees meeting. (The Pierce County Treasurer Assessor provided one amended certificate, which was submitted.)
19. The 2014 budget book was published in February 2014, and made available to the public via the website.

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

The overall budget method ensured that Library management strategize and plan for service priorities for 2014. Two forms of budget calendars are provided in the next two pages: one showing the Gantt chart of summary-level budget activities, and the other a flow chart of key milestones and budget activities.

The Director’s Team’s principle objective during the final weeks of the budget process is to tactically

Figure 1-6: Conceptual Triad of Budget Elements

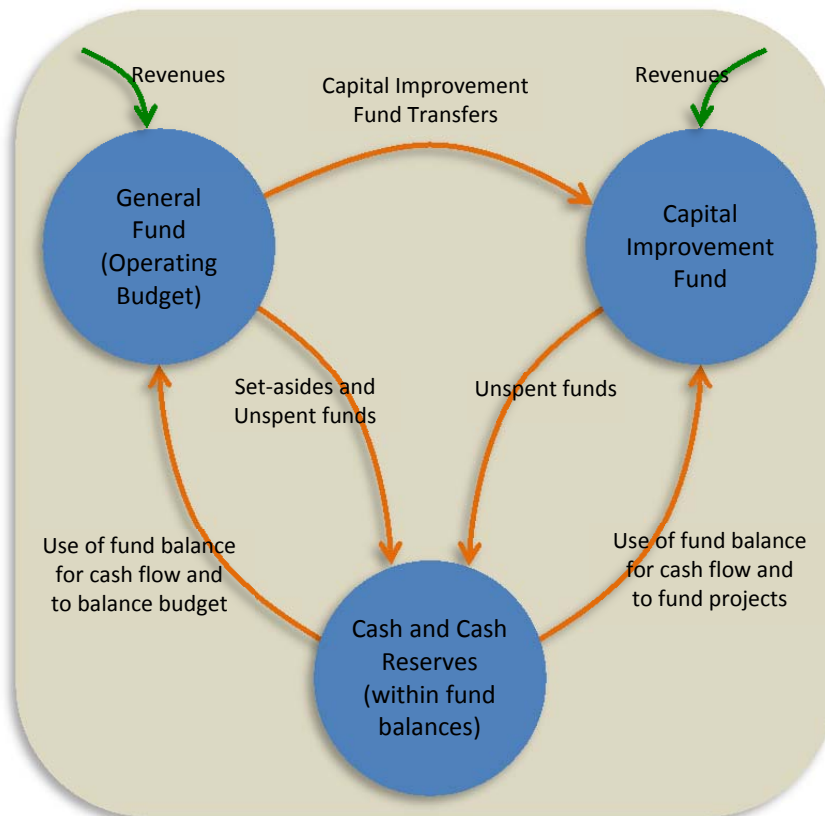
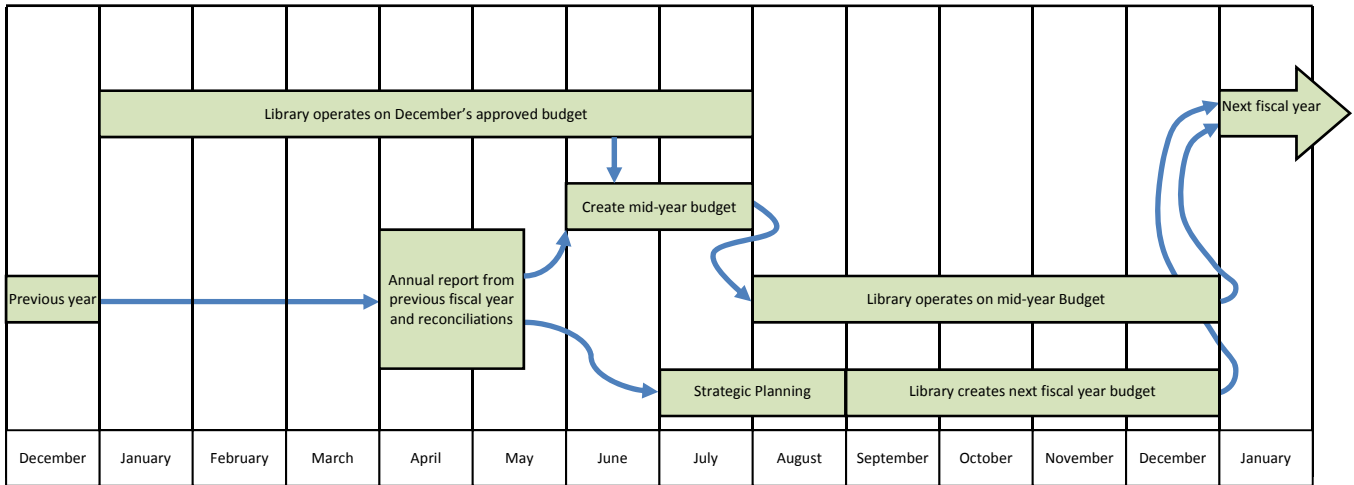


Figure 1-7: Budget Process Summary

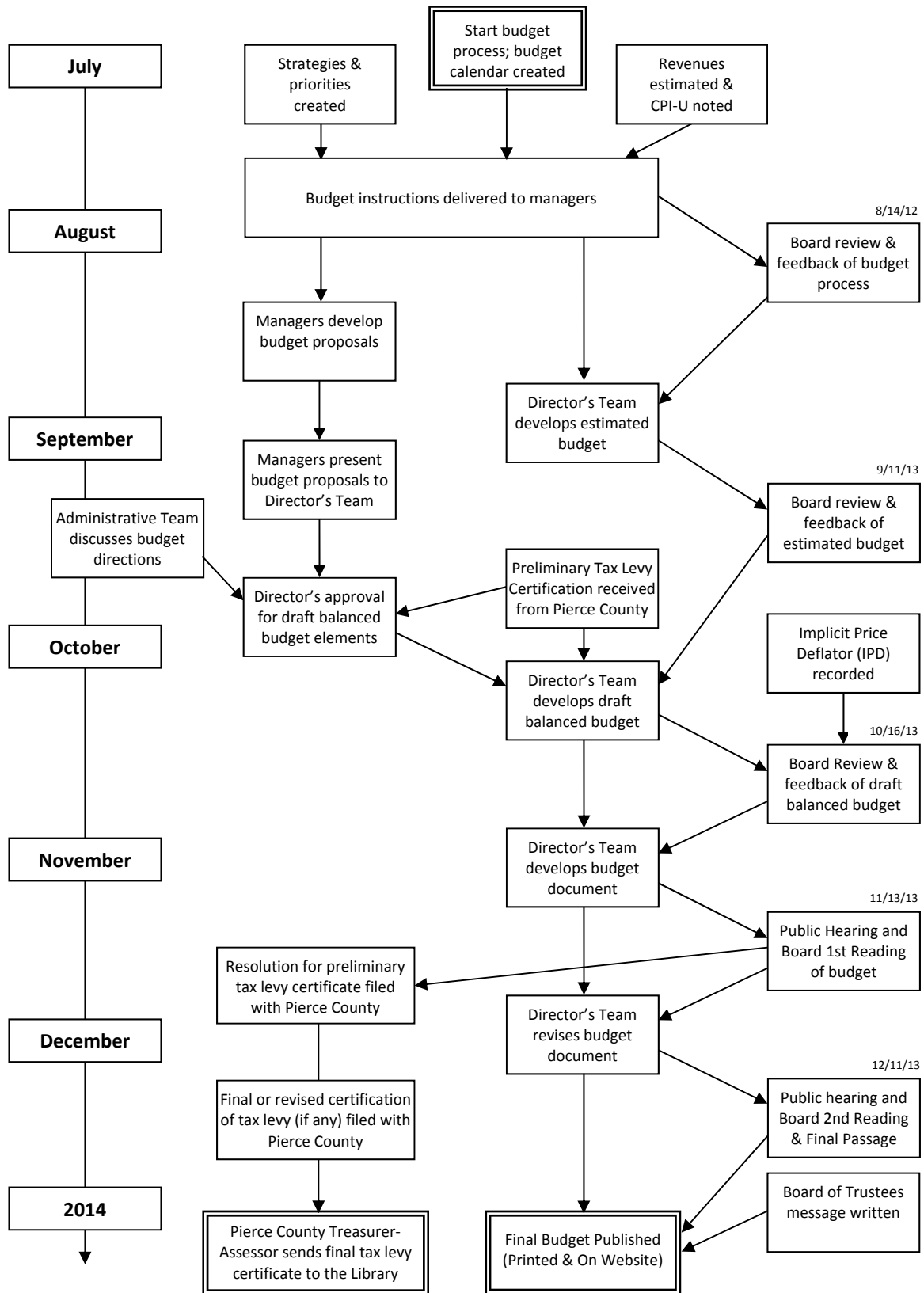


The above chart shows the general flow of budget-planning tasks, alongside implementations of budgets.



Picture replaced prior to publication

Figure 1-8: Budget Process & General Timeline



2014 Combined Funds Budget

Table 1-2: Combined Funds Budget (Expenditures)

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

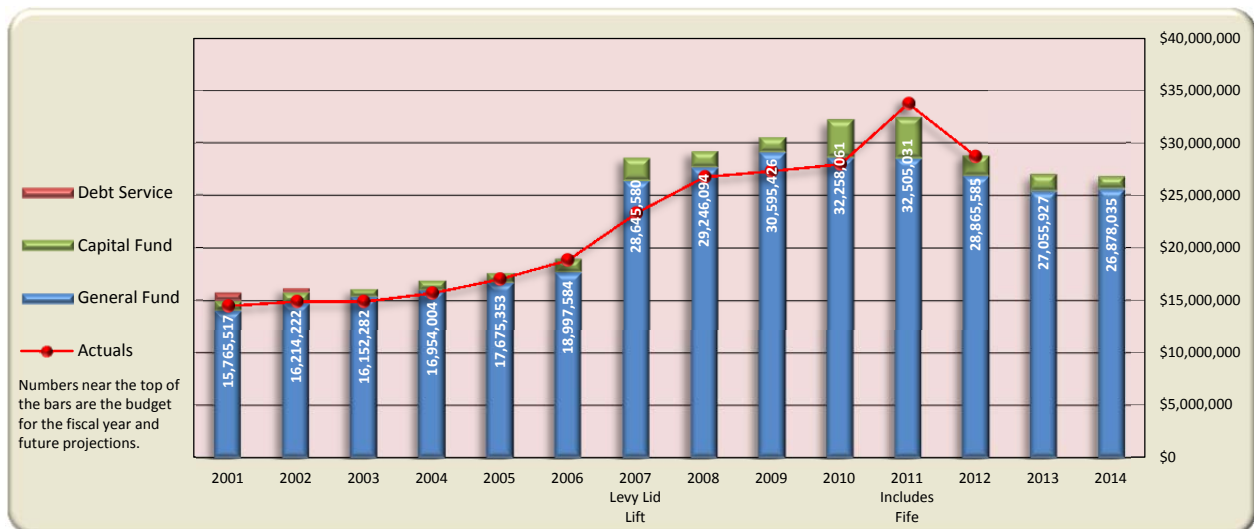
For 2014, the combined funds budget is \$26,878,035. Note that the Debt Service Fund remains unused because the Library carries no debt. Unlike the operating budget, the capital budget varies greatly from year to year, depending on capital improvements approved by the Board of Trustees. See table and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

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

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

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

Figure 1-9: Combined Funds Budget & Actuals



Financial Administration of the Budget

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

Accounting method

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

Fiscal year

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

Funds

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

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

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

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

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

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

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

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

Table 1-4: Department Use of Funds

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

Fund Balance

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

Treasury and Banking

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

Budgeting

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

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

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

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

Budget Amendments

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

Annual Reports

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

Audits

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

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

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

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

The latest audit for the 2011 – 2012 fiscal years concluded with its exit interview on **January 11, 2013**. Auditors reported that:

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

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

This concluded the 15th consecutive clean audit spanning nearly three decades (there were single-year audits). The next audit for 2013 – 2014 will commence in late 2015.

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

Financial System

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

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

Strategic Planning & the Balanced Scorecard

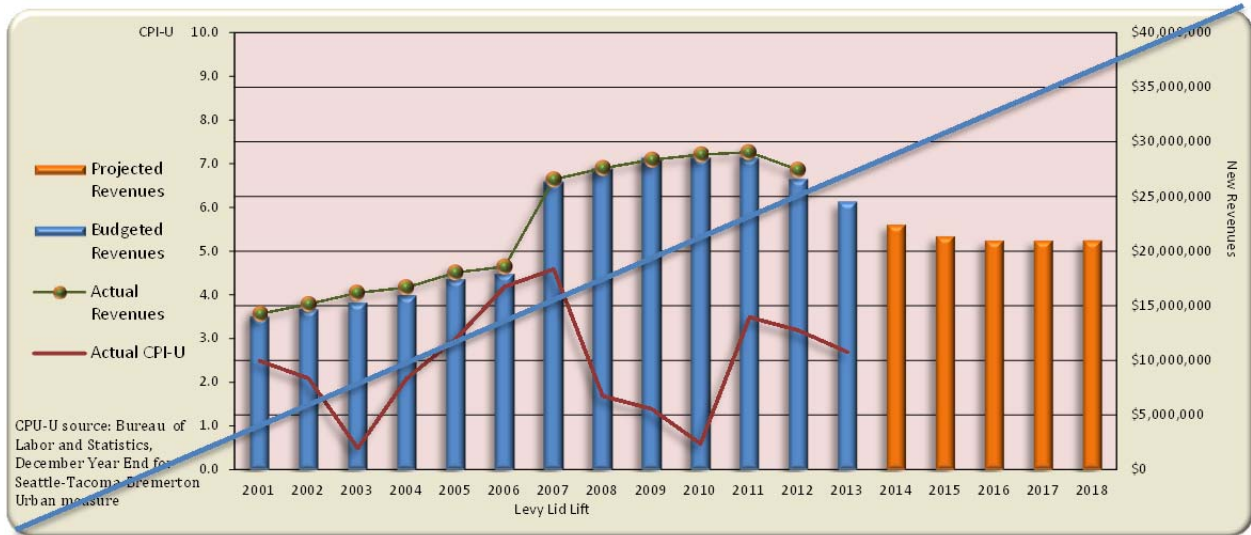


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Strategies to Meet Fiscal Challenges

REPLACED IN DECEMBER

Figure 1-10: Revenues vs. Consumer Price Index-Urban (CPI-U)



Fiscal Reality

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

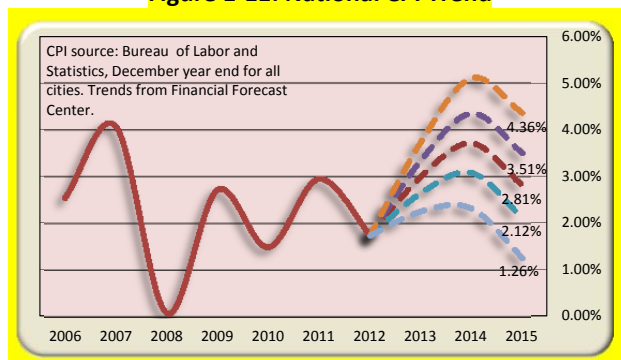
Long-Term Outlook—2014 and Beyond

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

Shiller data compares to the Treasurer-Assessor's levy certificate.

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

Figure 1-11: National CPI Trend



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

the nation will affect our costs differently than local suppliers.

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

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

Strategies for Addressing Fiscal Challenges

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

- Increasing non-property-based tax revenues.
- Reviewing the salaries planning budget and comparing it to actual project costs to thoughtfully factor in personnel turnover, such as unfilled positions.
- Analyzing and proposing cash reserves for closing the gap to balance the budget after all efforts were taken to reduce costs, and any further cost reductions would reduce services and affect customers.
- Implementing efficiencies.
- Evaluating return on investments, especially in the Capital Improvement Fund, to ensure that the projects implemented are the projects with clear benefits, quantifiable in terms of savings or reductions in recurring costs, or promoting and communicating clear customer service improvements in accordance with Library priorities.
- Conducting studies (outlined below).

Strategic Studies

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

- Implementing improvements to data gathering and analysis, so that managers can efficiently and

effectively monitor key elements of their operations and make changes quicker.

- Surveying our customers to understand what they value and what is less important.
- A feasibility study for implementing a contact center concept that improves the Library’s efficiency to respond to customers.
- Recasting the Balanced Scorecard to function equally well during times of harsh economic downturns. (The Balanced Scorecard was created during times of increased revenue, including the 2006 Levy Lid-Lift).
- Analyzing staffing and operations to further cost savings.
- Assessing ongoing facility conditions and future capital needs.

Balancing the 2013 Budget

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

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

General Library Strategies

See the next section regarding the Balanced Scorecard.

REPLACED IN DECEMBER

Strategic Framework Using the Balanced Scorecard

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

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

--David P. Norton, September 2004

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

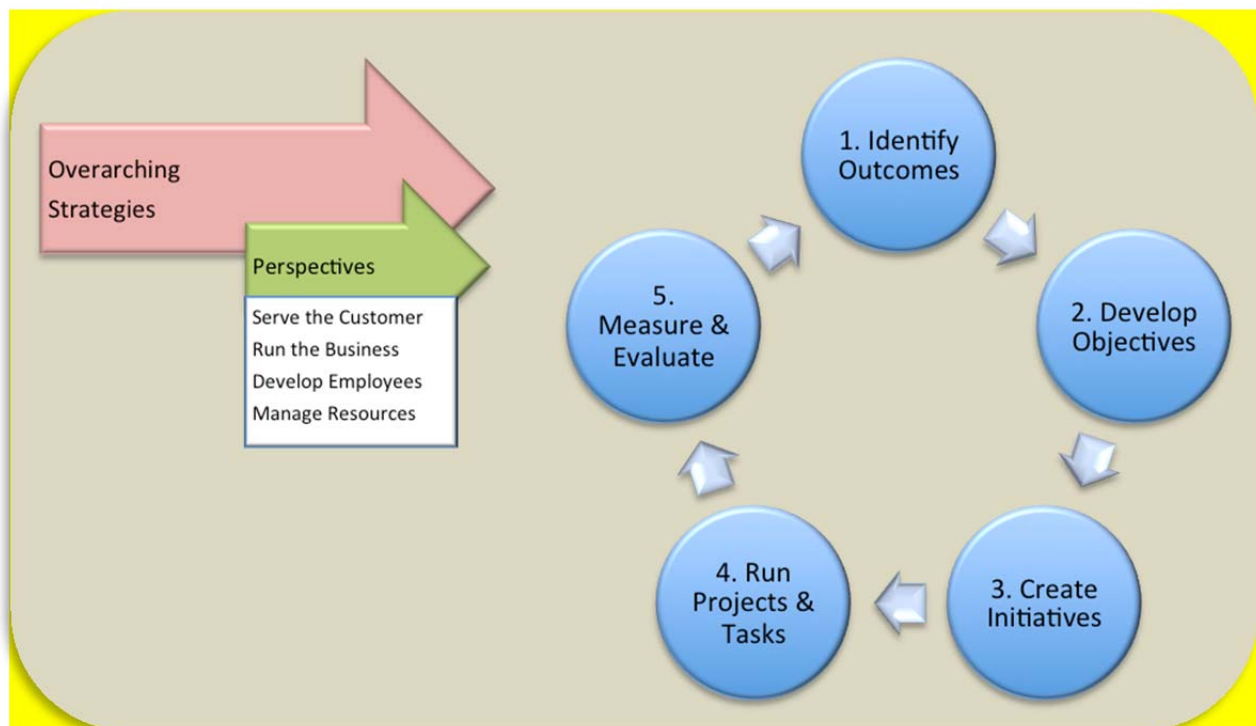
The Balanced Scorecard was developed at Harvard University and has been in use since the 1990s in the for-profit sector as well as by government agencies, including the State of Washington. Many libraries now use this planning, reporting and decision-making tool.

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

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

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

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



Overarching Strategies

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

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

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

Intended Outcomes

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

Objectives and Initiatives

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

Measurements

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

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

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

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

Customer Perspective: Serve the Customer

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

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

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

Learn, Innovation & Growth Perspective: Develop Employees

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

Financial Perspective: Manage Resources

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

Internal Processes Perspective: Run the Business

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

Diagrams & Visuals

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

Update

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

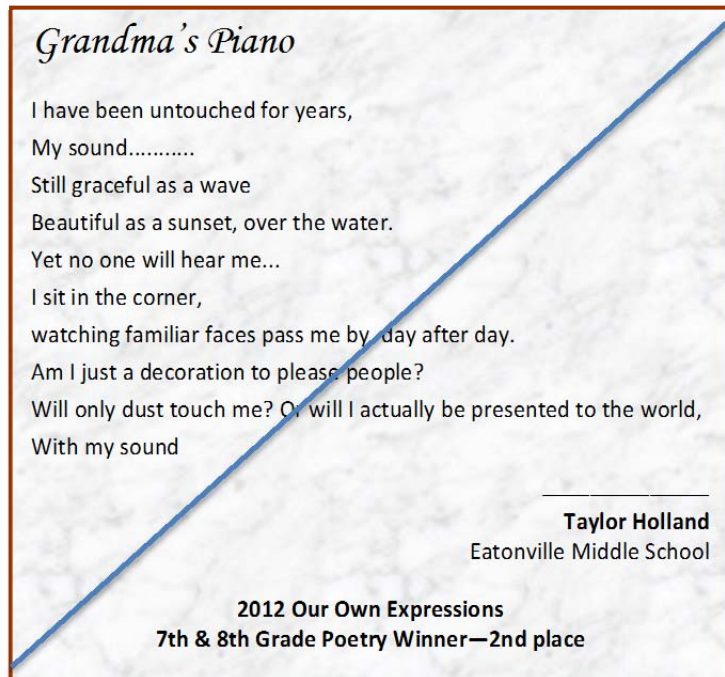


Figure 1-13: New Strategic Framework

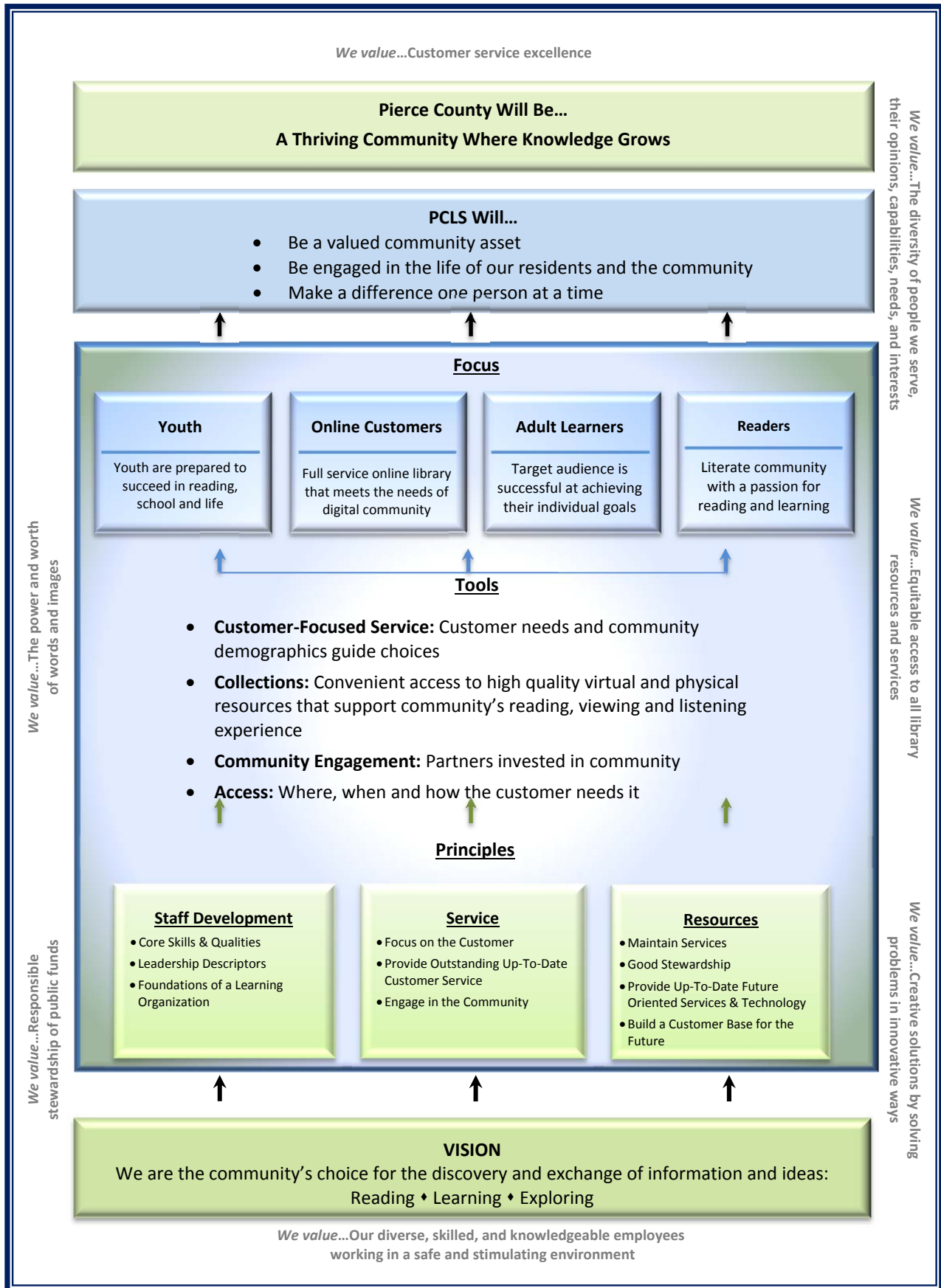
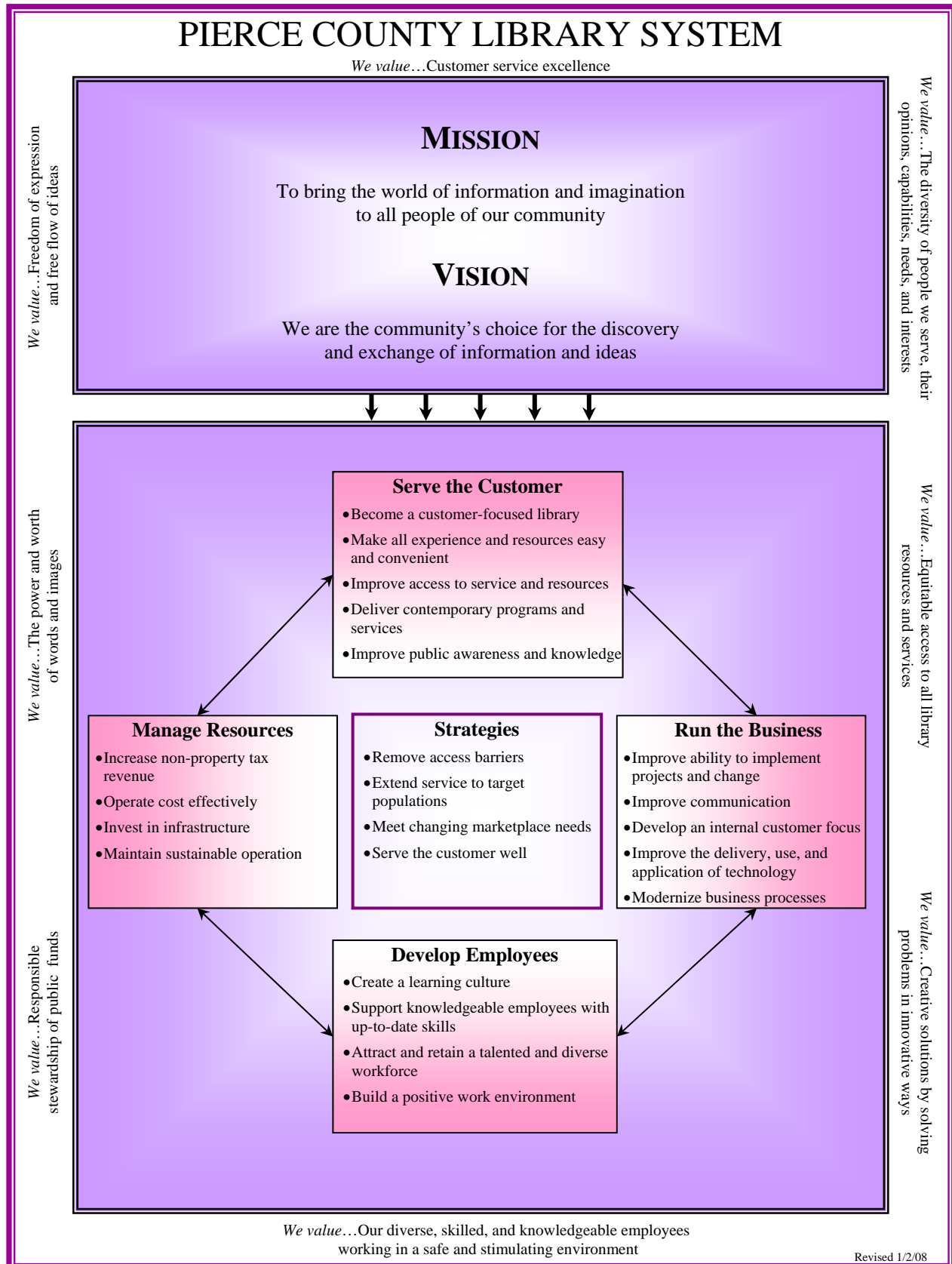


Figure 1-14: Original Balanced Scorecard



We value...Freedom of expression and free flow of ideas

We value...The power and worth of words and images

We value...Responsible stewardship of public funds

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

We value...Equitable access to all library resources and services

We value...Creative solutions by solving problems in innovative ways

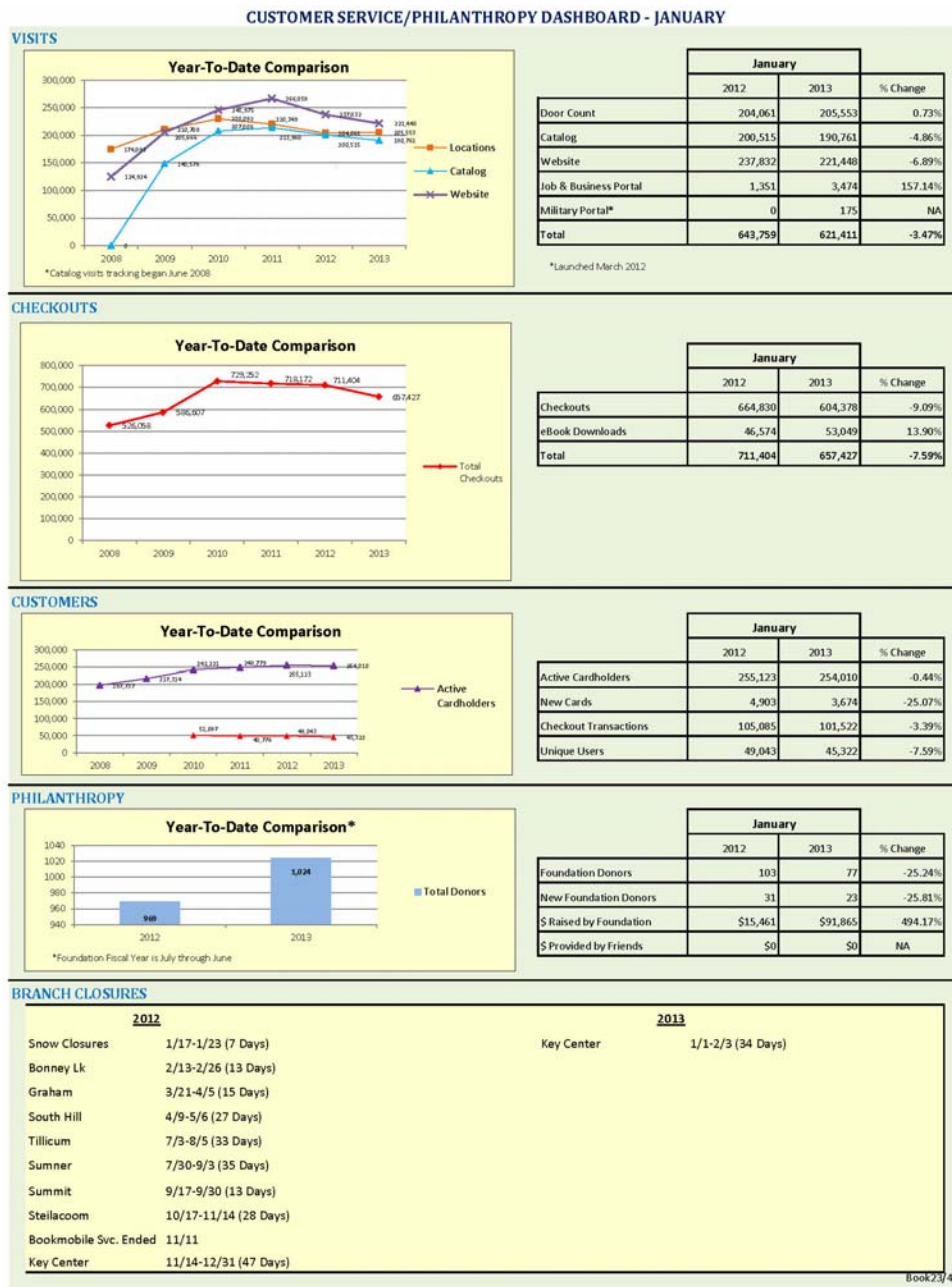
REPLACED IN DECEMBER

Figure 1-15: Outcomes, Objectives, and Measures

REPLACED IN 2014 WITH NEW SYSTEM

The Library is halfway through replacing its existing measurement system with a new system that is data-driven. Civic Technology’s Community Connect system and a suite of Counting Opinions systems are being used to enter, store, and manage library and related data. These data-driving systems help the Library see wide-ranging demographic information regarding our community and services. Along with the release of the New Strategic Framework, processes to create and measure outcomes and objectives will be designed. A Board of Trustees dashboard was delivered in December 2012 and is updated and delivered each month. An example is provided below. Similar dashboards will be created for departments and the Library as a system.

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



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

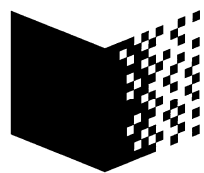
Table 1-5: Strategic & Budget Planning Process

Month	Strategic Tasks	Board Tasks (PKT / MTG)	Fiscal & HR Tasks
JANUARY	NEW STRATEGIC FRAMEWORK IMPLEMENTATION		<ul style="list-style-type: none"> · (JANUARY 1) Fiscal year begins · Previous fiscal year closed
FEBRUARY		<ul style="list-style-type: none"> · Published budget document 	<ul style="list-style-type: none"> · Finance Department finishes out previous fiscal year
MARCH			<ul style="list-style-type: none"> · First estimate of ending fiscal year performance
APRIL			<ul style="list-style-type: none"> · Final corrections made to previous fiscal year · Draft annual report created and distributed to Communications Department
MAY		<ul style="list-style-type: none"> · Previous fiscal year report · Review previous fiscal year report 	<ul style="list-style-type: none"> · Final annual report sent to State Auditor
JUNE		<ul style="list-style-type: none"> · Mid-year budget, CIP, and cash flow 	<ul style="list-style-type: none"> · Mid-year budget process begins; budget papers sent out · Preliminary assessment of property tax assessments announced by County; mill rate estimated · Mid-year budget papers received; budget created; decisions made
JULY		<ul style="list-style-type: none"> · Mid-year budget, CIP, cash flow, budget & CIP resolutions · (ACT) Approve mid-year budgets 	<ul style="list-style-type: none"> · June-June CPI-U from BLS available; Union informed · Mid-year budget entered into financial system · Next fiscal year's budget calendar created
AUGUST		<ul style="list-style-type: none"> · CPI-U information, next fiscal year budget calendar · Board reviews budget calendar 	<ul style="list-style-type: none"> · Benefit information received from providers · Fiscal year budget process begins; budget papers sent out with instructions · Estimated budget created
SEPTEMBER		<ul style="list-style-type: none"> · Estimated budget · Board reviews estimated budget; discuss budget priorities 	<ul style="list-style-type: none"> · Every three years (2009, 2012, 2015): Labor Contract negotiations commence with intent to end 12/31 · Managers submit budget proposals · Managers present to budget panel · Budget panel makes budget decisions · Preliminary certificate of property tax levy received · Balanced budget, CIP, cash flow created
OCTOBER		<ul style="list-style-type: none"> · Balanced budget, CIP, cash flow, Director's message · Board reviews balanced budget, CIP, cash flow; provides feedback 	<ul style="list-style-type: none"> · Budget decisions made; second draft of budget created; budget document draft begun · Certificate of property tax levy received · Budget document reviewed by budget team & amended · Benefit package created and sent to staff
NOVEMBER		<ul style="list-style-type: none"> · Second versions of balanced budget, CIP, cash flow, and budget document · (ACT) Board conducts first public hearing of budget; provides feedback; Board reviews and approves motion to certify property taxes to be levied for the following year 	<ul style="list-style-type: none"> · Benefit enrollment month · (NOVEMBER 30) Deadline to file tax levy resolution/budget certification to County · Deadline to file IPD/tax increase resolution · Third draft of budget created; budget document completed
DECEMBER		<ul style="list-style-type: none"> · Final versions of balanced budget, CIP, cash flow, and budget document · (ACT) Board conducts second public hearing of budget; Board adopts resolutions to adopt fiscal year budget and CIP; Board approves motion to certify property taxes to be levied for the following year; final fiscal year transfer to CIP · (ACT) Board may conduct special meeting(s) to approve budget changes 	<ul style="list-style-type: none"> · Managers notified to complete current year transactions by mid-January (equip received by end of December) · County may send revised levy certificate; Library recommends Board to act on it (or not) if material; if so, schedule a special Board meeting to approve revised budget and certificate; revised certificates sent to County · Budget entered into financial system; budget document in final draft form · Benefit enrollments processed · (DECEMBER 31) Fiscal year ends

LEGEND

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

Part 2 Library Services



Pierce County
Library System

INFORMATION ■ IMAGINATION

2014 Services



Picture replaced prior to publication

REPLACED IN DECEMBER

Message from the Deputy Director

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

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

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

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

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

Open Hours

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

Early Learning – STEM

(Science, Technology, Engineering and Math)

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

Teachers of young children have long known, and research supports, the incredible value of open-ended block play. Through block play, children gain understanding of shape, size, measurement, balance,

weight, stability and gravity. Through trial and error they discover pattern, mapping, and the value of planning. When children build together (or with an interested adult) they learn cooperation, patience, a respect for the contributions of others, as well as vocabulary and storytelling (think of children building a town together and then creating the life of that town).

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

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

Reading

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



Georgia Lomax, Deputy Director

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

Online Library

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

Students

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

Customer Service

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

Service Changes as a Result of Revenue Reductions

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

Bookmobile Service

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

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

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

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

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

Books, Movies, Music and Other Materials

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

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

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

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

2013

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

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

Sincerely,



Georgia Lomax
Deputy Director

REPLACED IN DECEMBER

System Measures: 2008 – 2013

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

1. Increase open hours to expand access to staff, books and resources, and facilities;
2. Add books and other materials to support reading and life-long learning;
3. Increase services for youth to support reading and building skills to succeed in school and prepare for the future; and
4. Improve customer service and technology to ensure services and technology is convenient, fast and up-to-date.

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

Table 2-1: System Measures Overview

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

Notes:

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

Invisible

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

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

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

Noelle Oppenhuizen
Covenant High School

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

Levy Goal 1: Expand Open Hours

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

Table 2-2: Library Use Statistics

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

Notes:

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

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

- Add Sunday services to 9 libraries.
- Add full Monday services to 11 libraries.
- Extend Thursday evening services to 6 libraries.
- Extend hours for Monday through Saturday services to 3 libraries.



Picture replaced prior to publication

Levy Goal 2: Add Books and Other Materials

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

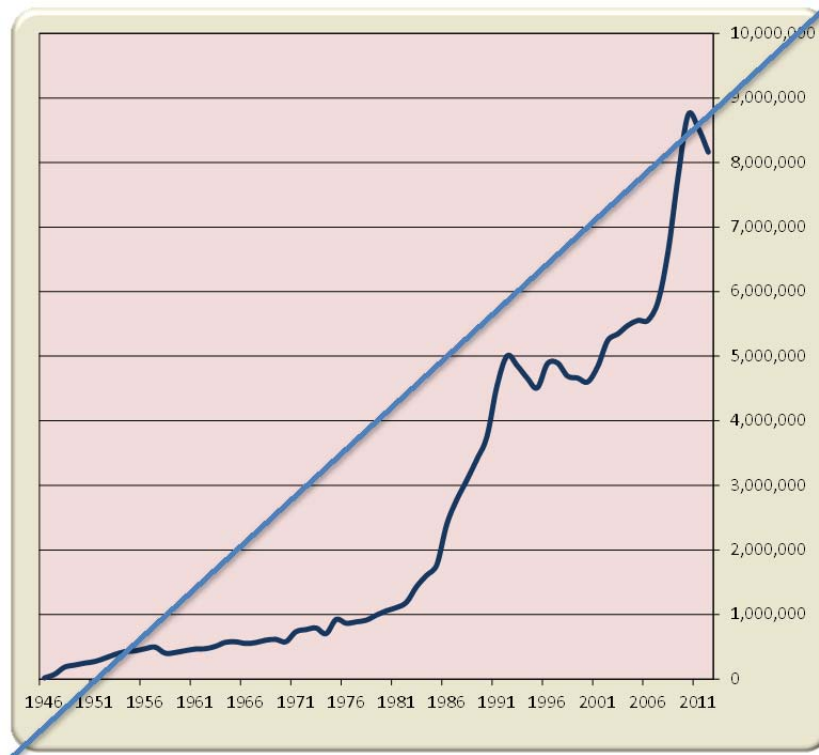
Table 2-3: Materials Statistics

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

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

- Add more copies of popular materials to reduce wait time for books.
- Add a wider variety of books, movies, music, and other materials.
- Add downloadable audio books, music, and movies.
- Create and provide “Books Plus To Go” of popular, current books at all libraries.

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



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

Levy Goal 3: Increase Services for Youth

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

Table 2-4: Youth Services Statistics

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

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

- Significantly increased the number of youth services librarians and availability at libraries to support reading and homework research.
- Added more programs and training to help parents and caregivers support and prepare preschool children for success in school.
- Added more service to schools, including class visits and book talks.
- Add the successful Teen Summer Reading Program.
- Added an online homework help system to connect kids with online tutors.



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Levy Goal 4: Improve Customer Service and Technology

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

Table 2-5: Service and Technology Statistics

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

Notes:

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

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

- Provide WiFi connectivity in all libraries and meeting rooms.
- Significantly increase the number of Internet access computers available to the public (see the table above, showing a 5-fold increase).
- Increase the number of Express Checkout stations at libraries.
- Increase network bandwidth.

Brass Knuckles

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

Penny Mae Rhines
 Home School

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

Operating Lean



Picture replaced prior to publication

REPLACED IN DECEMBER

Operational Changes for Efficiency, Savings, and Improvement

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

in the following pages provide a selection of operational changes implemented in 2012.

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

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

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

- *Stop* what is no longer important, necessary or valued by the customer
- *Automate* or use technology and time saving tools
- *Work* differently to improve on how things are done
- *Empower* customers to help themselves
- *Renegotiate* better terms for similar or improved service
- *Generate* revenue to supplement tax-provided funding

As the Library developed the 2013 budget, knowing that a \$2.6 to \$3 million cut was necessary, staff were surveyed for ideas on cutting costs and saving time. Many were implemented during the year. The tables



Picture replaced prior to publication

Table 2-6: Efficiencies—Stop

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
5/2012	Stopped printing the day of week on holiday closure signs and posters	<ul style="list-style-type: none"> Reduces design staff time by 30 minutes/holiday Posters/signs can be used more than once Saves materials and waste 	Marketing & Community Relations	2.5 hrs/yr	4.5 hrs/yr
3/2012	Stopped advertising in Dex phone books (print & online)	<ul style="list-style-type: none"> Eliminates advertising fee 	Marketing & Community Relations	\$1,622	\$2117
7/1/12	Stopped repairing old, outdated computers with no value or resale value	<ul style="list-style-type: none"> Reduces IT Tech time spent updating and fixing old equipment (3 hrs/month) 	Information Technology	18 hrs/yr	36 hrs/yr
2012	Eliminated use of holds and transfer slips	<ul style="list-style-type: none"> Eliminated 2 steps in holds processing process Eliminated storage and handling of paper in branches Reduced paper waste in branches 	Customer Experience	2,100 hrs/yr	2,100 hrs/yr
2012	Reduced duplication of print and electronic reference materials	<ul style="list-style-type: none"> Reduced budget while maintaining access to reference materials 	Customer Experience	\$22,000	

Table 2-7: Efficiencies—Automate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
5/1/2012	Replaced postcard printer with more reliable, standard model	<ul style="list-style-type: none"> Decreased staff time redoing post cards (1 hr/mo) Improved readability for customers 	Information Technology	8 hrs/yr	36 hrs/yr
1/1/2012	Upgraded Wi-Fi system	<ul style="list-style-type: none"> Enhanced reliability reduced maintenance needed (3 hrs/mo) More reliable experience for customers Enhance reporting capability More access points for customer use Broader reach to areas in buildings 	Information Technology	36 hrs/yr	36 hrs/yr
8/1/2012	Implemented Internet filtering with a software service	<ul style="list-style-type: none"> Reduced the number of servers by 18 (Servers will not be replaced in 2013 as scheduled. Saves \$3000/server) 	Information Technology	\$0	\$54,000
6/1/2012	Implemented Basecamp Collaborative Software	<ul style="list-style-type: none"> Increased coordination, collaboration, communication and improved project management for IT Projects Saves staff time by consolidating work in one place (1 hr/wk) 	Information Technology	30 hrs.	52 hrs.
5/1/2012	Implemented “virtual machine” (VM) servers	<ul style="list-style-type: none"> Eliminated 20 physical servers and need to maintain and replace equipment (\$3000 per server) Saves staff time by providing quick and easy ability to configure virtual servers from any location Saves electricity Lowers cooling load 	Information Technology	\$60,000	\$15,000
6/1/2012	Installed temperature alert/power monitoring	<ul style="list-style-type: none"> Saved staff time (1 hr/mo) Enhance the ability to monitor power status and temperature at branch locations Quicker response to temperature/power issues in branches 	Information Technology Facilities	7 hrs.	12 hrs.
6/20/12	Implemented Raiser’s Edge, fund raising software	<ul style="list-style-type: none"> Eliminated some banking fees for donations made by credit cards More robust fundraising capability 	Fund Development	\$250	\$ 1,000

Automate—Continued on next page

Automate—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
6/20/2012	Relocated Foundation webpage and fundraising software to “the cloud”	<ul style="list-style-type: none"> Eliminated one physical server and need to maintain and replace equipment (\$3000 per server) Saves IT Support time Saves electricity Lowers cooling load 	Information Technology	\$3000	\$0
9/2012	Installed security monitors on exterior HVAC units at 7 libraries	<ul style="list-style-type: none"> Stop damage due to copper theft for a total of 27 HVAC units (repair costs are \$8000/unit) 	Facilities	\$8,000	\$8,000
1/2012	Implemented online recruiting, applicant tracking, scheduling hiring software (OpenHire)	<ul style="list-style-type: none"> Reduced time from job posting to hire Saves staff time through applicant self-service, templates & auto-notification (5 hrs/posting) 24/7 access for applicants Time savings allows SE staff to “add value” in support of hiring supervisors 	Staff Experience	330 hrs/yr	250 hrs/yr
2011	Offered Teen Summer Reading as an online program	<ul style="list-style-type: none"> Doubled participation by teens Eliminated most printing costs 	Marketing and Community Relations	\$3,000	\$3,000
2012	Increased and continued transitioning <i>Our Own Expressions</i> teen contest from a paper to online submission process and automating administrative processes	<ul style="list-style-type: none"> 80% of entries submitted online Reduced staff time in tracking submissions, facilitating judging process (distributing and summarizing judges’ results), reporting results and preparing documents for publication 	Customer Experience	30 hrs/yr	30 hrs/yr

Table 2-8: Efficiencies—Work Differently

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2012
6/1/2012	Stocked IT vans with equipment needed to complete most work orders on first visit to branch	<ul style="list-style-type: none"> Reduces staff time by eliminating extra trips between PAC and branches Saves gas. Reduces time IT equipment in branches is unavailable for use 	Information Technology	28 hrs/yr	52 hrs/yr
4/1/2012	Laptop labs updated by Branch Staff	<ul style="list-style-type: none"> Saved Senior IT Tech travel time (5 hrs/visit/location) Saved gas and mileage costs More frequent updates provide improved customer experience 	Information Technology	80 hrs.	120 hrs.
8/1/2012	Produced Library and Foundation Annual Report as an online document	<ul style="list-style-type: none"> Eliminates printing cost and materials Saves staff printing time Wider distribution by email and listserv 24/7 access 	Marketing & Community Relations	\$2,180	\$2,500
12/2012	Produce and access Board of Trustees meeting packets digitally instead of as printed documents, and archive electronically	<ul style="list-style-type: none"> Reduced staff time to create, copy, mail meeting packet (7 hrs/packet, 14 packets/yr) Eliminated materials, postage and binding costs Improved convenience and accessibility – full content on website and available 24/7 	Executive Office	98 hrs/yr \$426.27	98 hrs/yr \$430
1/2012	Cross trained existing staff to substitute as delivery driver	<ul style="list-style-type: none"> Saved 156 hours in substitute staff time by reassigning staff to delivery when needed 	Reading & Materials	\$2,332	\$2500
1/2012	Changed scheduled start times for delivery drivers	<ul style="list-style-type: none"> Routes completed in the assigned number of work hours Eliminated most substitute hours and overtime hours needed to complete daily work More department productivity as drivers are able to help with other departmental work upon return Branches receive deliveries in morning at a planned time, which allows proper staff scheduling Freed staff time to manage loading dock and “in PAC” deliveries 	Reading & Materials	\$9500 2028 hrs/yr	\$9750 2028 hrs/yr

Work Differently—Continued on next page

Work Differently—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2012
		•			
1/2012	Streamlined delivery crate sorting process during driver routes	<ul style="list-style-type: none"> Reduced # of "crate lifts" Improved ergonomics Reduced # of crates needed to system deliveries Reduced staff time for sorting	Reading & Materials	100 hrs/yr	208 hrs/yr
8/2012	Replaced 17-year-old Sumner Library roof with one that meets energy star and LEED standards	<ul style="list-style-type: none"> Reduced energy costs through improved solar reflectance and insulation Reduced repairs and maintenance costs 	Facilities	\$6,380	\$10,000
8/2012	Replaced 17-year-old HVAC at Sumner Library (7 units)	<ul style="list-style-type: none"> Improved energy efficiency on all HVAC units, from 10.5 to 13 SEER (Seasonal Energy Efficiency Rating) 	Facilities	SEER rating improved 2.5 on all units(Cost savings realized at end of year)	
8/2012	Streamlined delivery of cleaning and custodial supplies to branches using delivery and weekend lead	<ul style="list-style-type: none"> Supplies transported more efficiently as part of daily delivery on weekdays and by department lead on weekends Saved gas and travel time on weekdays Floor crew has more time to clean branch carpets and floor 	Facilities	300 hrs/yr	780 hrs/yr
2012	Increased the number of vendors paid on Purchase Cards (P-Card) by 10%. Each vendor paid by P-Card provider.	<ul style="list-style-type: none"> Reduced cost of issuing individual warrants to each vendor (110 vendors/mo @ \$15/ vendor warrant -- Industry Standard based on dollar savings rather than time savings. Includes staff time, machine costs, postage, etc.) Eliminated producing IRS form 1099 to each vendor paid by P-card Reduced staff time processing bills in departments (2 hr/mo x 7 departments) 	Finance	\$19,800	\$21,780
			All Departments	168 hr/yr	168 hr/yr

Work Differently—Continued on next page

Work Differently—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2012
2012	Implemented single, centralized Help desk in 9 libraries with more than one public service desk	<ul style="list-style-type: none"> Reduced number of staff required to staff public Help Desk while maintaining public services Increased librarian time available to conduct outreach, teach classes, provide programs, develop services 	Customer Experience	3,016 hrs/yr	3,016 hrs/yr
2012	Used color-coded holds slips to identify unclaimed holds to be pulled (pilot project, South Hill)	<ul style="list-style-type: none"> Staff visually identifies by color items needing pulled without viewing each item for pull date. Reduced time needed to pull unclaimed holds 	Customer Experience – South Hill	119 staff hrs/yr	119 hrs/yr
2012	Powder-coated and reused 18 feet of surplus shelving for Key Center Library	<ul style="list-style-type: none"> Eliminated need to buy new shelving Repurposed surplus shelving Eliminated materials from waste stream 	Customer Experience – Key Center	\$1,400	\$0
2012	Reused 12 feet of surplus shelving for Summit Library	<ul style="list-style-type: none"> Eliminated need to buy new shelving Repurposed surplus shelving Eliminated materials from waste stream 	Customer Experience - Summit	\$1,000	\$0
2012	Reused 2 surplus recessed computer workstations at Milton Library to respond to customer requests	<ul style="list-style-type: none"> Eliminated need to buy new computer workstations Repurposed surplus furniture Increased privacy for computer users Provided 2 larger workstations for customers Eliminated materials from waste stream 	Customer Experience – Milton/Edgewood	\$3,000	\$0
2012	Reused office furniture to create Virtual Services Team room	<ul style="list-style-type: none"> Eliminated need to buy new computer workstations Repurposed surplus furniture Eliminated materials from waste stream 	Customer Experience	\$3,000	\$0
2012	Reused office furniture for staff work areas at Lakewood Library	<ul style="list-style-type: none"> Created efficient workspace for SBA staff Repurposed surplus furniture and shelving Created Adult Services librarian work area Improved backroom workflow and materials handling for Pages Eliminated materials from waste stream 	Customer Experience	\$3,000	\$0
2012	Swapped acrylic display units among the branches	<ul style="list-style-type: none"> Branches refreshed their display units from items Reused over 100 display units Eliminated materials from waste stream 	Customer Experience	\$1200	\$0

Table 2-9: Efficiencies—Empower

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2012
1/2012	Added American Express to E-Pay accepted credit card list	<ul style="list-style-type: none"> Reduced staff time as customers able to self-serve (673+ AE transactions x 5 min/transaction) Increased number of customers able to pay online 	Customer Experience	56 Hrs/yr	65 Hrs/yr
1/2012	Added Discover Card to E-Pay accepted credit card list	<ul style="list-style-type: none"> Reduced staff time as customers able to self-serve (231+ Discover transactions x 5 min/transaction) Increased number of customers able to pay online 	Customer Experience	20 Hrs/yr	25 Hrs/yr
1/2012	Provide staff with direct access/self-service to payroll and job-related information through Online timesheets and Employee Services Online accounts	<ul style="list-style-type: none"> Saves 20 hrs/wk PY Specialist FTE, benefits Saves at minimum 8 hrs/mo responding to employee requests for Payroll and Staff Experience information 	Finance	1,040 hrs/yr 96 hrs/yr	1,040 hrs/yr 96 hrs/yr
1/2012	Provide staff with direct access/self-service through Employee Services Online account (job-related information)	<ul style="list-style-type: none"> Saves time by allowing individuals to easily access needed information rather than requiring Staff Experience staff to provide it (Minimum 10 calls/wk, 15 min/call) 	Staff Experience	130 hrs/yr	130 hrs/yr
2012	Customers check out and check in DVDs from Movie Machine at Lakewood (101,008 items)	<ul style="list-style-type: none"> Eliminates need for staff to check out and check in materials Eliminates staff involvement in loading and retrieving materials from machines Provides self-serve option for customers 	Customer Experience - - Lakewood	1,683 hrs/yr	1,683 hrs/yr
2012	Customers check out and check in DVDs from Movie Machine Bonney Lake (48,466 items)	<ul style="list-style-type: none"> Eliminates need for staff to check out and check in materials Eliminates staff involvement in loading and retrieving materials from machines Provides self-serve option for customers 	Customer Experience - Bonney Lake	807 hrs/yr	807 hrs/yr
2012	Customers check out and check in DVDs from Movie Machine at Fife (33,929 items, partial year)	<ul style="list-style-type: none"> Eliminates need for staff to check out and check in materials Eliminates staff involvement in loading and retrieving materials from machines Provides self-serve option for customers 	Customer Experience - - Fife	565 hrs/yr	600 hrs/yr

Empower—Continued on next page

Empower—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
2012	Customers check out and check in DVDs from Movie Machine at Graham (30,181 items, partial year)	<ul style="list-style-type: none"> Eliminates need for staff to check out and check in materials Eliminates staff involvement in loading and retrieving materials from machines Provides self-serve option for customers 	Customer Experience - Graham	503 hrs/yr	600 hrs/yr

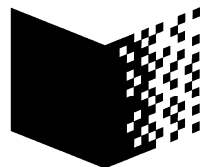
Table 2-10: Efficiencies—Renegotiate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
6/2012	Changed Office Supplies Cooperative Agreement from State of Washington to NIPA	<ul style="list-style-type: none"> Eliminated delivery fees Greater selection of items Reduces need for storage space by allowing “Just in Time” (JIT) purchasing at all branches and PAC 	All	\$824	\$1,414
3/2012	Renegotiated waiving of bank service fees for Bank of America account	<ul style="list-style-type: none"> Eliminates fee on BoA banking account 	Finance	\$2,250	\$2,700
5/2012	Bid Landscaping and changed vendors	<ul style="list-style-type: none"> Reduced contract fee by \$25,000 annually without reducing service level provided. 	Facilities	\$16,667	\$25,000
8/2012	Bid Custodial Supplies and changed vendors	<ul style="list-style-type: none"> Reduced cost for supplies by 12-15% annually (\$500/month) Switched to environmentally friendly, fragrance free products Reduced waste and usage through programmable automatic hand soap dispensers provided Reduced use of paper towels 3:1, using pre-programmed automatic dispenser Free training on products provided to staff 	Facilities	\$2,500	\$6,000

Table 2-11: Efficiencies—Generate Revenue

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
2011	Added American Express to E-Pay accepted credit card list	<ul style="list-style-type: none"> Increased number of customers able to pay online (673+) Reduced staff time as more customers able to self-serve 	All	\$5,295	\$5,295
2011	Added Discover to E-Pay accepted credit card list	<ul style="list-style-type: none"> Increased number of customers able to pay online (231+) Reduced staff time as more customers able to self-serve 	All	\$1,962	\$1,962
2012	Increased use of P-Cards (Purchasing cards) to make purchases.	<ul style="list-style-type: none"> Increase revenue by generating approximately 1% rebate of total dollars spend on card Better cash management Increased investment income 	All	\$23,411	\$15,000
1/2012	Contracted with direct mail library consortium for donor acquisition mailing	<ul style="list-style-type: none"> Added 692 of the 753 new donors for 2012 Total active donors tops 1000 for the first time Increased financial donations by \$27,672 Saved staff time (20 hrs/wk) 	Fund Development	\$27,672 1040 hrs/yr	TBD 1040 hrs/yr

Part 3 General Fund



Pierce County
Library System

INFORMATION ■ IMAGINATION

2014 Operating Budget Summary

Table 3-1: 2014 Operating Budget Summary

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

Notes:

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

The summarized version of the 2014 operating budget is presented in the above table as a balanced budget where expenditures match new revenues and use of fund balance.

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

Revenues



Picture replaced prior to publication

Summary of Revenues and Revenue Assumptions

Table 3-2: Summary of all Revenues

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

Notes:

1. Includes Foundation donations.

Revenue Projections

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

Revenue projections were developed in the context of two assumptions:

1. 50¢ per \$1,000 assessed property valuation will remain the levy limit for the taxing district.
2. Revenue will decline for three years, flat for two years, and increase at the most by 2% beginning 2019.

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

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

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

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

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

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

Revenue Assumptions

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

The Government Finance Officers Association (GFOA) Best Practices recommends analyzing revenue trends and forecasts. Although it doesn't specify how many prior years to report, for discussing 2014 revenues the starting point is set generally at or after 2002 (some begin 2001), when state law was changed to provide only 1% increase in property taxes over the previous year.

On the next page is a table showing budgeted revenues from 2009 through 2014. It provides a six-year listing of revenues, consistent with the promise to maintain the Levy Lid-Lift goals for six years. After 7 years, the Library will strive to maintain the Levy Lid-

Lift promises/goals, while taking into consideration fiscal realities. A chart on the next page is also provided to show the comparison of budget, actuals, and projections of revenues (2001 – 2019).

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

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

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

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

Figure 3-1: Source of Revenues

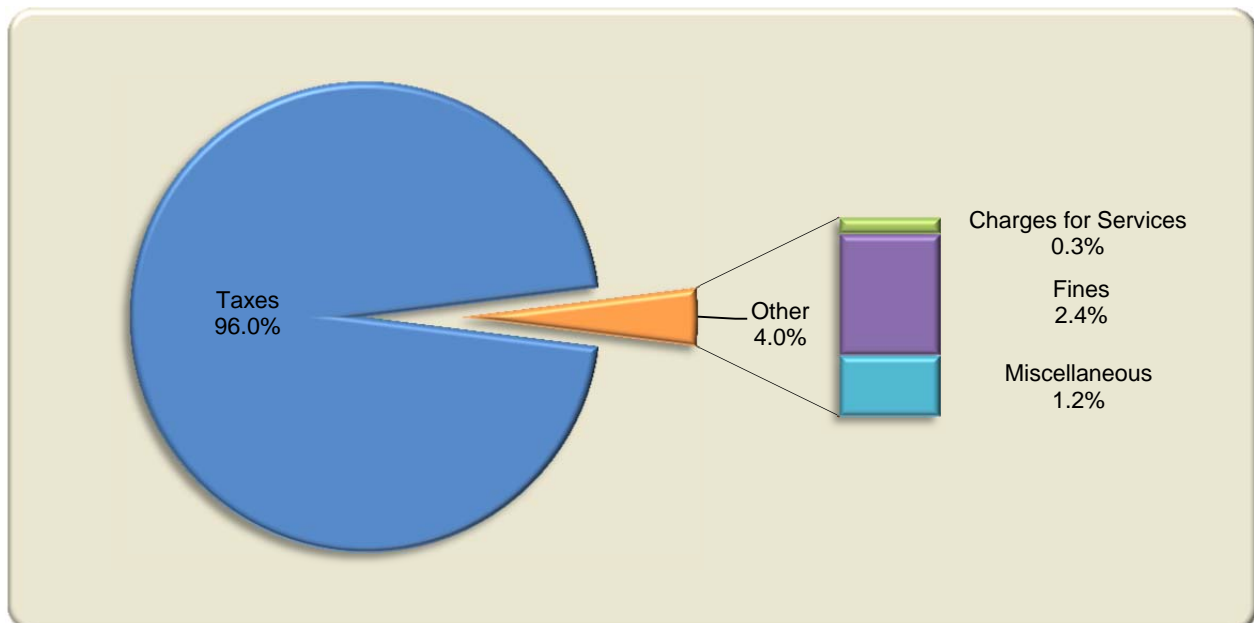
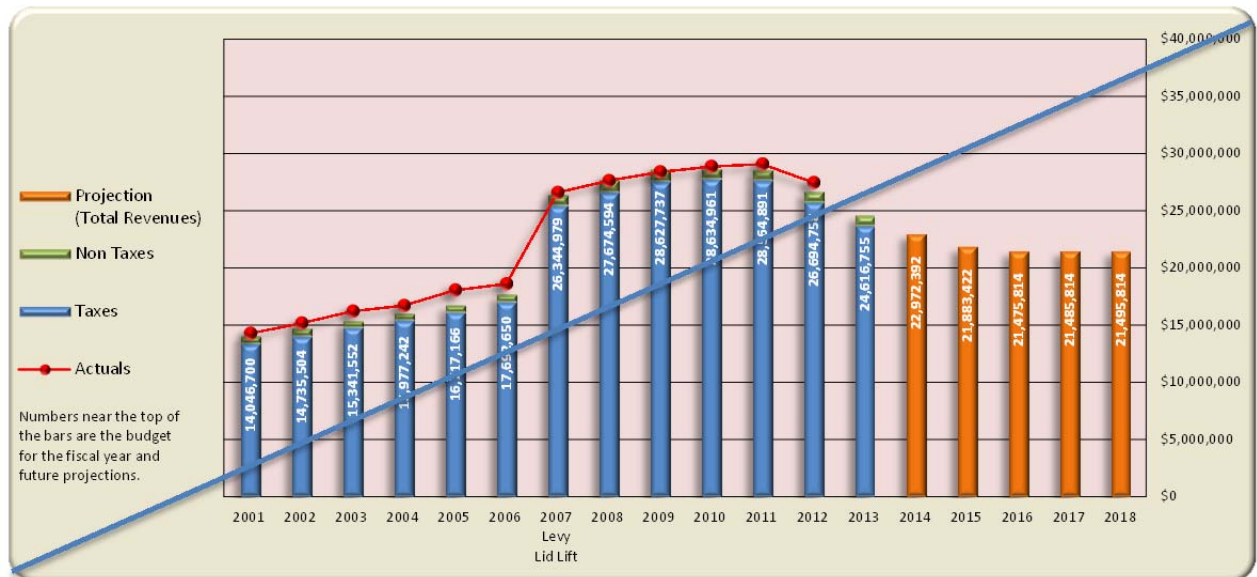


Table 3-3: 2009-14 General Fund Revenue (Final Budgets—Board Approved in December)

	2009 FINAL	2010 FINAL	2011 FINAL	2012 FINAL	2013 FINAL	2014 BUDGET	% CHANGE 2013 TO 2014
TAX REVENUES							
31111 Property Taxes Current	\$ 26,440,367	\$ 26,655,732	\$ 26,535,472	\$ 24,708,421	\$ 22,724,764	\$ 23,502,762	3.42%
31112 Property Taxes Delinquent	1,057,615	1,066,229	1,061,419	988,337	908,991	940,110	3.42%
31130 Sale of Tax Title Property	3,000	3,000	3,000	3,000	3,000	3,000	0.00%
31210 Private Harvest Tax	50,000	50,000	50,000	50,000	50,000	50,000	0.00%
31720 Leasehold Excise Tax	10,000	10,000	10,000	10,000	15,000	20,000	33.33%
SUBTOTAL	27,560,982	27,784,961	27,659,891	25,759,758	23,701,755	24,515,872	3.43%
		223,979 (0.81%)	-125,070 (-0.45%)	-1,870,133 (-6.55%)	-2,058,003 (-7.98)	814,117 (3.43%)	
NON-TAX REVENUES							
33300 Indirect Federal Grants	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0	\$ 0	0.00%
34160 Copier Fees	25,000	25,000	25,000	25,000	25,000	25,000	0.00%
34162 Printer Fees	40,000	40,000	45,000	45,000	60,000	60,000	0.00%
34710 Meeting Room Fees	0						
34720 Library Use Fees	3,000	0					
35970 Library Fines	600,000	555,000	605,000	615,000	615,000	615,000	0.00%
36110 Investment Income	200,000	25,000	25,000	25,000	10,000	10,000	0.00%
36700 Foundation Donations	123,755	130,000	130,000	150,000	150,000	225,500	50.33%
36920 Book Sale Revenue	40,000	40,000	40,000	40,000	20,000	20,000	0.00%
36991 Payment for Lost Materials	25,000	25,000	25,000	25,000	25,000	25,000	0.00%
36692 Fee for Lost Library Cards	5,000	5,000	5,000	0			
36699 Rebates – Procurement Card	0	0	0	5,000	10,000	15,000	50.00%
39510 Sale of Fixed Assets						15,000	new
SUBTOTAL	1,066,755	850,000	905,000	935,000	915,000	1,010,500	10.44%
TOTAL REVENUES	\$ 28,627,737	\$ 28,634,961	\$ 28,564,891	\$ 26,694,758	\$ 24,616,725	\$ 25,526,372	3.70%

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



Property Taxes and Other Taxes

Taxes
\$ 24,515,872

Table 3-4: 2014 Tax Revenues

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

Local property taxes constitute 96.04% of total 2014 revenues. The breakdown of these taxes is provided in the above table.

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

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

A history of the tax base is provided as follows:

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

Notes:

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

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

Revenue Increases

State law allows the Library to increase its revenues by up to 1% over the previous year, so long as it does not exceed the 50¢ per \$1,000 calculation, also set in state law. Voters restored the levy rate for 2007 to 48¢. In October 2013 the Implicit Price Deflator (IPD, another limiter) was recorded at 1.295%. If the IPD is less than 1%, to collect 1% more than the previous year the Board would need to override the IPD rule. Because the IPD is positive, no Board action is required to override it. Regardless, because of the 50¢ limitation, the IPD is not a factor.

Figure 3-3: 2014 Tax Levy Calculation—Preliminary Certificate



Pierce County

Mike Lonergan, Assessor-Treasurer

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Tacoma, WA 98409-7498
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TAX LEVY LIMIT 2013 FOR 2014		RURAL LIBRARY > 10,000
REGULAR TAX LEVY LIMIT:		2010
A. <u>Highest regular tax which could have been lawfully levied beginning with the 1985 levy</u> (refund levy not included) times limit factor (as defined in RCW 84.55.005).	28,026,013.05	1.01
		28,306,273.18
B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).	664,868,196	0.500000000000
		332,434.10
C. Current year's state assessed property value in original district if annexed less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).	742,903,418	742,903,418
		0.00
		0.500000000000
		0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)		28,638,707.28
ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:		
E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	28,638,707.28	48,964,088,146
		0.584892078315
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00	0.584892078315
		0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)		28,638,707.28
LEVY FOR REFUNDS:		
H. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (D or G + refund if any)	28,638,707.28	0.00
		28,638,707.28
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)		28,638,707.28
J. Amount of levy under statutory rate limitation.	48,964,088,146	0.500000000000
		24,482,044.07
K. LESSER OF I OR J		24,482,044.07

New Construction

New construction varies year to year, depending on property improvements generated by construction (such as new homes, apartments, etc.). For every \$1,000 of new construction, the Library may levy at its current levy rate (50¢ for 2014). State law does not apply the 1% limit for revenues received from new construction. New construction can have a significant effect on revenues, as the values can contribute between 2% and 4% of revenue growth. However, when the Library is at its statutory limit of 50 cents per \$1,000 assessed valuation, no revenues from new construction can be collected. Below is a breakdown that shows new construction values:

For Year	New Construction	PCLS Revenue	% of Budget
2014	\$ 664,868,196	\$ 0	0.00%
2013	688,832,368	0	0.00%
2012	447,391,586	0	0.00%
2011	508,485,021	0	0.00%
2010	759,965,065	408,506	1.43%
2009	1,494,356,425	660,926	2.31%
2008	1,789,938,371	859,170	3.10%
2007 ¹	1,769,575,840	709,401	0.00%
2006	1,519,842,131	696,437	4.09%
2005	1,092,187,309	519,261	3.22%
2004	841,593,691	420,797	2.63%
2003	1,026,298,566	513,149	3.34%
2002	875,103,366	437,552	2.97%

Notes:

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

Calculation of Mill Rate ("Millage")

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

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

For Year	Calculated Mill Rate
2014	\$ 0.5000
2013	0.5000
2012	0.5000
2011	0.5000
2010	0.4695
2009	0.4437
2008	0.4425
2007	0.4800 ¹
2006	0.4002
2005	0.4560
2004	0.4766
2003	0.4862
2002	0.4814

Notes:

1. Voter approved.

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

Final Revenue Calculation for Property Taxes

Property Taxes Current \$ 23,502,762
Property Taxes Delinquent \$ 940,110

For budget purposes the Library applies a 96% collection rate on current property taxes and 4% of the forecasted collection of current taxes as delinquent taxes to be collected. The delinquency collection rate is based on previous years' experience. For 2014, this ratio remains the same, reflecting that property owners generally pay taxes on time.

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

Year	Mill Rate		Assessed Value		Base Property Taxes				New Construction	
	Actual	Projected	\$ Value	Change	Actuals	Projection	Difference	Change	Actuals	Projection
2010	0.4695		58,984,142,315	-5.00%	27,766,388		216,834	0.79%	399,308	
2011	0.5000		55,964,407,888	-8.52%	27,982,204		215,816	0.78%	15,923	
2012	0.5000		52,166,456,544	-6.79%	26,083,228		(1,898,976)	-6.79%	-	-
2013	0.5000		47,566,193,799	-8.82%	23,783,097		(2,300,131)	-8.82%	-	-
2014	0.5000		48,964,088,146	2.94%		24,482,044	698,947	2.94%	-	-
2015		0.5000	50,922,651,672	4.00%		25,461,326	979,282	4.00%	-	-
2016		0.5000	53,366,938,952	4.80%		26,683,469	1,222,144	4.80%	-	-
2017		0.5000	56,142,019,778	5.20%		28,071,010	1,387,540	5.20%	-	-
2018		0.4868	59,061,404,806	5.20%		28,753,720	682,710	2.43%	-	402,000

Private Harvest Tax:\$ 50,000

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

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

Other Taxes (summarized):\$ 23,000

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



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Non-Tax Revenues

Intergovernmental

\$ 0

Table 3-6: 2014 Intergovernmental Revenues

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

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

Indirect Federal Grants..... \$ 0

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

applies for these grants throughout the year. For 2013, the Library anticipates no revenues from indirect federal grants.

Other Intergovernmental (summarized) \$ 0

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

Charges for Services

\$ 85,000

Table 3-7: 2014 Charges for Services

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

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

Photocopy Fees.....\$ 25,000

All libraries provide photocopiers for public use. The fee of 10¢ per copy will remain for 2014.

Printer Fees\$ 60,000

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

Vend-to-Print system installed in late 2013, we expect printer revenue to increase.

Other Charges for Services (summarized) \$ 0

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

Library Fines
\$ 615,000

Table 3-8: 2014 Fines

	2012 <u>ACTUALS</u>	2013 <u>FINAL (12/12)</u>	2014 <u>BUDGET (12/11)</u>	% CHANGE 2013 <u>FINAL TO 2014</u>
35970 Library Fines.....	\$ 591,199.49	\$ 615,000	\$ 615,000	0.00%
TOTAL FINES	\$ 591,199.49	\$ 615,000	\$ 615,000	0.00%

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

Library Fines\$ 615,000

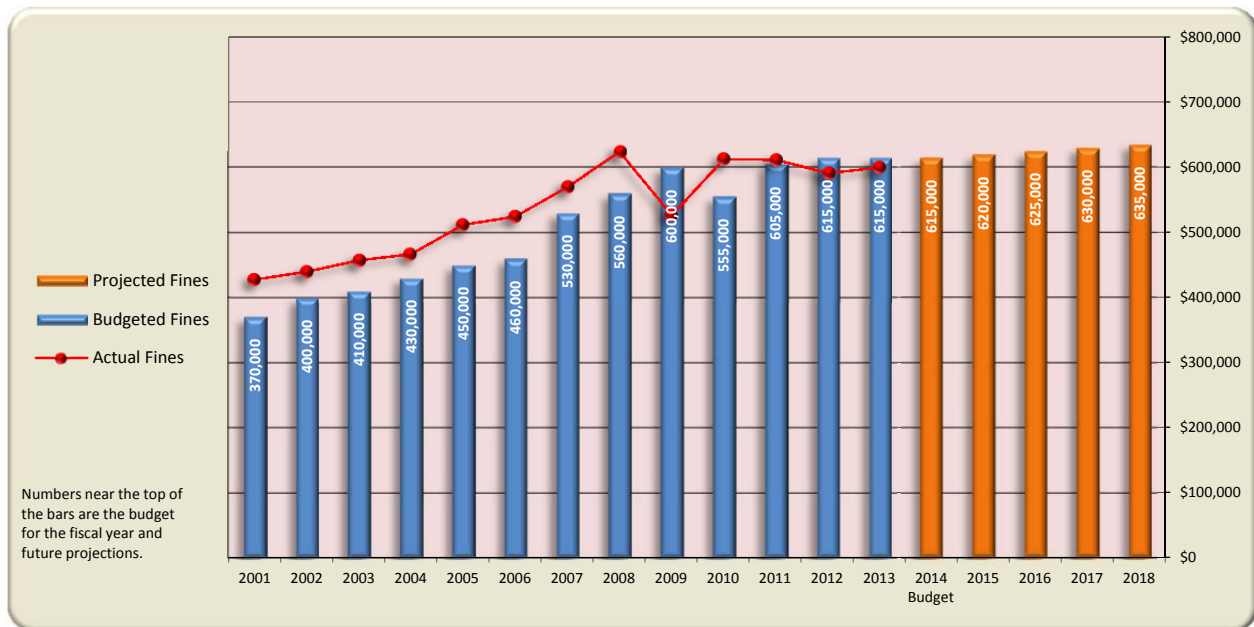
All materials returned after the due dates are considered late and subject to fines. The daily fine for any item, whether book, DVD or other physical item is 15¢. There are no fines associated with e-books as they are automatically deleted from the customer’s e-book reader at the end of the loan period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

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

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

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

Figure 3-4: Library Fines Budget & Actuals



Other Revenues
\$ 310,500

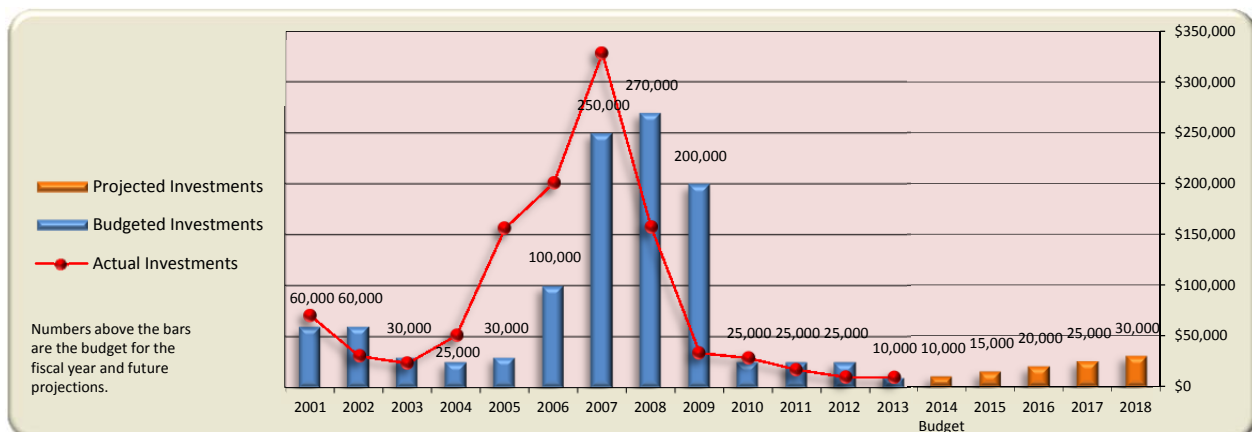
Table 3-9: 2014 Other Revenues

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

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

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

Figure 3-5: Investment Budget & Actuals



Foundation Donations.....\$ 225,500

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

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

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

Payment for Lost Materials\$ 25,000

This includes payments made by customers for their lost/damaged materials. This category was budgeted the same for 2013.

Rebates—Procurement Card\$ 15,000

The Library will budget rebates from use of purchase/credit cards. When paying invoices, the Library makes every attempt to pay using US Bank purchase cards. When the balance is paid within 30 days, the Library receives 1% “cash back” rebates.

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

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

All Other Revenues (summarized) \$ 0

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



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Total Budgeted Revenues

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

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

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
TAX REVENUES				
31111 Property Taxes Current	\$ 25,308,387.32	\$ 22,724,764	\$ 23,502,762	3.42%
31112 Property Taxes Delinquent.....	878,791.41	908,991	940,110	3.42%
31130 Sale of Tax Title Property	50.63	3,000	3,000	0.00%
31210 Private Harvest Tax	70,351.79	50,000	50,000	0.00%
31720 Leasehold Excise Tax.....	17,544.16	15,000	20,000	33.33%
SUBTOTAL	<u>\$ 26,275,125.31</u>	<u>\$ 23,701,755</u>	<u>\$ 24,515,872</u>	<u>3.43%</u>
NON-TAX REVENUES				
33000 Indirect Federal Grants	\$ 0.00	\$ 0	\$ 0	0.00%
33533 State Forest Funds	5,315.22			
33872 Contract Fees-Cities	3,240.00			
33890 Governmental Service Fees.....	7,500.00			
34160 Copier Fees	25,594.64	25,000	25,000	0.00%
34161 Graphics Services Charge	9,244.22			
34162 Printer Fees	66,774.31	60,000	60,000	0.00%
34730 Interlibrary Loan Fees	209.62			
35970 Library Fines	591,199.49	615,000	615,000	0.00%
36110 Investment Income	10,393.16	10,000	10,000	0.00%
36111 Interest – State Forest Fund.....	1.92			
36190 Other Interest Earnings.....	7.16			
36200 Key Peninsula Lease	1,774.59			
36700 Foundation Donations	126,237.10	150,000	225,500	50.33%
36720 Friend’s Reimbursement.....	31,881.02			
36725 Donations – Other.....	6,362.13			
36910 Sale of Scrap and Salvage.....	1,504.08			
36920 Book Sale Revenue.....	14,069.54	20,000	20,000	0.00%
36990 Miscellaneous Revenue	59,689.51			
36991 Payment for Lost Materials.....	14,814.61	25,000	25,000	0.00%
36994 Unclaimed Property	172.99			
36995 Collection Agency Revenue.....	1,384.72			
36996 Jury Duty Reimbursement.....	191.00			
36997 Prior Year’s Refunds.....	44,855.73			
36998 ERate Reimbursement	160,451.03			
36999 Rebates – Procurement Card.....	26,098.88	10,000	15,000	50.00%
39510 Sale of Fixed Assets	15,283.90		15,000	new
39520 Insurance Recoveries – Capital Assets	10,229.00			
SUBTOTAL	<u>1,234,479.57</u>	<u>915,000</u>	<u>1,010,500</u>	<u>10.44%</u>
TOTAL REVENUES	<u>\$ 27,509,604.88</u>	<u>\$ 24,616,755</u>	<u>\$ 25,526,372</u>	<u>3.70%</u>

Expenditures



Picture replaced prior to publication

Summary of Expenditures and Assumptions

Table 3-11: 2013 Operating Expenditure Summary

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

Notes:

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

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

The operating budget consists of three major areas of operating expenditures that usually account for over 95% (see table below) of total expenditures. Between 2005 and 2009, retirement rates increased by 278%; however, in 2010, the Washington State Department

of Retirement Services (DRS) dropped the Library's contribution. In 2011 the rates began to escalate again and are projected to exceed 10% by 2015. (See Benefits, under Personnel section, below.)

Traditionally the Library has allocated 16% of revenue for materials (books, music, movies, magazines, downloadable materials, etc.). Though a good method in the past, with ongoing revenue decreases, in 2012 the Library conducted a comprehensive evaluation of the materials budget, studying how it could best support what customers want. Through research on current use, customer demand and a review of related statistics and data, the Library identified how to reduce the budget by about \$1 million, while still providing a vibrant collection. 2014 maintains 2013's budget.

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

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

Table 3-13: 2014 Expenditures—BARS Summary Level

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

Notes:

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

Personnel

\$ 18,837,686

Table 3-14: 2014 Personnel Detail

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

Notes:

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

Personnel costs account for over 73% of expenditures and pay for staffing the Library to meet its mission and goals. The total change for 2014 from 2013 is 1.58%. The Library is reducing the bottom line personnel budget by 3% (\$582,609) to account for the realities of personnel changes through the year. While the Library budgets by position, when retirements, resignations, or terminations occur, filling the vacancies takes time and incoming employees are hired generally at lower salary steps than the departed employees. Therefore, by applying an adjustment to the personnel budget to match projections, the Library can reduce its budget without causing further layoffs. A study of budget to actual for the past 10 years (2002-2011) shows that on average actuals came in 5% less than budget. In 2013 the Library applied a 3% reduction. For 2014 an adjustment of 3% is maintained. The Library will be monitoring this through 2014 and may make adjustments in the mid-year process.

Managers used the mid-year budget of the current fiscal year to construct personnel costs for the 2014 fiscal year.

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

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

Substitute Hours \$ 284,500
Substitute hours are used to pay individuals who are "on-call" and have no regularly assigned hours to cover illness, vacations, and other staffing needs.

Shift Differential\$ 161,206

Union employees who work Sunday hours are paid at 1.5 times their regular non-Sunday wages. The amount is estimated each year.

Overtime \$ 5,800

Overtime costs are established by Managers for emergency or unusual situations that require an hourly employee to work beyond the 40-hour workweek. Library management keeps overtime costs low and reduced it for 2014.

Benefits\$ 5,011,854

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

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

July 2016 - June 2017: 10.47%

July 2015 - June 2016: 10.47%

July 2014 - June 2015: 9.250%

July 2013 - June 2014: 9.250%

July 2012 - June 2013: 7.250%

July 2011 - June 2012: 7.250%

July 2010 - June 2011: 5.310%

July 2009 - June 2010: 8.310%

July 2008 - June 2009: 8.310%

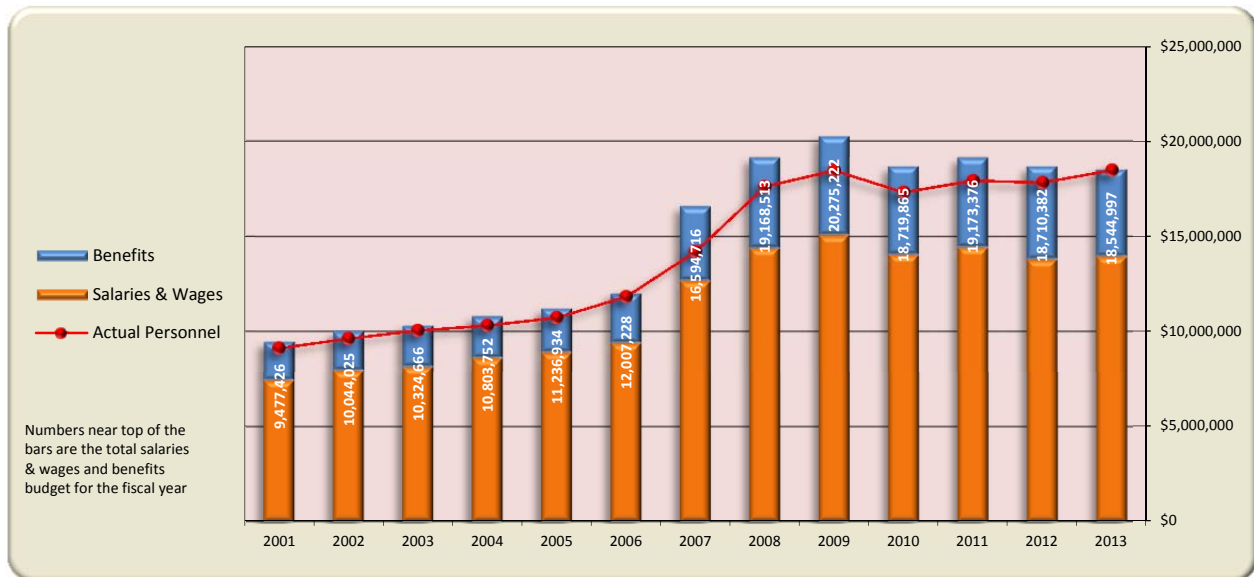
July 2007 - June 2008: 5.940%

July 2006 - June 2007: 3.065%

July 2005 - June 2006: 2.195%

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

Figure 3-6: Personnel Budget & Actuals



Library Staffing

Table 3-15: Budgeted Library Staffing

DEPARTMENT FTE STAFFING ¹	2012 FINAL (12/11)	2013 FINAL (12/12)	2014 FINAL (12/11)	2014 FTEs w/ MLS/MLIS ²
Executive Office	4.80	5.00	x	x
Customer Experience ³	189.79	182.31	x	x
Reading & Materials	27.60	26.70	x	x
Technology Experience ⁴	12.25	12.00	x	x
Business Operations				
Finance	7.25	6.75	x	x
Facilities Management	19.20	19.21	x	x
Marketing & Community Relations	6.50	6.10	x	x
Fund Development	2.80	2.50	x	x
Staff Experience	4.25	4.75	x	x
TOTAL FTE COUNT	<u>274.44</u>	<u>265.32</u>	<u>x.xx</u>	<u>54.30</u>
Change in personnel by FTE from previous year	-5.08	-8.12		+1.10
	-1.82%	-3.32%		2.07%

Notes:

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

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

end of the year as needed to meet necessary budget reductions. Several positions were eliminated when bookmobile service was ended in November 2012.

Add 2014 narrative

Changes in Overall Staffing

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

In 2013 the Library faced its largest budget reduction to date at \$3 million. As part of its planning strategy, the Library filled most vacancies during 2012 as temporary positions that could be eliminated at the

Maintenance & Operations

\$ 3,284,010

Table 3-16: 2014 Maintenance & Operations Detail

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

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

Supplies\$ 307,700

The Supplies category includes office and operating supplies, custodial supplies, maintenance supplies, materials processing supplies, audiovisual and book processing supplies, supplies for the Summer Reading Program, and audio/visual replacement parts. The amount budgeted is 10.6% more than budgeted last year, due to the increased need for maintaining facilities.

Fuel\$ 40,750

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

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

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

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

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

Communications\$ 199,300

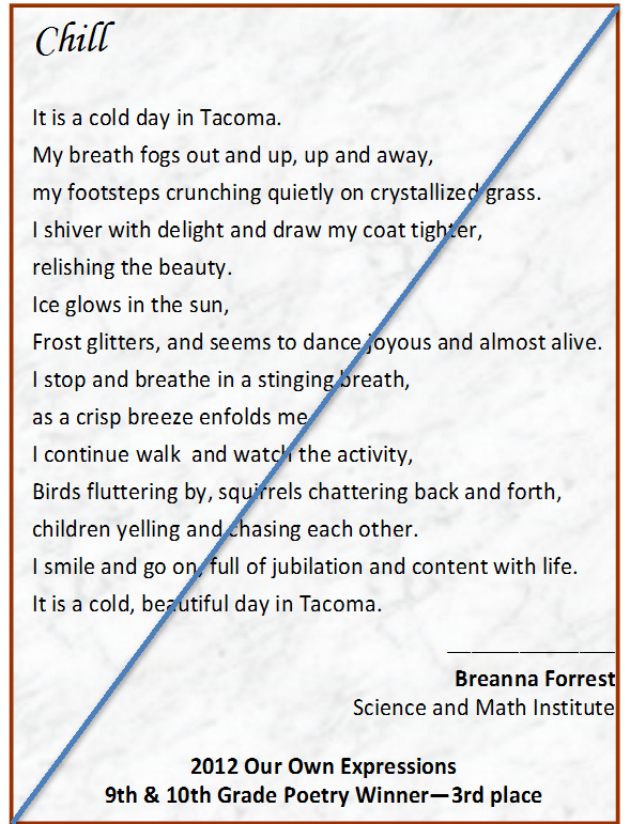
Communications include all Library mailings (postage, Federal Express, UPS, courier services); voice communication service (monthly service and long distance, TDD, and cellular); costs associated with the high speed network lines connecting all Library computers together and to the Internet; leased telephone lines used in support of Internet access; and costs associated with having landline phone lines for security alarm monitoring. Communications decreased by -2.0%.

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

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

Travel\$ 59,450

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



Advertising\$ 29,000

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

Operating Rentals/Leases\$ 401,300

This includes leases of the remaining fleet of copy machines, and leases for the DuPont Library and Milton/Edgewood Library. The amount budgeted decreased by 79.9% due to adding in payments for shared City of University Place and Pierce County Library condominium agreement costs.

Insurance\$ 189,500

This includes all insurance for the Library’s real and personal property, vehicles, fidelity, errors and

omissions, employment practices, umbrella plan, commercial crime, cybercrime, differences in conditions, earthquake and underground storage tanks. This increased by 3% due to claims record and renewals of certain insurance policies.

Utilities\$ 305,200

Utilities include electricity, natural gas, water, sewer, and refuse collection for all Library facilities. In 2003, the Facilities Management Department implemented significant energy conservation projects throughout the system, which continue to result in dramatic year-to-year offsets of significant rate increases. The amount budgeted is -3.0% less for 2014. This is due to much higher efficiency rated equipment installed in 2013 for Processing and Administrative Center.

Repair & Maintenance\$ 938,500

This category includes commercial repair of the Library’s office equipment; fees for the maintenance and service contracts for the Polaris Integrated Library System (ILS) software and related hardware; telecommunications system, personal computer and peripheral maintenance, elevator service, heating, ventilation and air conditioning preventive maintenance; and unscheduled commercial repairs, septic tank cleaning, and pest control. The budget increased by 4.4% due to covering maintenance costs for more media bank towers and a Polaris site license.

Training\$ 23,250

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

Intergovernmental..... \$ 1,000

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

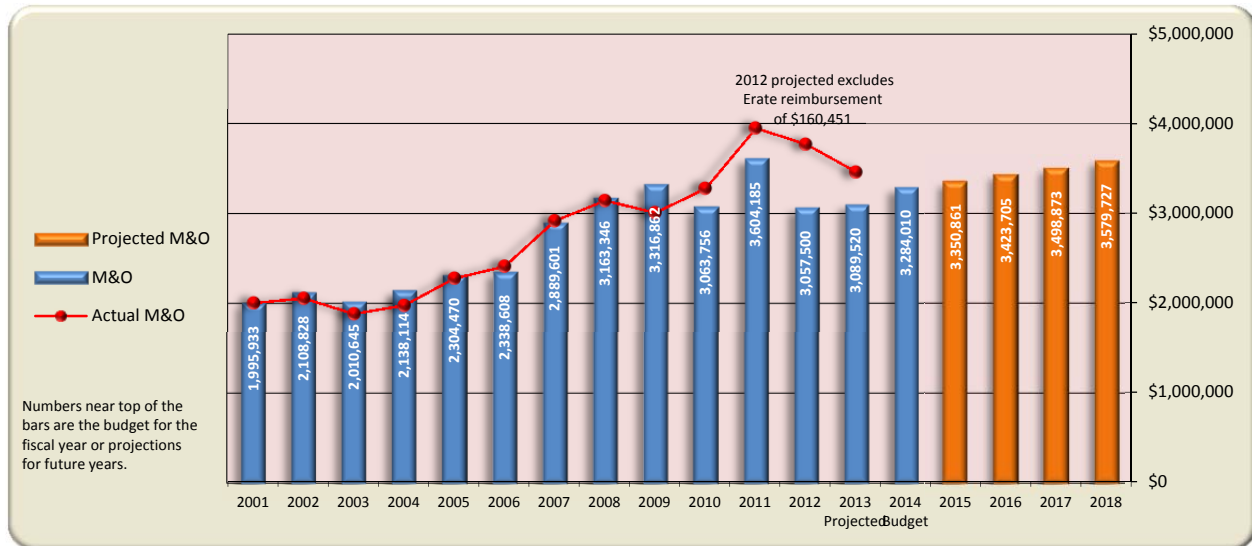
Interest Expense \$ 0

To cover cash shortfalls, when cash on hand is less than expenditure needs due to cyclical nature of revenue collection, the Library borrows from the Capital Improvement Fund. When interfund loans are made, the Library is required to pay interest to the Capital Improvement Fund. The interest anticipated for 2014 continues to be low, if any, due to having enough in the ending fund balance to fund the majority of the shortfall.

Miscellaneous.....\$ 119,060

This category includes memberships in ALA, WLA, and PNLA, and dues for local Chambers of Commerce and other groups; sales tax payable on photocopies/printers and graphics sales, use tax on out-of-state purchases, and sewer assessments/surface water management fees. It also includes fees for driving records requests, bad debt expenses/bank fees, and charges associated with the collection of fines, and other charges at the branches. This category increased by 20.1% due to costs of bank and ePay fees.

Figure 3-7: Maintenance & Operations Budget & Actuals



Books, Movies, Music, and Downloadables (Materials)

\$ 3,277,075

Table 3-17: 2014 Materials Detail

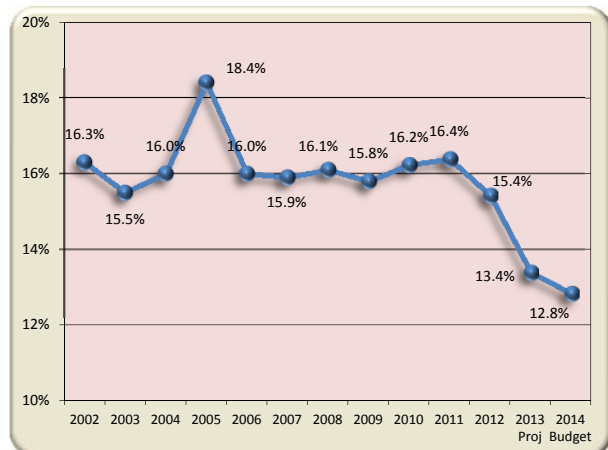
		2012 <u>ACTUALS</u>	2013 <u>FINAL (12/12)</u>	2014 <u>BUDGET (12/11)</u>	% CHANGE 2013 <u>FINAL TO 2014</u>
53401	Adult Materials	\$ 891,743.06	\$ 847,684	\$ 827,684	-2.36%
53402	Serials	16,266.22	0	0	0.00%
53403	Periodicals	47,149.39	80,000	80,000	0.00%
53405	Juvenile Books	590,541.07	496,458	496,458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

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

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

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

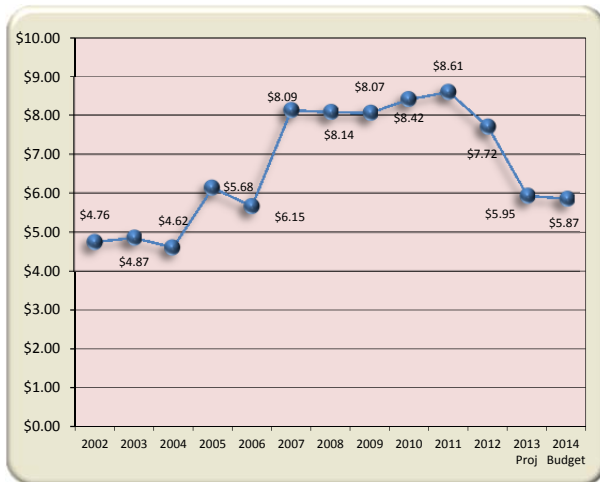
Figure 3-8: Materials Budget History (2002 - 2014)



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

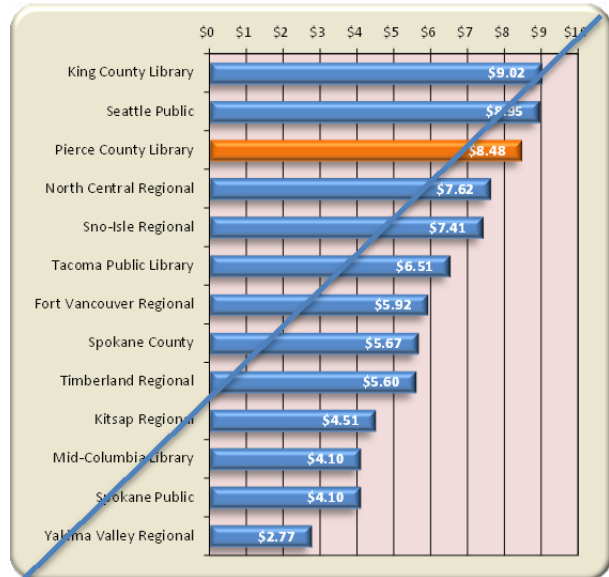
Figure below shows PCLS’s Materials budget per capita, which is an effective measure of our focus on our collection. The figure at right gives a comparison of our budget along with that of other local libraries. We are 3rd out of the 13 regional libraries for the second year in a row. It’s a great spot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

Figure 3-9: Materials Expenditures Per Capita History (Actuals 2002 - 2012)



UPDATED IN DECEMBER

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



Source: Washington State Library



Picture replaced prior to publication

Other Set-Asides & Transfers

\$ 255,264

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

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

Notes:

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

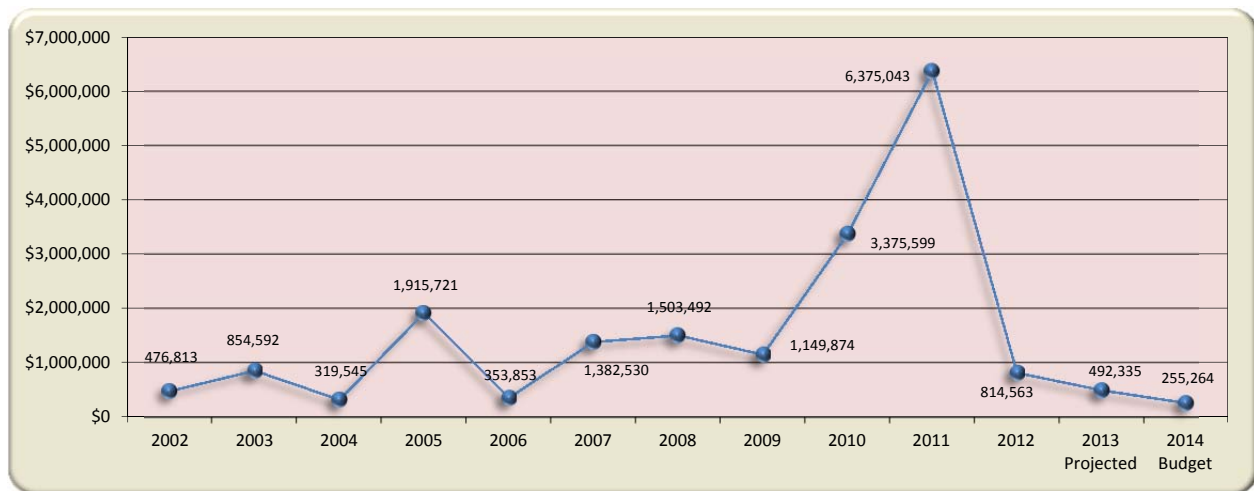
Election Set-Aside \$ 0
 From 2007 to 2011, the Library set aside between \$60,000 and \$80,000 annually towards the next levy lid-lift. The goal was to achieve \$360,000 to conduct a potential levy lid-lift election within the next five to six years. Costs for the election include ballot preparations,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

flow shortfalls. For 2014, this means that enough restricted funds are available to plan for paying April 2014’s bills. The Library’s goal is to maintain at least 2% cash-to-revenues in the unrestricted fund balance, and this line item will be used when restricted funds need to be replenished.

Contingency..... \$ 0
 The Library uses contingency as a floating variable to calculate cash-solvency to pay April’s bills two fiscal years ahead. Having set-aside enough in unrestricted reserves, and given that the Library’s budget is decreasing, no cash needs to be set-aside to cover cash

Transfers to Capital Improvement Fund..... \$ 255,264
 Some funding for the Capital Improvement Plan comes from transferring funds out of the operating budget. In summer 2012, the Library conducted an extended study of capital improvement needs for the next 10 years. As a result of the study and the need to reduce the overall budget, for 2014 the Capital transfer was further reduced from 2% to 1% of revenues to pay for anticipated capital improvement projects. Below shows capital transfers since 2002.

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



General Fund Balance



Picture replaced prior to publication

General Fund Balance

Table 3-19: 2014 General Fund Balance Summary

	2012 <u>ACTUALS</u>	2013 <u>FINAL (12/12)</u>	2014 <u>BUDGET (12/11)</u>	% CHANGE 2013 <u>FINAL TO 2014</u>
Beginning Fund Balance, January 1	\$ 9,763,236.64	\$ 10,600,972	\$ 9,900,000¹	-6.61%
Less: RESERVE COMMITMENTS				
Operational needs for first 4 months (calculated).....	7,369,276.00	6,905,139	6,967,636	0.91%
Reserve for future election	360,000.00	360,000	360,000	0.00%
TOTAL RESERVE COMMITMENTS	7,729,276.00	7,265,139	7,327,636	0.86%
Available unrestricted funds at beginning of year	2,033,960.64	3,335,833	2,572,364	-22.89%
INFLOWS				
Set aside from operating budget for min. of 2% goal	0.00	0	0	0.00%
Other inflows	0.00	0	0	0.00%
TOTAL OF INFLOWS	0.00	0	0	0.00%
OUTFLOWS				
Use of cash reserves to balance budget	0.00	807,172	127,663	-84.18%
Transfers to CIF from previous year-end results.....	0.00	0	TBD
Transfers to CIF from 2012 Mid-Year Savings.....	0.00
Transfers to CIF from 2014 Mid-Year Savings.....	TBD
TOTAL OF OUTFLOWS	0.00	807,172	127,663	-84.18%
Net unrestricted fund balance at end of year	2,033,960.94	2,528,661	2,444,701	-3.32%
% of following year revenues	8.21%	9.91%	9.22%	-6.96%
Add: UNUSED/REPLENISHED RESERVE COMMITMENTS				
Operational needs for first 4 months (replenished)	7,729,276.00	6,905,139	6,967,636	0.91%
Reserve for future election	360,000.00	360,000	360,000	0.00%
TOTAL UNUSED RESERVE COMMITMENTS	7,729,276.00	7,265,139	7,327,636	0.86%
Subtotal Fund Balance at end of year	9,763,236.94	9,793,800	9,772,337	-0.22%
RESULTS OF FISCAL YEAR OPERATIONS				
Use of fund balance to cover shortfall (for operations).....	0	807,172	127,633	-84.18%
New revenues	27,509,604.88	24,616,755	25,526,372	3.70%
Less Expenditures and budgeted transfers.....	26,722,639.85	25,423,927	25,654,035	0.91%
NET OF OPERATIONS.....	786,965.03	0	0	0.00%
Add: Estimated difference between budget & actuals ²	NA	EST: 106,200	TBD	0.00%
Warrants & sales tax payable, benefit accruals, adj	50,770.xx	TBD	TBD	0.00%
Ending Fund Balance, December 31	\$ 10,600,972.xx	\$ 9,900,000¹	\$ 9,772,337	-1.29%

Notes:

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

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

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

GFOA Statement on General Fund Balance

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

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

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

— GFOA, October 2009

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

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

1. Predictability of revenues and the volatility of expenditures—higher levels may be needed if

there are unpredictable fluctuations in revenues or expenditures are volatile.

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

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

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

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

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

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

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

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

The Library set aside commitments:

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

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

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

Beginning Fund Balance
\$ 9,900,000

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

Reserve Commitments
\$ 7,327,636

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

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

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

Inflows
\$ 0

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

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

Outflows
\$ 127,663

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

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

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

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

Bottom Line Adjustments

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

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

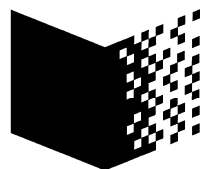
Ending Fund Balance
\$ 9,772,337

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

Conclusion

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

Part 4 Other Funds



Pierce County
Library System

INFORMATION ■ IMAGINATION

Capital Improvement Fund



Picture replaced prior to publication

2014 Capital Improvement Budget Summary

Table 4-1: 2014 Capital Improvement Budget Summary

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

Notes:

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

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

1. The value of the asset/project/service is equal to or greater than \$5,000; and
2. Has a useful life equal to or greater than three years.

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

2014 Strategy

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

1. Preserve our facilities as an asset (stewardship)
Our facilities are the principle venues with which we serve our customers. The Library will carefully evaluate major maintenance and improvements required to provide a welcoming and highly functional environment necessary to provide effective service. Five year plans will incorporate a data-driven approach.
2. Efficiency: Spend to save (efficient operations)
The Library invests taxpayer funding in projects whose return on investment exceeds the capital costs. These projects are carefully studied to understand the long-term impact on saving costs while funding Library operations.
3. Stay Relevant and up-to-date (customer focus)
The Library has and continues to face difficult economic times. However, it's imperative to stay relevant to the customer by ensuring that through surveys, trends, and an understanding

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

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

5 Year Capital Planning

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

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

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

Recurring vs. Non-recurring Capital Projects

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

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

Planning Before Project Execution

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



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Capital Projects Funding Sources

Table 4-2: Summary of Funding Sources

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

Funding Sources

\$ 1,224,000

cancelled as circumstances warrant. The Capital Improvement Fund has an important role for addressing cash shortfall; therefore, transfers and budgets are planned and coordinated carefully.

Funding for capital projects comes from three sources:

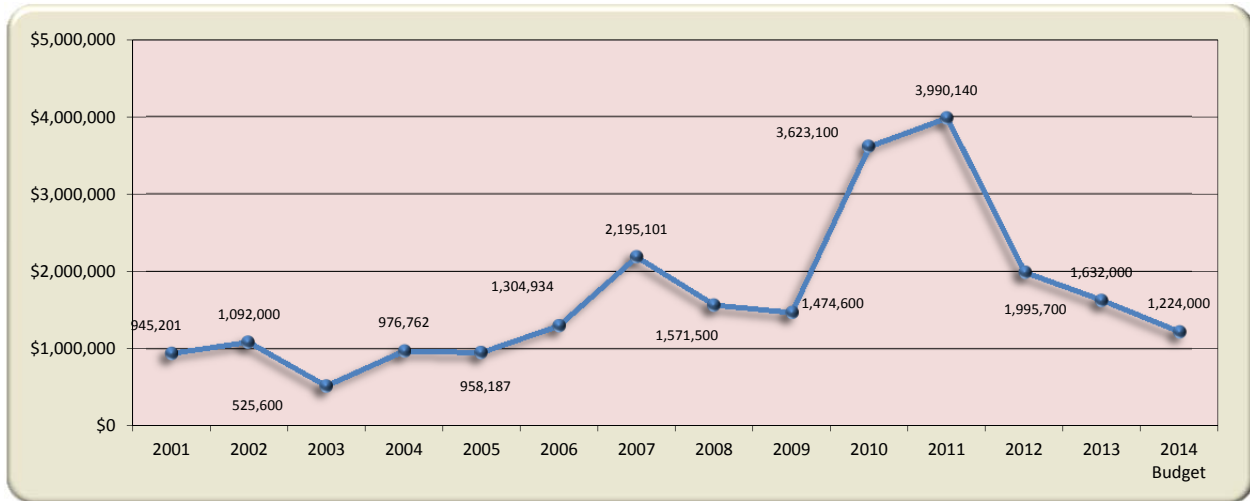
1. Fund balance of the Capital Improvement Fund.
2. Funds transferred from the General Fund:
 - a. Minimum 1% (down from 2% in 2013) of General Fund revenues. More may be transferred due to needs.
 - b. Funds transferred from the General Fund due to unanticipated revenues and savings, backfilling funding for projects.
3. New revenues (e.g., fund raising, investment).

Shortfalls are an Ongoing Concern

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

An ongoing concern is that the Capital Improvement Fund be funded adequately for ongoing improvements. The table above shows that from 2002 to 2014 funding transferred in averaged \$194,949 less than was actually needed for projects. These budgets are multiyear budgets, so not all funds are spent during the budgeted year. At times, projects are

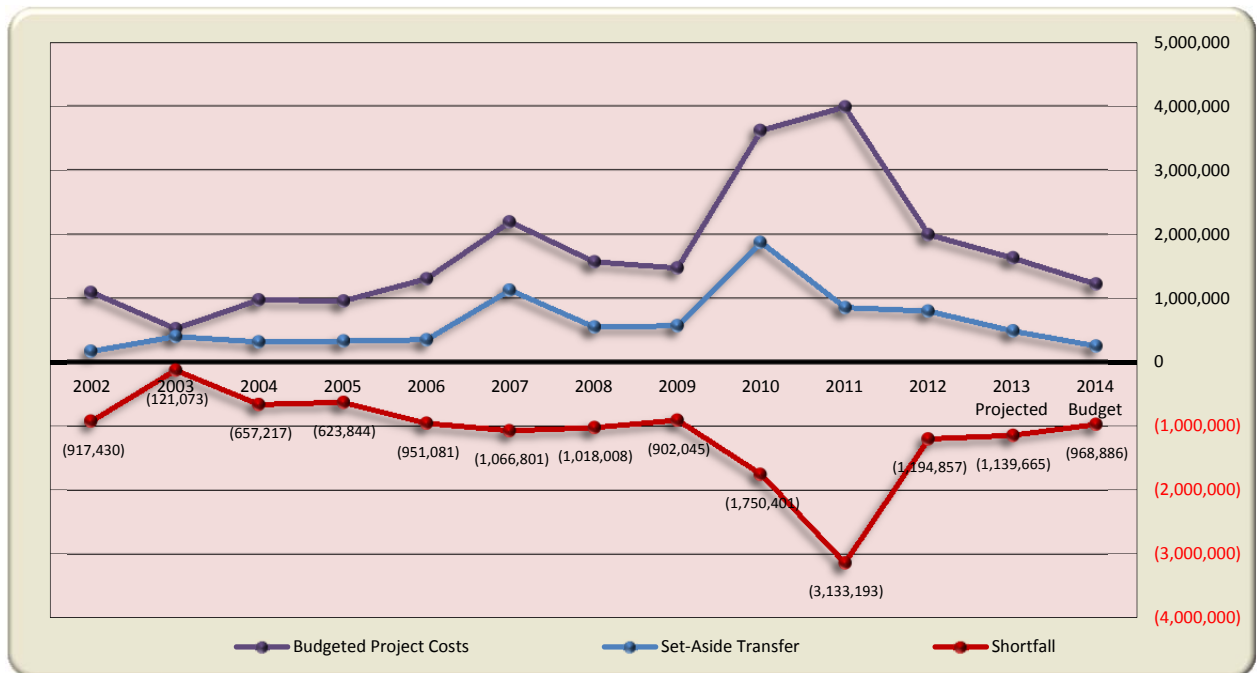
Figure 4-1: Capital Project Budget History (Excludes Carry Forwards)



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

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

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



At the end of 2013, it is estimated that the Capital Improvement Fund balance will be approximately \$2 million. Adding monies to be received in 2014 transfers from the Operating Budget, the total available funding is approximately \$2.4 million.

Budgeted General Fund Transfer\$ 255,114

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

Use of fund balance\$ 808,886

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

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

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

New revenues\$ 160,000

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



Picture replaced prior to publication

Capital Improvement Plan—Project Expenditures

2014 Capital Improvement Plan Projects

\$ 1,224,000

Table 4-3: Capital Budget Summary—Project Expenditures

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

Notes:

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

Commitments

\$ 120,000

University Place Library (+5,000 sq ft).....\$ 120,000
Strategies..... (Relevance)

The Library has set aside monies to pay for the 10-year annual payment for the expanded space. This is per the agreement with the City of University Place. Payment began in late 2012 and is considered recurring but “silent”, i.e., no activity other than payments are made.

Service Improvement Projects

\$ 275,000

Restroom Upgrades (PKS,SH,GH,SMT,KC,LWD,PAC) ..\$ 210,000
Strategies..... (Preserve, Relevance)

The restrooms in several locations are in severe need of upgrades and restoration.

Replace Aging Furnishings\$ 50,000
Strategies..... (Preserve, Relevance)

The Library needs to replace furnishings at many locations. These are original furnishings from when the buildings were opened in the early 1990s.

UP Teen Area Acoustical Treatments.....\$ 15,000
Strategies..... (Relevance)

Noise in the UP Library Teen area needs mitigating.

Automated Materials Handling (AMH) Sys. \$ 0
Strategies..... (Efficiency)
NEED NARRATIVE

Major Maintenance

\$ 533,000

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

Roof Replacement (KC,STL) \$ 151,000
Strategies..... (Preserve)

The roofs of the Key Center and Steilacoom libraries must be replaced. Key Center roof was installed in 2001 and is in need of replacement. Steilacoom’s was installed in 1995 and is the original room.

Exterior Painting (KC).....\$ 7,000
Strategies..... (Preserve)

While the Key Center’s roof is being replaced, the exterior of the building needs repainting.

Interior Painting (PKS) \$ 40,000
Strategies..... (Preserve)

The interior of the Parkland/Spanaway Library is in need of painting.

Carpeting (SH).....\$ 81,000

Strategies..... (Preserve)

The South Hill Library carpeting is failing prematurely. The manufacturer’s warranty appears to apply and we will be submitting replacement costs for replacement.

Contingency

\$ 36,000

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

Lighting Energy Efficiencies (GH,PAC,KC,LWD) \$ 78,000

Strategies..... (Efficiency)

The Library will be installing significant efficiency-rated lighting units at these locations and will submit for rebates.

Replace Exterior Doors (LWD,BLK)..... \$26,000

Strategies..... (Preserve)

The main exterior doors at the Lakewood Library are in need of replacing. The Bonney Lake Library staff door will be replaced.

Future Anticipated Major Projects (2015 – 2018)

Sealcoat All Parking Lots (2014)..... \$50,000

Strategies..... (Preserve)

Parking lots in all locations need to be sealed to protect the function and aesthetic for customers and staff to use.

Technology Plan (2015)..... \$ 250,000

Year Two of implementation.

Rekey All Doors (all locations) \$55,000

Strategies..... (Preserve)

With the staff turnover through the years as well as lost keys never found, the Library needs to replace all locks in the system to ensure that equipment and facilities are secure.

Other 2015 Projects \$ 438,000

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

Vehicles

\$ 170,000

Other 2016 Projects \$ 367,000

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

Vehicle (contingency for repairs).....\$ 10,000

Strategies..... (Preserve)

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

Other 2017 Projects \$ 381,000

The Library anticipates one roof replacement and carpet replacement. UP Payment and contingency are included. AMH systems may be included once the full costs are established.

Equipment and Technology

\$ 250,000

Other 2018 Projects \$ 155,000

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

Technology Plan (2014)\$ 250,000

The Technology Plan has concluded in December 2013 and will begin implementation over the next two years. **Specific projects will be identified in December 2013 or early 2014.**

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

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

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

Notes:

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

Capital Improvement Fund Balance

Table 4-5: 2013 Capital Improvement Fund Balance Summary

	2012 <u>ACTUALS</u>	2013 <u>FINAL (12/12)</u>	2014 <u>BUDGET (12/11)</u>	% CHANGE 2013 <u>FINAL TO 2014</u>
Beginning Fund Balance, January 1	\$ 2,095,867.00	\$ 3,258,147	\$ 2,000,000²	X-%
INFLOWS				
Budgeted GF transfer from operating budget	514,563.00	492,335	255,114	-48.18%
GF transfers from prior fiscal year savings ¹	0.00	TBD	TBD	
Transfers from 2012 Mid-Year Savings	0.00			
TOTAL INFLOWS	814,563.00	492,335	255,114	-48.18%
Available funds during fiscal project year	2,910,430.00	3,750,482	2,255,114	X%
OUTFLOWS				
Use of inflows to fund projects	814,563.00	492,335	255,114	-48.18%
Use of fund balance to cover shortfall	686,268.50	1,139,665	808,886	-4.62%
TOTAL OUTFLOWS	1,500,831.50	1,632,000	1,224,000	-25.00%
Subtotal Fund Balance at end of year	2,759,598.50	2,118,482	1,031,114	%
RESULTS OF FISCAL YEAR PROJECTS				
Use of inflows to fund projects	814,563.00	492,335	255,114	-48.18%
Use of fund balance to cover shortfall	686,268.50	1,139,665	808,886	-29.02%
New revenues	498,548.00	0	160,000	New%
Less: Expenditures	1,999,379.50	1,632,000	1,224,000	-25.00%
TOTAL RESULTS OF FISCAL YEAR PROJECTS	0.00	0	0	0.00%
Add: Estimated difference between budget & actuals ³	NA	(118,482)	TBD	0.00%
Add: Warrants & sales tax payable, adj	TBD	TBD	TBD	0.00%
Ending Fund Balance, December 31	\$ 3,258,146.50	\$ 2,000,000²	\$ 1,191,114	-x%

Notes:

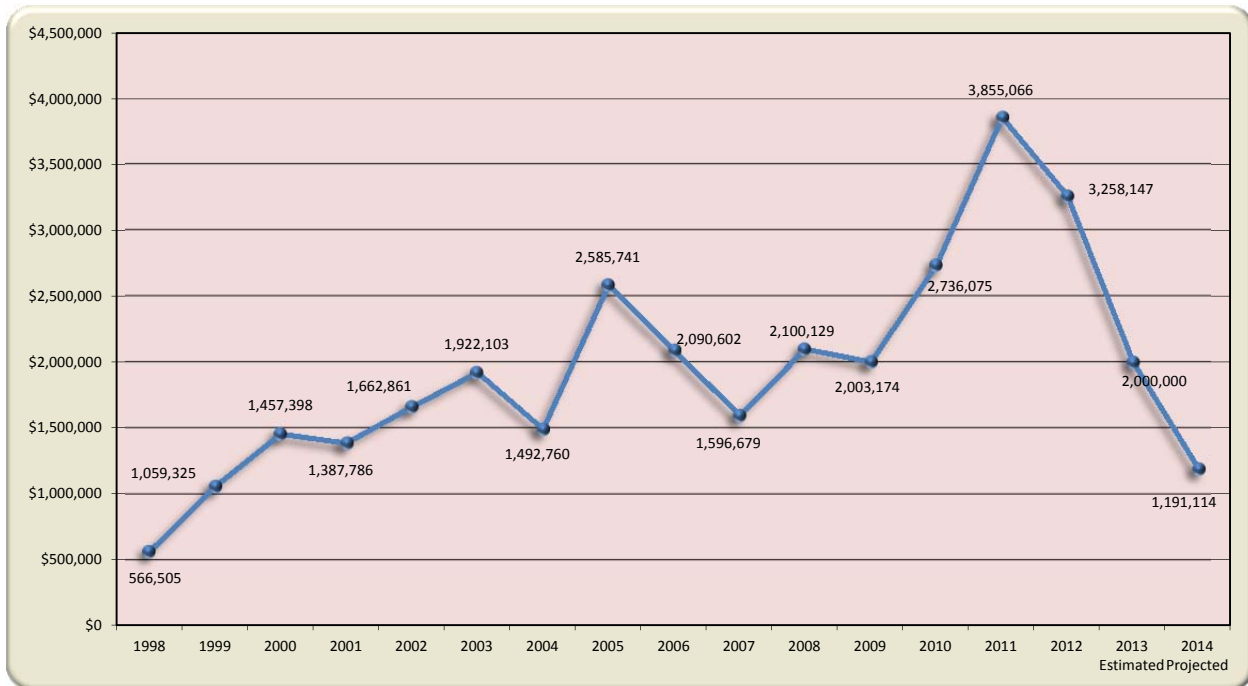
1. Transfers due to prior fiscal year savings occur as a Board-approved fund-to-fund transfer from the General Fund and the Capital Improvement Fund, generally without effect on the current operating budget. Because prior fiscal year savings in the General Fund already occur by the time the budget is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

Discussion

As with the General Fund, the Capital Improvement Fund balance is also an important factor in cash flow. However, the Capital Improvement Fund balance is susceptible to large fluctuations. Since 1995, the Library has improved the Capital Improvement Fund balance, which is used as a source to borrow funds when the General Fund

balance is low. Capital project expenditures can reduce the fund's balance very quickly; the amount budgeted for transfer has nearly always been significantly less than the budgeted project expenditures. The Library backfills the Capital Improvement Fund balance based on unanticipated revenues and savings from prior year operations. Below is a chart showing the history of the Capital Improvement Fund's ending fund balance.

Figure 4-3: Capital Improvement Fund Ending Fund Balance



Unusual Longing

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

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

I promise.

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

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

Hailey Maher
 Bellarmine Preparatory

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

Bonds, Debt, and Debt Service Fund



Picture replaced prior to publication

Bonds, Debt, and Debt Service Fund

Bonds & Debt

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

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

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

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

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

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

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

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

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

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

Current Bonds and Debt

Currently, the Library maintains no debt of any form:

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

Debt Service Fund

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

Debt Service Fund Balance

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

Last Use (System Expansion Project)

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

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

Future Debt Needs

The Library began a Facilities Master Plan (FMP) project in late 2008 and concluded in January 2010

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

**Table 4-6: 2013 Debt Service Fund Balance Summary
UPDATED IN DECEMBER**

	2011 <u>ACTUALS</u>	2012 <u>FINAL (12/11)</u>	2013 <u>BUDGET (12/12)</u>	% CHANGE 2012 <u>FINAL TO 2013</u>
Beginning Fund Balance, January 1	\$ 83,176.72	\$ 83,333	\$ 83,460¹	0.00%
INFLOWS				
GF transfers	0.00	0	0	0.00%
All other inflows	0.00	0	0	0.00%
TOTAL INFLOWS	0.00	0	0	0.00%
Available funds during fiscal year	83,176.72	83,333	83,460	0.00%
OUTFLOWS				
Use of inflows to fund payments	0.00	0	0	0.00%
Use of fund balance to cover shortfall	0.00	0	0	0.00%
All other outflows	0.00	0	0	0.00%
TOTAL OUTFLOWS	0.00	0	0	0.00%
Subtotal Fund Balance at end of year	83,176.72	83,333	83,460	0.00%
RESULTS OF FISCAL YEAR ACTIVITY				
Use of inflows to fund projects	0.00	0	0	0.00%
Use of fund balance to cover shortfall	0.00	0	0	0.00%
Revenues	156.29	0	0	0.00%
Expenditures	0.00	0	0	0.00%
NET OF OPERATIONS	156.29	0	0	-100.00%
Add: Estimated difference between budget & actuals ²	NA	127	0	-100.00%
Add: Warrants & sales tax payable, adj	0.00	0	0	0.00%
Ending Fund Balance, December 31	\$ 83,333.01	\$ 83,460¹	\$ 83,460	0.00%

Notes:

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

Beginning Fund Balance
\$ 83,460

Inflows
\$ 0

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

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

Other inflows..... \$ 0

No other inflows are budgeted or anticipated.

Outflows

\$ 0

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

No use will occur in 2013.

Use of fund balance to cover shortfall \$ 0

No use will occur in 2013.

All other outflows \$ 0

None budgeted nor anticipated for 2013.

Ending Fund Balance

\$ 83,460

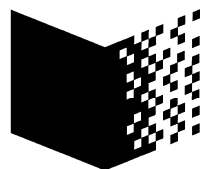
Net effect on general fund balance..... \$ 0

No change is anticipated for 2013.



Picture replaced prior to publication

Part 5 Cash Flow and Funds



Pierce County
Library System

INFORMATION ■ IMAGINATION

Cash Flow, Budgeting, and Funds



Picture replaced prior to publication

General Fund Cash Flow

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

- Separate cash reserves (fund balance) to identify reserve commitments and unreserved balances.
- Set aside operational reserves for the first four months of the fiscal year (until major property tax revenues are received). The operational reserve is calculated every year according to projected expenditures.
- Set aside a reserve to fund costs for a potential future election.
- Maintain a minimum of 2% in the unreserved fund balance. The unreserved fund balance will decrease over time when the reserve for operational costs increases. This fund may need to be replenished.
- Contingency to flow into the fund balance is only budgeted when it's projected that the unreserved fund balance dips below 2%.
- The Capital Improvement Fund transfer is 3%. Backfill may be needed, depending on emergent capital needs.
- Identify projected shortfalls in future years. Identify reduction strategies in future years.
- Identify cash reserve needs in the current year only. Future years will depend on current year strategies for reductions.

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

Interfund Loans

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

Investments

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

The Sound of Music

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

Amber Roley
Rogers High School

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

UPDATED IN DECEMBER
Table 5-1: 2014 - 2018 Cash Flow Summary

REVENUES & EXPENDITURES					CASH								Strategy for Reductions
Fiscal Year	Budgeted Revenues	%/ \$ Rev Change	Budgeted Expenditures	Budget Shortfall	Total of Cap. Imp. Transfers	Jan 1 Beginning Cash Reserves (est)	Operating Reserves (approx 4 mos)	Jan 1 Beginning Unrestricted Cash Rsrvs (est)	Less: Cash Use	Dec 31 Ending Unrestricted Cash Rsrvs (est)	% of Next fy Revs		
2011	28,564,891	-0.24% -70,070	28,564,891	0	5,500,807	13,393,738	7,440,367 + 360,000 ¹ 7,800,367	= 5,593,370	- 0	= 5,593,370	20.1%		
2012	26,694,758	-6.55% -1,870,133	26,869,885	175,127 Approx \$1.7 million in reductions done	800,843	9,763,237	7,369,276 + 360,000 ¹ 7,729,276	= 2,033,961	- 0	= 2,033,961	8.26%	Reduce bookmobile service; shift processing fees; personnel budget savings; salary freeze for managers; other reductions	
2013	24,616,755	-9.34% -2,535,340	25,423,927	807,172	492,335	10,600,972	6,905,139 + 360,000 ¹ 7,265,139	= 3,335,833	- 807,172	= 2,528,661	9.91%	-\$1m on Materials; use \$807,172 from 2011 savings; increase to 3% salary savings; decrease CIP to 2% transfer; other reductions	
2014	25,526,372	3.70% 909,617	25,654,035	127,663	255,264	9,838,846 ²	6,967,636 + 360,000 ¹ 7,327,636	= 2,511,210	- 127,663	= 2,383,547	8.99%	3% personnel cost projection adjustment; decrease CIP to 1% transfer; other reductions	
2015	26,514,088	Projected 3.87% 987,716	26,514,088	51,462 ³	530,282	9,711,183	7,201,226 + 360,000 ¹ 7,561,226	= 2,149,957	- None Expected	= 2,149,957	7.75%	TBD	
2016	27,744,276	4.64% 1,230,188	27,744,276	-	554,886	9,711,183	7,535,345 + 360,000 ¹ 7,895,345	= 1,815,838	- None Expected	= 1,815,838	6.23%	TBD	
2017	29,139,596	5.03% 1,395,320	29,139,596	-	582,792	9,711,183	7,914,314 + 360,000 ¹ 8,274,314	= 1,436,869	- None Expected	= 1,436,869	4.82%	TBD	
2018	29,831,214	2.37% 691,618	29,831,214	-	596,624	9,711,183	8,102,158 + 360,000 ¹ 8,462,158	= 1,249,025	- None Expected	= 1,249,025	4.11%	TBD	

Notes:

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

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

much of unrestricted fund balance is available to pay for operations, noted in the column, Jan 1 Beginning Unrestricted Cash Rsrvs (est).

Capital Improvement Fund Cash Flow

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

	2014 BUDGET	2015 ESTIMATED	2016 ESTIMATED	2017 ESTIMATED	2018 ESTIMATED
Beginning Capital Improvement Fund Balance, Jan 1 (est)	\$ 2,000,000¹	\$ 1,191,114	\$ 1,033,096	\$ 1,220,682	\$ 1,422,174
Capital Improvement New Revenues & Transfers	415,114	529,982	554,586	582,492	596,324
Available Funds:	2,415,114	1,721,096	1,587,682	1,803,174	2,018,498
Capital Improvement Expenditures (Capital Project Budget)	1,224,000	688,000	367,000	381,000	155,000
Ending Capital Improvement Fund Balance, Dec 31 (est)	\$ 1,191,114	\$ 1,033,096	\$ 1,220,682	\$ 1,422,174	\$ 1,863,498

Notes:

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

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

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

Notes:

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

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

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

Summary of Fund Balances

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

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

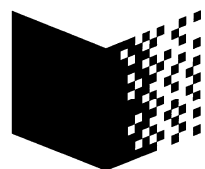
Provided above is a summary of each fund’s beginning and ending balances.

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



Picture replaced prior to publication

Part 6 Library Departments



Pierce County
Library System

INFORMATION ■ IMAGINATION

The Departments



Picture replaced prior to publication

Library Departments and their 2013 Goals

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

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

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

The structure:

- Clarifies accountability;
- Improves teamwork and collaboration;
- Streamlines decision making and internal communication; and
- Provides excellent service delivery to internal and external customers.

Objectives of the restructure are to create an organization that:

- Manages well;
- Gets things done;
- Communicates effectively; and
- Focuses on the customer.

Table 6-1: List of Library Departments

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

M E M O



Date: November 5, 2013
To: Chair Linda Ishem and Members of the Board of Trustees
From: Clifford Jo, Director of Finance & IT
Subject: Levy Resolution and Levy Certificate

Attached are the standard two documents that the Board must pass in November, to set the property tax levy for the following fiscal year's property tax revenues.

1. Resolution Requesting Highest Lawful Levy: This sets the "101" calculation, and the tax base from which current and future lawful levies are established. It is exclusive of new construction, state assessed property, annexations, and refunds. It's an increase to the base tax that we are allowed. Note that even though you are certifying for "101" calculation, the County will set the actual taxes collected at 50 cents per 1000 AV; this allows the base to be the highest lawful levy, which has implications for a potential future tax collections especially when property values increase. If you exclude the "101" calculation, then the base will be permanently lower.
2. Levy Certification: This sets total property tax revenues, and is limited to 50 cents per \$1,000 district assessed property values (see line K on the levy calculation page, very bottom number at right).

They need to be passed in this order. These documents must be filed with Pierce County by November 30.

**EXAMPLE OF ORDINANCE/RESOLUTION
REQUESTING HIGHEST LAWFUL LEVY**

**Ordinance/Resolution No. 2013-08
RCW 84.55.120**

WHEREAS, the Board of Trustees of RURAL LIBRARY has met and considered
(Governing body of the taxing district) (Name of the taxing district)
its budget for the calendar year 2014 ; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 23,783,096.90 and,
Previous Year's Levy Amount

WHEREAS, the population of this district is more than or less than 10,000; and now, therefore,
(Check One)

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy
is hereby authorized for the levy to be collected in the 2014 tax year.
(Year of Collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 4,523,176.28
which is a percentage increase of 19.0185% from the previous year. This increase is exclusive of
(Percentage Increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines,
any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 13th day of November, 2013 .

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at:

For tax assistance, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 570-5900. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users



Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, Linda Ishem,
(Name)

Chair, Board of Trustees, for Pierce County Rural Library, do hereby certify to
(Title) (District Name)

the Pierce County legislative authority that the Board of Trustees
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2014 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on Nov 13, 2013:
(Date of Public Hearing)

Regular Levy: 28,638,707.28
(State the total dollar amount to be levied)

Excess Levy: _____
(State the total dollar amount to be levied)

Refund Levy: _____
(State the total dollar amount to be levied)

Signature: _____

Date: _____

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 534-1400. Teletype (TTY) users may call (360) 705-6718.



Pierce County

Mike Lonergan, Assessor-Treasurer

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

TAX LEVY LIMIT 2013 FOR 2014

RURAL LIBRARY
> 10,000

REGULAR TAX LEVY LIMIT:

	2010
A. <u>Highest</u> regular tax which could have been lawfully levied beginning with the 1985 levy [refund levy not included] times limit factor (as defined in RCW 84.55.005).	28,026,013.05 1.01 28,306,273.18
B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).	664,868,196 0.500000000000 332,434.10
C. Current year's state assessed property value in original district if annexed less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).	742,903,418 742,903,418 0.00 0.500000000000 0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)	28,638,707.28

ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	28,638,707.28 48,964,088,146 0.584892078315
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00 0.584892078315 0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)	28,638,707.28

LEVY FOR REFUNDS:

H. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (D or G + refund if any)	28,638,707.28 0.00 28,638,707.28
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)	28,638,707.28
J. Amount of levy under statutory rate limitation.	48,964,088,146 0.500000000000 24,482,044.07
K. LESSER OF I OR J	24,482,044.07



Pierce County

Mike Lonergan, Assessor-Treasurer

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

September 13, 2013

OFFICIAL NOTIFICATION TO: **PIERCE COUNTY RURAL LIBRARY-PIERCE**

RE: 2013 PRELIMINARY ASSESSED VALUES

FOR REGULAR LEVY

Total Taxable Regular Value	48,964,088,146
Highest lawful regular levy amount since 1985	28,026,013.05
Last year's actual levy amount	23,783,096.90
Additional revenue from current year's NC&I	332,434.10
Additional revenue from annexations (RCW 84.55)	0
Additional revenue from administrative refunds (RCW 84.69)	0.00
<i>No additional revenue from administrative refunds will be allowed if you are limited by your statutory rate limit.</i>	
Last year's additional revenue from increase in state-assessed property	26,836.97

FOR EXCESS LEVY

Taxable Value	48,489,848,117
Timber Assessed Value	not available
Total Taxable Excess Value	48,489,848,117

2013 New Construction and Improvement Value 664,868,196

If you need assistance or have any questions regarding this information, please contact Kim Fleshman 253.798.7114 kfleshm@co.pierce.wa.us.

M E M O

Date: November 13, 2013

To: Chair Linda Ishem and members of the Board of Trustees

From: Georgia Lomax, Deputy Director

Subject: Philosophy Policy, Second Draft

Attached is a revised draft of the Board's Philosophy Policy. I have tried to incorporate elements from your October discussion, such as a more aspirational policy statement, including the community gathering place concept and reflecting the mission and vision.

During the meeting we'd like to continue the discussion as we work to ensure this important statement best represents the Board's philosophy today and for the future.

Board Policy



Philosophy Board Policy

Policy Statement

The Pierce County Library is both a neutral place and a portal that allows individuals to pursue their own interests, further their own education, and engage their own imagination on an unstructured basis and without bias.

Pierce County Library operates under the fundamental belief that libraries play a vital role in a democracy by supporting an individual's access to the information they seek and the privacy to explore ideas, form opinions and make decisions on issues affecting their lives. As a result, the Library believes individuals will succeed and families and communities will thrive.

Purpose

To serve as a core document describing principles that support and guide Pierce County Library's operations, services and decisions.

Policy

Through services, resources, programs, partnership and customer assistance, the Library connects people to the world of information and imagination. As the community's choice for the discovery and exchange of information and ideas, the Library provides access and the opportunity to explore a wide variety of ideas, to obtain information, to pursue learning and to engage the imagination.

The following principles guide the work and decisions of the Board of Trustees and the staff of the Pierce County Library:

The Library:

- Offers current, up-to-date, customer-focused services, experiences, technology and resources.
- Actively engages communities and residents about what they value and want from the Library and uses this input to inform Library actions and choices.
- Cooperates, collaborates and partners with agencies, community groups, organizations and others to achieve common goals and to effectively and efficiently support, provide and deliver resources and services the community needs and values.
- Operates as a System in order to provide equitable service for all communities in its service area, and in recognition that the best use of money and resources is achieved by

sharing materials and resources, professional skills and knowledge, and administrative support.

- Provides a welcoming, neutral place for the community to gather.
- Creates an environment through facilities, services, staff, resources and philosophy that allow each individual or family to explore and make choices within their personal values and interests, and accomplish their individual goals.
- Acts as a good steward of the taxpayer's dollar and makes decisions that best serve the community.
- Seeks to serve residents where they want, when they want and how they want, including in Library facilities, in the community and online.

Adopted by the Pierce County Rural Library District Board of Trustees, July 17, 1974, revised XXXX, 2013

DRAFT

NEW BUSINESS

M E M O

Date: November 4, 2013

To: Chair Linda Ishem and members of the Board of Trustees

From: Neel Parikh, Executive Director

Subject: Branch Service Plans

In June, Sally Porter Smith and I began a process to prepare branch staff to create their first branch service plans. The process involves five steps:

1. Internal asset inventory
2. Community asset mapping
3. Market segmentation
4. Data analysis
5. Prioritization and plan development.

In June, branches began with internal asset mapping. In July and August, Sally and I went to every branch to train staff on community asset mapping. We are now training staff in use of the market segmentation tool called CommunityConnect.

During the board meeting we will provide you an overview of the process and an introduction to community asset mapping.

Annual Branch Services Plan: Overview and Objectives



Planning Process Begins



Overview:

Branches do not have a consistent planning framework to make decisions driving branch services. The Annual Branch Service Planning process will provide a framework and context for branch staff to plan services and community engagement within the context of:

- Strategic Framework
- Branch specific Community Asset Maps
- Branch specific Community Connect market segmentation data and analysis
- Branch specific internal asset inventory (staffing and facility capacity)
- System service objectives (i.e., PC Reads, Library Card Campaign, Early Learning)

System goals:

1. Develop staff capacity to create Branch annual plans that:

- Focus on the customer
 - Support the Strategic Framework
 - Identify and connect library's assets to the community
 - Contribute to the unique capacities and conditions of the community
 - Utilize data and research to drive decisions within Strategic Framework
 - Community Assessment Maps
 - Community Connects market segmentation
 - Usage and program performance measures
 - Build a customer base for the future
2. Create a community-minded culture among library staff and volunteers. Staff:
- Identify all people who live in the community, seeing people beyond those served in the library and associated with our existing outreach efforts
 - Identify community assets, assess and strengthen each library's connections with and use of community assets
 - Identify community leaders and understand who's who in the community and what matters to different members of the community
 - Assess and strengthen each library's connections with and use of community assets
3. Develop staff capacity to execute and evaluate services and adapt services based on evaluation

Expectations for Year 1:

Branch staff will develop annual plans that demonstrate each element is addressed. Each library staff will identify two to three measurable goals and objectives to target a specific segment designed to achieve an outcome supportive of the Strategic Framework.



Memorandum

To: Pierce County Library System Board of Trustees
Linda Ishem, Chair

From: Lynne Hoffman, Foundation Director

Date: November 4, 2013

Re: Annual Foundation Report for fiscal year ending June 30, 2013

In 2012-2013, the Pierce County Library Foundation gratefully received \$379,283 in gifts from private sources and made total distributions to the Library of \$ 332,968 (87.8%) in program support. The award represents distributions and distributions payable, gifts in kind, pledge payments and outright payment of program materials.

Over the past five years, the Foundation raised more than \$1.5 million. Unrestricted annual giving has increased by 74% over the past five years.

In 2012-13, the Foundation raised 50% more than the previous fiscal year. Targeted fundraising efforts included major gift funding for the Key Center Library and Lakewood Library projects and grant funding which included an award from the Paul G. Allen Family Foundation for the Interactive Discover Platform (a.k.a. Reading Rewards). The Summer Reading Program goal was exceeded with sponsorships from 21 businesses.

Even as the fiscal year ended, the Foundation received a second grant from the Paul G. Allen Family Foundation for the new Science to Go program. The award totaled \$175,000, the Foundation's largest grant ever. The Foundation is in a strong position to significantly exceed its \$215,000 projected goal with \$307,500 in grant requests pending.

The Foundation's development plan outlines distinct fundraising and communication strategies and employs a variety of tactics in order to reach our immediate goals and also prepares for future growth. At the request of the library, the Foundation board of directors is committed to tell the story and direct donations primarily to the Early Learning and Senior Outreach Programs in order to help the library close the funding gap over the next two years.

The Foundation's success is possible with the support of an enthusiastic and dedicated board. The Foundation warmly welcomes nine new board members in 2012 and 2013. They are: Jack Conway (Gig Harbor), Joan Cooley (Lakewood), Kathryn O. Galbraith (University Place), Kim Heggerness (Tacoma), Kathryn McCarthy (Tacoma), Craig Richmond (Ollala), Tim Sherry (Tacoma), Stacy Topping (Tacoma), and Karen Triplett (Gig Harbor).

As outlined in the Library/Foundation Agreement, attached is the statement of financial position and statement of expenses and revenue for the year ending June 30, 2013 and review of accomplishments in the 2012-2013 Development Plan.

Rolling Grant Status Report*Tracking beginning December 2012**Updated: November 6, 2013***Awarded**

	Status Program	Amount
Norcliffe	Awarded Outreach to schools vans	\$ 12,000
Glaser	Awarded Block Play enhancement	\$ 10,000
Puyallup Tribe	Awarded Block Play enhancement	\$ 10,000
Milgard	Awarded Sprinter van for senior outreach	\$ 75,321
Target	Awarded Board books for child care centers	\$ 2,000
Lucky Seven	Awarded Block Play	\$ 5,000
Paul G. Allen/Faye G. Allen Grant Program	Awarded/1st half K-3 Science to Go	\$ 87,000
Paul G. Allen/Faye G. Allen Grant Program	Awarded/2nd half Interactive Discovery Platform	\$ 75,000
Total 2013-2014		\$ 276,321
NEH - Created Equal (Civil Rights)	Awarded Created Equal program	\$ 1,200
Walmart - Bonney Lake	Awarded Summer Reading	\$ 250
Greater Tacoma Community Foundation Vibrant Communities Grant	Block Play - materials for Graham, Awarded Summit, Milton, Bonney Lake, Buckley Poster, Parent Program and Love Talk	\$ 8,000
EAOP Grants/WSL	Awarded Play parties	\$ 3,000
Wells Fargo	Awarded Summer Reading	\$ 2,500
Macy's	Awarded Summer Reading	\$ 2,500
South Sound Sylvan Learning Centers	Awarded Summer Reading	\$ 1,000
Total 2012-2013		\$ 18,450

In Process

Rotary 8	In Process Books for Block Play	\$	5,000
Costco	In Process Summer Explorer	\$	10,000
Safeco	In Process Summer Explorer	\$	10,000
Bamford Foundation	In Process Early Learning		??
George & Dorothy Babare Foundation	In Process Senior collections	\$	7,500
The Babare Foundation	In Process Senior collections	\$	5,000
Ben B. Cheney Foundation	In Process Senior collections	\$	15,000
Fuchs and Florence Kilworth Foundations	In Process Storytelling/puppet shows	\$	5,000
Roman Meal	In Process Summer Reading or PC READS		
Amazon	In Process New partnership		??
	Wells Fargo, Sylvan, Macy's, Fred		
Summer Reading sponsors	In Process Meyer, Safeway, etc.	\$	20,000
Brown and Haley	In Process Summer Reading or PC READS		

Researching/Next in Line

Outreach to seniors/senior collections prospect research	Planned Senior outreach		
South Hill prospect research	Planned Capital project		
June and Julian Foss Foundation	Planned Puppet shows/storytelling	\$	7,500
	Senior collections or early learning		
Dan and Pat Nelson Foundation	Planned programs.	\$	7,500

Pending**Submitted**

Bill & Melinda Gates Foundation	Pending Pre-school Science to Go	\$	50,000	12-Nov
Boeing	Pending Summer Reading sponsorship	\$	2,500	8-Nov
LT Murray Family Foundation	Pending Outreach to schools vans	\$	15,000	30-Oct
Build a Bear	Pending Books for Block Play	\$	5,000	28-Oct
Umpqua Bank	Pending Summer Reading sponsorship	\$	2,500	24-Oct
William Kilworth	Pending Senior collections	\$	7,500	22-Oct
Group Health	Pending PC READS sponsorship	\$	2,500	4-Oct
UWT	Pending Summer Reading sponsorship	\$	2,500	9-Oct
Frank Russell Company	Pending Summer Explorer	\$	7,500	30-Sep
Jean E. Thomson	Pending Summer Explorer	\$	7,500	26-Sep
Nordstrom	Pending Enhanced Block Play	\$	10,000	10-Sep
BNSF	Pending Outreach to schools vans	\$	10,000	29-Aug
Boeing Employees Community Fund	Pending Outreach to schools vans	\$	40,000	23-Aug
Discuren Foundation	Pending Enhanced Block Play	\$	40,000	12-Aug
Sequoia Foundation	Pending Outreach to schools vans	\$	50,000	23-Jul
	Creative Leadership Award - collections			
Paul G. Allen Family Foundation	Pending strategy	\$	50,000	25-Jun
Muckleshoot Tribe	Pending Native American collections	\$	5,000	7-Feb
		\$	307,500	

Declined

Medina Foundation	Declined Summer Explorer	\$	15,000
PACCAR	Declined Outreach to schools vans	\$	10,000
State Farm	Declined PC READS sponsorship	\$	5,000
Baker Foundation	Declined Block Play enhancement	\$	7,500
Amgen	Declined Summer Reading Major sponsor	\$	10,000
Norman Archibald Foundation	Declined Outreach to schools vans	\$	10,000
Forest Foundation	Declined Block Play enhancement	\$	15,000
Lego Children's Fund	Declined Enhanced Block Play	\$	5,000
Chase	Consider declined Read for the Record books.	\$	2,500
Foundation for Early Learning	Declined Pre-K portion of Science to Go.	\$	35,000
Ben B. Cheney Foundation	Declined Outreach to schools vans	\$	25,000
Boeing	Declined Block Play enhancement	\$	25,000
	Mini iPads for Lakewood branch story		
Lakewood Community Foundation	Declined telling	\$	5,000
Commencement Bank	Consider declined Summer Reading	\$	500
Walmart	Consider declined Summer Reading	\$	1,000
Fred Meyer	Consider declined Summer Reading	\$	2,500
CenturyLink	Declined Summer Reading	\$	2,500
Comcast	Declined Summer Reading	\$	10,000
AAA	Consider declined Summer Reading		Open
Puget Sound Energy	Consider declined Summer Reading	\$	2,500
America's Credit Union	Declined Summer Reading		Open
CDW	Declined Summer Reading		Open
Sound Credit Union	Declined Summer Reading		Open
TAPCO Credit Union	Declined Summer Reading		Open
Safeway	Declined Summer Reading	\$	2,500
Barnes and Noble	Declined Summer Reading		
Great Day Foundation	Declined Block Play	\$	5,000

Pierce County Library Foundation
Statement of Revenue and Expenses
For Twelve Months Ending June 2013

	Current Month	Year to Date	2012-13 Budget	Last Year to Date
<i>Unrestricted Revenues</i>	11,488.75	128,165.40	115,000.00	122,879.84
<i>Temporarily Restricted Revenues</i>				
Books and Resources	-	5,525.00	11,000.00	2,696.00
Programs for Young Readers	3,328.90	35,503.90	29,000.00	22,418.75
Programs for Adult Learners	-	-	-	-
Community Outreach	-	15,000.00	25,000.00	10,000.00
Special Projects	1,212.52	175,807.79	165,000.00	79,829.74
In-Kind	12,913.13	12,913.13		19,320.95
<i>Permanently Restricted Revenues</i>	6,368.13	6,368.13		(4,798.05)
Total Revenues	35,311.43	379,283.35	345,000.00	252,347.23
<i>Operating Expenses</i>				
Fundraising Expenses	211.54	29,098.23	33,000.00	40,950.64
Administrative Expenses	439.54	10,866.87	11,890.00	10,375.47
Marketing Expenses	1,161.66	5,164.02	8,500.00	8,136.86
Total Operating Expenses	1,812.74	45,129.12	53,390.00	59,462.97
<i>Program Distributions **</i>				
Books and Resources	24,500.00	24,500.00	31,000.00	31,496.00
Programs for Young Readers	50,644.26	55,769.00	55,000.00	53,562.41
Programs for Adult Learners	35,550.00	35,550.00	-	-
Community Outreach	14,450.00	15,000.00	40,000.00	20,007.65
Special Projects	91,366.42	189,235.77	165,000.00	133,376.17
In-Kind Gifts	12,913.13	12,913.13		19,320.95
Total Distributions	229,423.81	332,967.90	291,000.00	257,763.18
Total Expenses & Distributions	231,236.55	378,097.02	344,390.00	317,226.15
Net Revenues Over Expenditures	(195,925.12)	1,186.33	610.00	(64,878.92)

** Combines temporarily restricted and unrestricted distributions approved by the board.

Pierce County Library Foundation
September 24, 2013

2013-14

Development Plan



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I. 2013-14 Board of Directors

Michael Gordon, President
Mary Ann Woodruff, Vice President
Molly Stuen, Secretary
Kari Kennard, Treasurer
Janice Ludwig, Member-at-Large

Cynthia Chaney
Jack Conway
Joan Cooley
Larry Faulk
Kathryn Galbraith
Caireen Gordon
Kim Heggerness
Craig Richmond
Tim Sherry
Adam Small
Danielle Small
Stacy Topping
Karen Triplett
Doug Whitton
Shelia Winston

Committee Chairs

Kari Kennard, Finance
Larry Faulk, Co-Chair, Board Development
Kathryn O. Galbraith and Joan Cooley, Annual Giving Co-Chairs
Kari Kennard and Adam Small, Corporate Gifts Co-Chairs
Janice Ludwig, Leadership Gifts

Staff

Lynne Hoffman, Foundation Director
Julie Kramer, Development Associate
Karen McGhee, Development Assistant

II. Mission & Case for Support

Mission: To raise, manage and allocate funds to support the Pierce County Library System and enhance library services and programs.

Case for Support: The Pierce County Library Foundation makes a positive impact in our community by initiating, extending and sustaining essential library services for everyone, from birth to the elderly, in all economic situations and backgrounds. Gifts from a generous public makes a difference by funding books and resources, literacy, learning and outreach programs that often target underserved populations.

Foundation funding will focus on strengthening Early Learning Programs and sustain the Senior Outreach Program beyond the scope of traditional funding sources through 2015.

III. Long-range Fundraising Goals

- **ACHIEVED!** Multiple sources of annual support that cover expenses and fund current programs.
- Core programs that are sustained without reliance on restricted grant support.
- A strong base of 80% of renewable support from individuals.
- A reliable source of new donors.
- **ACHIEVED!** A community of 1,000 active annual Library supporters who are recognized for their impact as investors and advocates of the Library.
- A future goal of \$500,000 in annual support.
- Library program initiatives that generate \$500,000 in major gift support for special projects.
- 2.5 million in endowments, established in part through planned giving, that expand resources for the future.

IV. 2012-13 Accomplishments

The Pierce County Library Foundation performs a vital role as the fundraising arm of the Pierce County Library System. It is an integral part of the Pierce County Library System.

The Foundation funds current and ongoing needs –

- **140 at-risk children** are preparing for kindergarten by participating in Block Play, a new program introduced initially in **seven library locations** in partnership with local ECEAPs in their communities. Grants were submitted to secure funding for Block Play in all branch libraries.
- Jobseekers submitted resumes and received **2,700 coaching sessions** improve their resume and find a job.
- **21,000 young readers** get excited about books through the Summer Reading Program. Youth librarians promoted summer reading in more than **100 schools**, visiting **1,102 classrooms**.
- **500 in attendance** at Pierce County READS free community event featuring Paula McLain. **676** people attended theme-related programs and checked out **4,684 copies of *The Paris Wife***.
- **973 fiction, poetry, art and photography entries** were submitted by teens from **80 schools** in Pierce County in the *Our Own Expressions* contest. **\$2,700 in cash** prizes awarded.

The Foundation also raises funds for capital needs --

- To create a flexible meeting room at **Key Center Library**, making it useable throughout the day for adults, students and early learners. Celebrating with a donor preview party.
- To create age-appropriate learning environments at **Lakewood Library** for children, tweens and teens.

V. 2012-13 Review

In 2012-13, the Pierce County Library Foundation achieved the following:

- Raised a total of **\$1,570,637** over the past 5 years. Table A.*
- Raised a total of **\$379,283** in 2012-13, an increase of **50%** over last year.
- Unrestricted giving increased by **4%** over the previous year. Unrestricted annual giving increased by **74%** over the past five years.
- Active donors in 2012-13 totaled **1362**, acquiring **554** new donors and retaining **39%** of new donors acquired in the previous year. Tables B. & C.*
- **59%** of donors renewed their gift from the previous year. Table D.*
- Distributed a total of **\$1,516,711** for library programs over the past 5 years. Made distributions totaling **\$332,968** in 2012 - 13. Table G.*
- Recognized **21 businesses** as Summer Reading sponsors in 2013. **Four** were Gold level sponsors.
- Welcomed **7** new members to the board.
- Received **10** grant awards totaling **\$125,500**.
- Raised a total of **\$45,094** from Key Center/Lakebay residents to create a flexible meeting space at the **Key Center Library**.
- Raised a total of **\$146,716** from Lakewood residents to enhance children's learning environments at **Lakewood Library**.
- Dedicated the **Steve Albers Early Learners** area at the Lakewood Library, June 8, 2013, in memory of Steve's generosity, service and dedication to Pierce County Library System.
- Celebrated! Invited donors giving \$250 or more to a private reception prior to the **Pierce County READS** author event and donors giving \$500+ to **A Literary Evening** at the home of Steve and Wendy Gray.

*Tables located on page 17-18

VI. 2013-14 Fundraising Environment

Strengths

1. Board of Directors official & unofficial networks
2. Organized Development Plan
3. The work of the Foundation is meaningful and significant for the library and community
4. Staff support
5. Library's increased exposure means greater awareness to potential donors

Weaknesses

1. Need better metrics for donors and services analysis (program results per dollars raised)
2. Inertia (change schedule of meetings)
3. Need to raise more money
4. Not as ambitious as we could be
5. Takes a year for a new board member to get acclimated

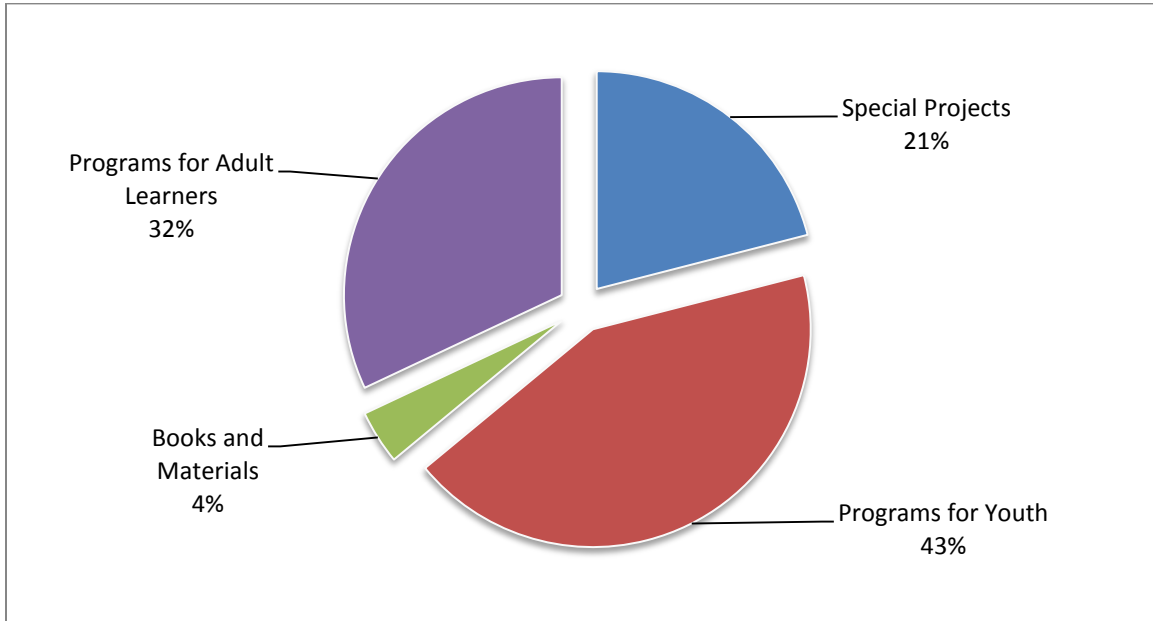
Threats

1. Perceptions of the obsolescence of libraries
2. Lack of knowledge about the library. About Foundation.
3. Helping prospective donors get over the tax argument – We already pay for this.

Opportunities

1. More fundraising training for the board
2. More thank you opportunities
3. Tour of home libraries – See library in action, employees, patrons. Meet people in catchment areas.
4. There is more we can do. We could fund more with more money,
5. Educate board members so we can be the best ambassadors.
6. Op Eds.
7. Think bigger.

VII. 2013-14 Funding Priorities



Does not reflect Managed by Foundation and In-Kind distributions

Programs for Young Readers

General Programs for Young Readers

An umbrella category that encompasses programs for children from cradle to college. Children's programs include services that are offered within a library setting or off-site in the community at childcare centers, in-home childcare and other organizations serving children. Gifts can be designated to Programs for Young Readers. The funds will be used where the need is greatest within the category.

Block Play

STEM (Science-Technology-Engineering-Math) learning is currently incorporated in seven library locations in partnership with local ECEAPs with activities using wooden blocks. The Libraries also offer informal monthly Block Play parties for the public, as well as uses the blocks for free play time after story times. Funding has been awarded to add block play centers into 16 branch libraries.

Early Learning

The Foundation has made Early Learning (children birth – 8 years old) and preparing pre-schoolers for kindergarten a funding priority through 2015. The Early Learning Program includes literacy training for childcare providers, book delivery to childcare centers, Block Play programs, AWE computer stations and may include support for storytimes and capital needs related to Early Learning.

Our Own Expressions

A teen writing and art contest for budding authors and artists in grades 7-12. Winning entries are rewarded with cash prizes and the winning students present their work at an awards ceremony in May.

Summer Reading

An eight-week program of free presentations, prizes, and incentives encouraging children and teens to read every day during the summer, a component of Programs for Young Readers.

Teen Challenge

Game component for the Teen Summer Reading Program. More than 600 participants the first year. Tweens and teens perform learning tasks and win badges.

Programs for Adult Learners

Library Card Drive

Promotional activity in October encouraging people to register for a library card.

Pierce County READS

A community-wide reading program in which residents are encouraged to read and discuss a featured book. The author is invited for a free presentation at the culmination of the program.

Senior Outreach

The Foundation has made sustaining Senior Outreach a funding priority through 2015.

Visits by library staff to adult care facilities in the library's service area bringing reading materials in various formats to the elderly. Reader's advocacy – choosing books that appeal to readers' interests and tastes – is a big part of this personal service.

Books and Resources

General Books and Resources

An umbrella category of funding that includes books in all formats, movies, music and electronic resources like downloadable books and database subscriptions (For example, ValueLine, Consumer Reports, Chilton Auto Manuals). Gifts can be designated for Books and Resources, then used where the need is greatest in this category.

Book Discussion Kits

A popular Foundation-funded program serving more than 200 registered book clubs.

Restricted Branch Gifts

Donations for which the donor designates a specific branch. Generally, the gifts are used for books.

Special Projects

University Place Library Campaign

A "furnishings and fixtures" fundraising campaign to add technology, early learning elements and other enhancements to the new University Place Library...at the heart of it all. More than \$600,000 in gifts and pledges was raised. The campaign has ended but the Foundation is still receiving pledge payments.

Lakewood Library Project

A special renovation project to incorporate updated learning environments for children, tweens and teens in the Lakewood Library. The funding will remodel the current children's area, adding interactives, furnishings, computers and kid-size shelving and displays. \$146,716 in gifts and pledges was raised.

Key Center Library Project

A fundraising effort that involves working with the Friends of Key Center Library to create a flexible space that can be configured in many ways to be used every hour of the day. Using adaptable furnishings and fixtures, the room will give students a place to go after school. \$45,094 in gifts and pledges was raised.

South Hill Library Project

A fundraising plan to raise \$100,000 or more to update and refurbish an adult reading lounge with browsing displays, more places to plug in laptops and other electronic devices and a built-in display for the Friends Book Sales.

Gamification

The Foundation received a \$175,000 grant from the Paul G. Allen Foundation to serve as "risk capital" for the library. The funds are being used to develop a game for library users and new customers to win points, badges and prizes by using library resources and services.

VIII. 2013-14 Goals and Objectives

★ Board Involvement

Goal: Strengthen fundraising activity.

1. Grow active donor-base to 1500 (LY: 1346)
2. Acquire 550 new donors (LY: 554)
3. Renew 60% active (and lapsed) donors (LY: 59%)
4. Increase the number of donors giving \$500+ by 40 (LY: 78)

Objective 1: Annual Giving generates \$110,000 in gifts under \$499 (LY: \$83,770)

- Contract with Carl Bloom for one acquisition mailing
- Send four renewal mailings in-house
- Develop brochure self-mailer for adult care facilities

Objective 2: Leadership Giving generates \$180,000 - gifts \$500+ (LY: \$103,809)

- 50 donors at the First Edition Society level - \$50,000★
- 60 donors at \$500 giving level - \$30,000★
- Generate \$100,000 for South Hill Library enhancements★

Objective 3: Corporate Gifts Committee generates \$45,000 (LY: \$40,250)

- Generate \$20,000 in Young Readers sponsorships★
- Secure \$15,000 from Pierce County Reads sponsorship and event sponsor★
- Develop sponsorship opportunities online to generate \$10,000★

Objective 4: Grants generate \$215,000 - General programs for youth \$80K, Early Learning programs \$90K and Outreach to Seniors \$45K.

- Submit 6 grants between \$25K - \$100K (50% success rate targeted)
- Acquire 7 new grant funders - \$5K - \$25K
- Renew grant funding from 5 lapsed grant funders - \$5K - \$25K
- 100% board giving – critical for grantors★

Goal: Communicate with donors and prospects in more ways

Objective 1: Board Contact with Donors

- Donor receptions – A Literary Evening (\$500+) and PC Reads (\$250+)★
- Board thank you and follow-up calls★
- Board solicitation calls and board prospect recruitment tours★

Objective 2: Strengthen the foundation online presence

- Create Facebook presence provide content updates★
- Increase number of active email addresses★.

IX. Strategies

Leadership Giving – Targeted fundraising

Prospect Identification/Strategy Development

Board members review recent donors to the Foundation in terms of their capacity and potential willingness to make a leadership gift. Strategies to cultivate or steward donors to bring them closer to the library are put into place accordingly.

Phone Calls and Visits

Making phone calls is an easy way for staff and board members to thank donors and personally invite them to donor recognition events. The very best way to tell your story and make an ask for a gift is for a face-to-face visit. For comfort, personal visits are best when a staff person and a volunteer are both involved. These two strategies have the highest ROI since there is usually very little cost in generating the gift.

Grants

The number of grant proposals will increase significantly this year and target larger amounts, lapsed grant funders and funders who have never supported the Libraries. Staff will work to meet personally with grant funders who are open to this method of contact, reach out to current and prospective grant makers in meaningful ways and continue to educate this community about the value of library programs and how critical their support is during these economically challenging times.

Targeted Donor Solicitations via Mail

Letters signed by a Board volunteer, Board President or Library Director Neel Parikh are the primary solicitation tools. The body of the letter is personalized and donors are thanked for their past support. Donors are asked to join the First Edition Society.

Board Recruitment and Development

Often the best source of engaged board members are donors. They are already passionate about the cause and have invested in the library. Board members are asked to recruit at least one qualified board member each year to continually build and refresh the board. A maximum of 25 members can be on the board. A practical goal is 20 active members.

Annual Giving – Building the donor base

Direct mail

Even in this day and age of electronic communications, the most effective fundraising method for acquiring new donors continues to be via the mail. Through Carl Bloom direct mail house, the foundation can rent lists with a higher response rate based on giving and purchases made through the mail, and use proven solicitation strategies that we would otherwise not have access to – thus spreading our professionally written message deeper into the communities we serve. We can include patrons in these mailings as well. These requests are normally for unrestricted “area of greatest need” type gifts.

In house/program focused mailings

Once a prospect becomes a donor, the challenge is to make another request for support that encourages that donor to become loyal donor, making giving to Pierce County Library a priority among their charitable causes. We will begin to use demographic segments as defined in Community Connects, a new software program that is being implemented by the library to guide services and collection development. By creating fundraising appeals that are donor centered, we can test targeted segments to determine their willingness to give.

Events

A Literary Evening

A Literary Evening is the Foundation's opportunity to thank our donors personally and cultivate continuing relationships. The reception features an author presentation and each donor who attends gets a copy of the author's book for signing as a gift from the Foundation. A Literary Evening honors donors who gave \$500+ in the past year. Board members are encouraged to invite potential donors as guests.

PC READS Author Reception

This event is reserved for donors who make gifts totaling \$250 or more throughout the year. The reception provides an opportunity for staff and board members to interact and thank donors. Prospective donors may also be invited by board members to introduce them to the foundation.

Our Own Expressions Reception

Our Own Expressions is a writing and art contest for teens. The Foundation hosts an awards ceremony and reception where the winning students present their work. Approximately 130 families, teachers, and friends of the winners attend the awards ceremony each year. Commemorative editions of the winning entries are available for purchase at the reception.

Communications

Online communications

Raiser's Edge

New capabilities that combine the functions of our website with information in our database will enable the foundation to distribute more targeted messages via e-communications (newsletter, email, etc.). The giving functionality of the new site provides an easier processing of gifts.

Facebook

The Foundation will build exposure on the Library's Facebook page to encourage donor support and inform Facebook users about the importance of financially supporting the library. Board members are encouraged to Like, Share, Comment and send ideas for posts by the Foundation Office.

Email Lists

The Foundation has begun to successfully capture more email addresses for individuals connected to the library either as patrons, event attendees or donors. A thoughtfully constructed email program will be developed to continue to grow this base, touch these individuals regularly, inform them of the many benefits of the libraries and encourage financial support of important library programs. Board members are encouraged to keep their email contacts apprised of library happenings and issues and giving opportunities.

BookEnds Newsletter

As we get more new and renewing donors, it is important to ensure that they feel thanked and appreciated – that they know the gift they made was spent on important programs that benefit the community. We will continue to mail three BookEnds Newsletters each fiscal year. Each newsletter provides information on programs and services supported by the foundation, updates from the library system, contains a donor list that recognizes current supporters, and provides a giving envelope in the hopes that something in the newsletter will inspire a gift.

Your Library eNewsletter

Once a month the library distributes information via email that talks about current issues, upcoming events, etc. The Foundation provides content that highlights giving and special donors. Each story links to something that can be found on the Foundation's webpages – including a link to our donation page.

Branch Visibility

The Foundation will continue to work towards developing a culture of philanthropy throughout Pierce County Library System by regularly attending regional meetings and engaging staff in Foundation news. It is important to regularly educate staff about Foundation work and the importance of donor

support so they can spread the word to those they know and support the efforts of the Foundation in the branches.

Twice this year, all branch mass-communication devices will focus on the foundation – including screen saver/shots, messages on receipts at check-out, posters, etc. Smaller posters will remain out during the “non-focused” months that will also make an envelope available.

PROUD DONOR cards

Providing new “donor” library cards to people who make gifts of \$50 or more is a way to strengthen relationships between library staff and donors. Donors who use the card may get thanked in person by staff who’s programs are beneficiaries of the generosity of the community.

X. Timeline

KEY ACTIVITY AREAS:

Communication (cultivation/stewardship of the masses)
Annual Giving (solicitation)
Leadership Giving (cultivation, solicitation and stewardship of donors \$500+)
Grants
Recognition Events
Corporate Giving
South Hill Library Project

Activities	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
BookEnds												
Your Library												
Displays, mousepads, receipts, homepage ad												
In-house Annual Giving mailings*												
Outsourced Acquisition mailing												
Staff solicitation												
Welcome new donor postcards												
Email "campaigns"												
First Edition Society mailings**												
Personal Visits												
Grant Submissions												
Summer Reading sponsor solicitation												
Sponsorship Brochure												
A Literary Evening												
Pierce County READS donor reception-Apr.25												
Our Own Expressions-May 28												
South Hill Library Project												

* AG Kick-off, follow-up, holiday, upgrade, AG Spring, follow-up, end of year

** AG Kick-off, holiday, upgrade, end of year

Board Involvement Calendar	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Board Meetings			24-Sep	22-Oct		3-Dec	28-Jan	25-Feb	25-Mar	22-Apr	27-May	24-Jun
Executive Meetings												
Committee Meetings												
Secure Sponsorships*												
Contact Leadership Donors**												
A Literary Evening				TBD								
Pierce County READS										25-Apr		
Our Own Expressions Awards											28-May	
Board Recruitment***												

* Summer Reading, Our Own Expressions, DataBase

**Nov/Training, Nov-Dec/ALitEve Books, Mar-Apr/PCReads, June/EOY

*** Annual Meeting/Board confirmation

XI. 2013–14 Board Activity Calendar

APPROXIMATE TIMES MEETING DATES	SEPT 24	OCT 22	NOV	DEC 3	JAN 28	FEB 25
Meeting 7:30 – 8:00 am	Business Meeting Library Dir. Report	Business Meeting Lib. Dir. Report	No Meeting	Business Meeting Library Dir. Report	Business Meeting Library Dir. Report	Business Meeting Lib. Dir. Report
Committee Work Groups 8:00 – 8:45 am	Development Plan Approve Distributions	Committee Meetings		Committee Reports	Committee Meetings	Committee Reports
Education 8:00 – 8:45 am			Training	Pierce County READS	Our Own Expressions	South Hill Library
Events		A Literary Evening - Oct 2	Retreat – Nov 22			

APPROXIMATE TIMES MEETING DATES	MAR 25	APR 22	MAY 27	JUNE 24	JULY-AUG
Meeting 7:30 – 8:00 am	Business Meeting Library Dir. Report	Business Meeting Library Dir. Report	Business Meeting Library Dir. Report	Annual Meeting Business Meeting Lib. Dir. Report	Summer Break
Committee Work Groups 8:00 – 8:45 am		Committee Meetings	Budget Planning	Preliminary Budget Approval	Executive Committee Meets Committee Chairs Meet
Education 8:00 – 8:45 am	Community Connect	Program Updates			
Events		Pierce County READS Apr. 25	Our Own Expressions May 28 (Tent.)		

I. Meeting segments

- a. Business meeting
 - i. Items requiring a motion
 - ii. Fundraising reports
 - iii. Library Director reports
 - iv. Foundation management items
- b. Committee Work Groups
 - i. Annual Giving, Marketing
 - ii. Leadership Giving, Cultivation and Recognition
 - iii. Corporate Gifts (Summer Reading Program, PCReads, OOX)
 - iv. Events (A Literary Evening, PCReads donor reception, OOX)
 - v. Communication (Newsletter, Social Networking, Website)
- c. Education
 - i. Guest Speakers
 - ii. Library program directors/department manager

a. Foundation infrastructure

- i. Finance & Budgets
 - ii. Board recruitment
 - iii. Board development
 - iv. Policies and Agreements
 - v. Retreat
- b. Fundraising
- i. Unrestricted Gifts
 - ii. Donor Designated major gifts
 - iii. Sponsorships
 - iv. Planned Giving
 - v. Grants
- c. Donor Development
- i. Acquisition
 - ii. Renewals
 - iii. Communication
 - iv. Recognition

II. Work priorities

XII. 2013-14 Budget Worksheet

Revenues/Fundraising Targets	Total	Unrestricted	Restricted
Annual Giving	\$ 110,000	\$ 90,000	\$ 20,000
Leadership Giving	\$ 180,000	\$ 80,000	\$ 100,000
Corporate Giving/Sponsorships	\$ 45,000		\$ 45,000
Grants	\$ 215,000		\$ 215,000
Total	\$ 550,000	\$ 170,000	\$ 380,000
Expenses/Operations			
Fundraising	\$ 35,000	\$ 35,000	
Recognition	\$ 5,000	\$ 5,000	
Administration	\$ 15,000	\$ 15,000	
Marketing	\$ 5,000	\$ 5,000	
Total	\$ 60,000	\$ 60,000	
Admin ratio to Programs	11%		
Expenses/Projected Distributions			
Funding for Books and Resources			
General Books and Materials	\$ 10,000		\$ 10,000
Restricted Collection	\$ 10,000		\$ 10,000
Total Funding for Collections	\$ 20,000	\$ -	\$ 20,000
Funding for Programs for Youth			
General Programs for Young Readers	\$ 108,000		\$ 108,000
Early Learning	\$ 100,000	\$ 10,000	\$ 90,000
Total Funding for Programs for Youth	\$ 208,000	\$ 10,000	\$ 198,000
Funding for Programs for Adult Learners			
Senior Programs	\$ 152,000	\$ 97,000	\$ 45,000
Pierce County READS	\$ 15,000		\$ 15,000
Total Funding for Adult Learners	\$ 157,000	\$ 97,000	\$ 60,000
Special Projects			
South Hill Project	\$ 100,000		\$ 100,000
Total Funding for Special Projects	\$ 100,000	\$ -	\$ 100,000
Funds managed by the Foundation			
Misc.	\$ 5,000	\$ 3,000	\$ 2,000
Various Funds	\$ 5,000	\$ 3,000	\$ 2,000
Total Programs	\$ 490,000	\$ 110,000	\$ 380,000
Total Operation Costs	\$ 60,000	\$ 60,000	
Total Operation and Programs	\$ 550,000	\$ 170,000	\$ 380,000

XIII. Tables

Table A. Total Giving – All Campaigns

adjusted	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Projections
Total	\$217,480	\$363,139	\$458,388	\$252,347	\$379,283	\$550,000
Unrestricted	\$74,110	\$77,504	\$146,591	\$122,880	\$128,165	\$170,000

Table B. Donors

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Projections
Total	743	894	960	1437	1362	1500
Individuals	702	851	919	1391	1328	1400

Table C. New Donors

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Projections
Total	245	309	373	748	554	550

Table D. LYBUNTY & Renewals

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Projections
LYBUNTY	241	257	405	409	693	630
Renewals	498 (67%)	585 (65%)	587 (61%)	689 (48%)	808 (59%)	953 (64%)

Table E. Gift Table

2012-13 gross revenue		Giving Level	2013-14 Projections	
Donors	Dollars		Donors	Dollars
1	\$75,000	\$25,000+	3	\$125,000
6	\$68,800	\$10,000 - \$24,999	12	\$135,000
16	\$57,424	\$2,500 – 9,999	30	\$75,000
46	\$55,583	\$1,000 - \$2,499	60	\$70,000
47	\$26,667	\$500 - \$999	55	\$35,000
71	\$21,566	\$250 - \$499	80	\$35,000
245	\$30,214	\$100 - \$249	300	\$35,000
930	\$35,085	Under \$100	960	\$40,000
1438	\$370,339	Totals	1500	\$550,000

Table F. Operational Costs as a Percentage of Total Revenue

2009-10		2010-11		2011-12		2012-13		2013-14	
\$31,360	9%	\$33,970	7%	\$59,462	24%	\$45,129	11.9%	\$60,000	11%

Table G. Foundation History

1970 – Foundation formed
 1976 – Received 501(c) 3 status
 1992 – First Development Director, Sallie Zimmer
 2006 – Moved from calendar to July 1-June 30 fiscal year

Year	Revenue	Gifts to Library
1995	\$50,527	\$40,565
1996	\$86,500	\$54,110
1997	\$48,129	\$13,145
1998	\$37,627	\$50,519
1999	\$52,054	\$38,107
2000	\$108,958	\$105,666
2001	\$226,620	\$205,345
2002	\$294,858	\$282,819
2003	\$194,323	\$60,965*
2004	\$166,688	\$42,582*
2005	\$236,866	\$221,855
2006	\$106,199 (6-mos.)	\$110,894
2006-07	\$191,325	\$143,591
2007-08	\$357,084	\$168,641
2008-09	\$217,480	\$202,535
2009-10	\$363,139	\$359,822
2010-11	\$430,715	\$382,944
2011-12	\$252,347	\$238,442
2012-13	\$379,283	\$332,968

*Funds held for Kids Bookmobile distribution

XIV. Attachments

Attachment A.

Early Learning Programs

Compelling Need: *Why should we be concerned about this?*

In Washington State, over half of the children enter kindergarten below skill level. This means that half of the children are behind before they even get started on their education. This startling trend has the state's and library's attention and considerable effort to turn it around has become a priority.

Project Description: *How do you describe the program to others?*

Early learning and supporting youth in building skills to succeed in school and the future are core priorities for the Pierce County Library System and the community it serves. In a recent survey of library programs, the community ranked Early Learning in the top five priorities for their household.

We know that so much learning happens before the age of five and Pierce County Library understands the importance of being a leader in Early Learning. The Library has a knowledgeable staff, connections to child cares, schools and the community and is known by parents and care givers everywhere as an incomparable resource for learning.

In order to sustain and introduce new programs to meet community need in these years of budget cutbacks, the library must reach out to find more sources of funding. That's where the Pierce County Library Foundation and you come in. Your support can make this happen.

The Library began implementing early learning programs in 2000 after Governor Locke convened the first state Early Learning Coalition in 1998. In 2006, Governor Gregoire established the Department of Early Learning and in 2007, Washington State Libraries formed the first ever Early Learning Public Library partnership. A key milestone occurred in 2011 when Washington State was awarded one of nine Race to the Top grants for \$60 million.

An integrated approach to Early Learning at Pierce County Library's includes both in-branch programs and outreach to the community. Many programs are established and some seek to expand offerings to ensure our youngest patrons are prepared to enter school ready to learn. Still others are in the testing stage and show great promise for preparing children for success in learning.

One example of a highly successful Pierce County Library Early Learning initiative is the Ready for Books in-home child care providers program. This program trains Home Child Care providers in early literacy skills that children need in order to be ready to read in school.

Other Early Learning programs at Pierce County Libraries include: “Ready for Books” a book delivery program serving 7,700 children in 163 child care centers and in-home child cares, childcare provider certification training (MERIT and STARS), in-branch story times serving nearly 15,000 children annually, Summer Reading Wee Ones, and the new and wildly popular Block Play program that teaches early STEM concepts.

Supporting **Block Play** for EACAPs and Head Start classes has become a priority for the Libraries and the Foundation. Transportation to attend Block Play is no longer available to the ECEAPs/Head Start programs that serve an at-risk population of children ages 4-5. The Foundation is approaching grantors to support this critical resource as well as to expand the Block Play program to include free books, free block sets for the home, parent trainings, institutional library cards so the children can check out a book for the classroom, a walk-through of the Library with the children after story time and further resources to introduce parents to the library.

The Library recently received funding for a new Young Readers program called **K-3 Science to Go**. This program will start in 2014 and will consist of themed backpacks filled with science books and curriculum sheets for parents. The sciences will come alive with topics like Who has Seen the Wind?, Fun with Balance, Magnify!, Difference Between Wild and Tame Animals, and Parts of a Computer. The Foundation is now approaching funders to support research and program development of a Preschool Science to Go program.

This past summer, Pierce County Library launched a twice-weekly outreach service called **“On the Road with Summer Reading”**, bringing the library to young children and parents of young children who do not have transportation to the libraries in eight low-income neighborhoods. Having books in the home has often been cited as the number one predictor of student success. This is particularly important during the summer months when low-income students show a disproportionately high summer reading gap when they are in school. The rich/poor reading gap by 12th grade is four-years (!) and 80% of the rich/poor achievement gap comes from summer setback. (*Eliminating Summer Reading Setback: How We Can Close the Rich/Poor Reading Achievement Gap* by Richard L. Allington and Anne McGill-Franzen.)

Using the Explorer Bookmobile, (this Bookmobile is younger than the other two and very visible), in eight weeks 989 patrons were served. In addition, 112 new library cards were issued and 159 children were signed up for the Summer Reading program.

The funding Goal is \$38,000 to sustain and grow the Summer Explorer program in 2014 to provide service 5 days a week at 16 locations for 9 weeks. This amount funds Librarians, a driver with a CDL license (required for this vehicle), support staff, fuel and maintenance. This amount will also provide storytellers, free books for reading incentives for children reaching reading goals, additional programming to tie with next year's Summer Reading theme Fizz! Boom! Read! (all about science) and other fun reading incentives. With a full time summer operation, the Library expects to serve between 2000 – 3000 children and parents. With the addition of story times, it is expected that a larger population of early learners will be served.

Why is additional funding needed? How much do you need? What will it buy? How will it benefit those served?

Give – Because you understand that learning in the first five years of life will largely determine a child's outcome in life. Children who are not ready for school will quickly fall behind and, as adults, will be at a higher risk of unemployment, poverty, committing violent crimes, undergoing teen pregnancy, and perpetuating a cycle of illiteracy that will prevent them from experiencing success in school and in life.

Supporting early learning through our libraries is a sound investment in our community and the future of our children. Pierce County Library has asked the Foundation to set \$100,000 per year for two years as a funding target. Consider that:

- \$50 will purchase 10 baby board books for infant rooms across Pierce County and support literacy training for childcare center providers
- \$250 will buy one literacy kit so a home child care providers can prepare their children to be ready to read in school
- \$375 purchases a Science to Go programming kit for librarians to use at special events.
- \$1,500 funds one week of puppet shows.
- \$2,000 will fund one ECEAP/Head Start class's participation in a Library Block Play Party session (5 weeks, 5 free books for each child, one set of blocks for the home, two parent nights and transportation to the library).
- \$12,000 provides one year of childcare provider workshops – benefiting between 6,000 – 8,000 children each year.

How Early Learning Programs Impact Our Community

Jo Cruz recently traveled to Washington D.C. with Pierce County Library System's Executive Director, Neel Parikh, and Board President Linda Ishem, to accept the National Institute of Museum and Library Services Medal for Pierce County Libraries. Jo took her young children on frequent trips to the library. Picture book browsing and story time has evolved to sophisticated research, as her son prepares to graduate high school this spring. Jo's parenting experience showed that a foundation in literacy greatly impacts children in preparation for their future.

Now, as a child care professional, Jo is committed to supporting this idea and plans early literacy activities for the children in her care. The library is a major resource for Jo – providing idea kits, materials, and even hosting block parties and group meetings for child care professionals. "Families, child care professionals, and our Pierce County Library System are team players in this community. It is reassuring to know that the success of our children is supported by passionate people concerned about the future of our little ones," said Jo.

The Library's Customer Experience Manager - Youth for Pierce County Library System, Judy Nelson, has led early learning development at Pierce County Library System and in the community for the past 11 years. Ms. Nelson is:

- Co-chair of Pierce County's First FUNdamentals early learning coalition,
- Treasurer for the Alliance for Youth of Pierce County,
- Member of the United Way Education Impact Team and Pierce County Linkages oversight team member.
- On the Early Learning Public Libraries Partnership and
- The only librarian on the Washington State Early Learning Steering committee.

Ms. Nelson has also received the Children and Young Adult Services' Visionary Award for Service to Children and Young Adults from the Washington Library Association for her work in early learning.

Outreach to Seniors

Compelling Need: *Why should we be concerned about this?*

Libraries are a lifeline for elderly seniors without transportation or unable to travel. The services libraries provide contribute to quality of life. Residents of adult care facilities need mental stimulation to remain engaged. According to the Institute on Aging, "boredom and depression can lead to forgetfulness", and the American Academy of Family Physicians points to inactivity as one of the reasons many elderly fail to thrive. Some of the best ways to keep seniors engaged is listening to books on tape or CD, reading, and listening to music. All of these activities keep brain cells stimulated.

Librarians visiting care facilities reduce the sense of isolation residents may experience. Very often, residents do not have family that can make regular visits. The Library provides a key connection to the outside world. (The library also provides homebound services to seniors through outreach and deliveries via individual branches). Family caregivers give high praise for the services, and "normalcy" the Library provides.

Project Description: *How do you describe the program to others?*

This unique service brings books, large print books, audiobooks, movies, music, eReaders and other materials of interest to and requested by seniors living in care facilities, many confined to rooms or without the ability to leave the premises. Residents of care facilities receive personalized reader advisory services from highly skilled librarians who get to know residents and do much more than just deliver material. They know residents by their first names and are welcomed into their rooms when they are unable to get out of bed. Many rely on outreach librarians to bring them the books they will love to read. Some residents love "classic mysteries" - the kind of book that doesn't tell you who did it until the end. Some ask for "cozy murders" - think Jessica Fletcher and Cabot Cove (if you are old enough to remember), others may want picture books of their homeland.

Librarians and seniors enjoy the camaraderie and friendships that develop. The monthly visit has also fostered camaraderie among residents, with many sharing good reads with one another. In more than one location, informal movie nights occur with several residents gathering in one another's room or in a community area to watch a movie they have chosen from the library's collection together.

On a recent visit, some of the comments that were overheard included “she is sick, but has been waiting for you guys” (a CNA talking to a Librarian), “the Library is here!” (a happy resident), “Oh I loved this one” (a resident showing a book to another resident) and “I have a very special book for you today” (a Senior Librarian sharing the newest Nora Roberts book with a fan of the author). Care facility directors consider the Library an essential service for their residents.

Providing Library service to our vulnerable seniors is expensive on paper because of the high level of one-on-one service delivery. This fact always makes this service vulnerable during times of budget shortfalls. Because we believe these services are critical, The Pierce County Library System has maintained a 40-year, uninterrupted history of providing outreach services to seniors. We now must turn to philanthropic partners to ensure this service continues to serve some of our most vulnerable citizens.

Census data shows that 11% (92,000) of the Pierce County population is 65+. This population is expected to increase by 150% by 2030 and other estimates project the over-65 population will double in size by 2025.

Currently, Pierce County Library checks out 2,000 items to about 250 individuals in 29 adult care facilities each month. In addition, in several locations, materials are selected to support fun group activities conducted by care facility staff. "All About Dogs" was the monthly theme for one facility this summer. Materials from the library also support memory nights or other dementia-related programs.

While facilities often have donated material for residents to read, someone wanting a specific title or topic, or a bestseller will be severely limited in their selection. For residents wanting audiobooks, movies, DVDs and special reading material (one resident loves superhero comics) the library provides unique access.

Recently, a Weyerhaeuser grant provided the opportunity to bring residents e-Readers with a wide selection of books on one reader, a tremendous opportunity to meet the voracious reading needs of specific customers while respecting the limited living spaces in the facilities. eReaders also serve residents with physical limitations. One of the first users of the eReader has crippling arthritis. The eReader is only 4 oz. (compared to a 1.4 lb. large print book) where pages can be moved with the swipe of a finger. 160 extraordinarily good books have been funded for these eReaders to date.

Why is additional funding needed? How much do you need? What will it buy? How will it benefit those served?

Give – Because you understand that learning extends all through our lifetimes. That seniors and the elderly crave stimulation in their daily lives and in some cases are isolated in nursing homes and adult care facilities. Books and the library staff that bring them are lifelines in improving their quality of life. It's the service we're relieved to see provided for our elderly relatives when we can't be there for them. It's the service we hope to have if we are in that situation.

Pierce County Library has asked the Foundation to set \$150,000 per year for two years as a funding target.

Some examples of how you can support vulnerable seniors:

- \$75 will purchase 2 large print books
- \$375 provides one visit and serves between 15 and 50 residents
- \$1,000 purchases 13 talking books
- \$1,100 buys a glo-light eReader loaded with 100 great books for individuals with crippling arthritis. Pages can be turned with a swipe of a finger and this device supports reading in bed at night.
- \$5,000 funds one care facility for a year of visits

Financials Glossary

Statement of Financial Position: (aka the Balance Sheet) A snapshot of the financial health of the organization at one point in time.

Pierce County Library Foundation
Statement of Financial Position
June 30, 2013

ASSETS		
Current Assets		
Petty Cash	\$	100.00
Checking - Key Bank		195,865.71
Checking - Union Bank		100.00
Money Market -Union Bank		125,438.89
Savings -America Credit Union		30.04
Sarah Dickson Endowment		<u>8,115.45</u>
		329,650.09
GTCF Rideout /Steilacoom Endmt	28,825.46	
GTCF Ethel McIntyre Outreach	12,611.66	
GTCF Carolyn Else Collection	11,706.93	
GTCF Ellis Endmt.- Key Center	8,647.51	
GTCF Margaret Ellis Endowment	23,490.62	
GTCF Pierce County Library	<u>810.94</u>	
		86,093.12
UP Campaign Pledges	6,258.10	
Discount on Pledge Receivable	(600.00)	
Allowance for Doubtful Pledges	<u>(1,000.00)</u>	
		4,658.10
Total Assets	<u>\$</u>	<u>420,401.31</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Total Current Liabilities		<u>0.00</u>
Total Liabilities		0.00
Net Assets		
Unrestricted Net Assets	\$	93,431.95
Temp. Restricted Net Assets		23,653.38
Perm. Restricted Net Assets		93,545.57
Net Income		<u>209,770.41</u>
Total Net Assets		<u>420,401.31</u>
Total Liabilities & Net Assets	<u>\$</u>	<u>420,401.31</u>

GTCF: Endowments established by the Foundation and held by the Greater Tacoma Community Foundation. They are Permanently Restricted Assets.

Discount on Pledge Receivables: Pledges expected to be received after the fiscal year end are recognized as revenue at the time of pledge at their discounted value of 2%.

The Sarah Dickson Endowment funds are currently held in the Key Bank Checking Account.

Sarah Dickson Endowment: An endowment held by the Foundation as requested by the donor. A letter of understanding outlines the perimeters of the agreement.

- Distributions Payable: Funds raised in the current year that are committed to be spent in the following year on library programs. The Foundation holds selected funds until the library can incorporate the specific dollars into their budget process.

Statement of Revenue and Expenses: A statement of financial activity within the current fiscal year.

Unrestricted Revenues: Donations to be used where the need is the greatest.

Temporarily Restricted Revenues: Gifts that will be used for their charitable purpose in the near future, usually in a year.

Permanently Restricted Revenues: Gifts held in endowment funds in which the proceeds will always be designated to a particular program.

Operating Expenses: Costs associated with running the Foundation which consists of Fundraising/Recognition, Administration and Marketing.

Program Distributions: Funds expended for their charitable purposes, which are library programs. Distributions may combine unrestricted and restricted revenues as approved by the board. Funds consist of cash expenditures, transfers to the library system or gift in kind.

Pierce County Library Foundation
Statement of Revenue and Expenses
For Twelve Months Ending June 2013

	Current Month	Year to Date	2012-13 Budget	Last Year to Date
Unrestricted Revenues	11,392.54	128,069.19	115,000.00	122,879.84
Temporarily Restricted Revenues				
Books and Resources	-	5,525.00	11,000.00	2,696.00
Programs for Young Readers	3,328.90	35,503.90	29,000.00	22,418.75
Programs for Adult Learners	-	-	-	-
Community Outreach	-	15,000.00		
Special Projects	62.52	174,657.79		
Permanently Restricted Revenues	-	-		
Total Revenues	14,783.96	358,755.88	345,000.00	237,824.33
Operating Expenses				
Fundraising Expenses	211.54	29,098.23		
Administrative Expenses	439.54	10,866.87		
Marketing Expenses	1,161.66	5,164.02		
Total Operating Expenses	1,812.74	45,129.12	53,390.00	59,462.97
Program Distributions **				
Books and Resources	-	-	31,000.00	31,496.00
Programs for Young Readers	312.26	5,437.00	55,000.00	53,562.41
Programs for Adult Learners	-	-	-	-
Community Outreach	-	550.00	40,000.00	20,007.65
Special Projects	-	97,869.35	165,000.00	133,376.17
Total Distributions	312.26	103,856.35	291,000.00	238,442.23
Total Expenses & Distributions	2,125.00	148,985.47	344,390.00	297,905.20
Net Revenues Over Expenditures	12,658.96	209,770.41	610.00	(60,080.87)

** Combines temporarily restricted and unrestricted distributions approved by the board.

- Gifts in Kind: Non-cash donations of goods or services

Legal Responsibilities of Boards

Under well-established principles of nonprofit corporation law, a board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization. Several states have statutes adopting some variation of these duties which would be used in court to determine whether a board member acted improperly. These standards are usually described as the duty of care, the duty of loyalty and the duty of obedience.

Duty of Care

The duty of care describes the level of competence that is expected of a board member, and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances." This means that a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.

Duty of Loyalty

The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

Duty of Obedience

The duty of obedience requires board members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public's trust that the organization will manage donated funds to fulfill the organization's mission.

**BYLAWS
OF THE
PIERCE COUNTY LIBRARY FOUNDATION**

ARTICLE I

The Pierce County Library Foundation is the educational and charitable extension of the Pierce County Rural Library District.

Section 1. Authority

- (1) The Pierce County Library Foundation is a non-profit corporation under Section 501 (c) (3) of the Internal Revenue Code.
- (2) The Pierce County Library Foundation (Foundation) was created under Articles of Incorporation filed on September 22, 1970. These Articles of Incorporation designate that the Foundation can
 - (a) Make, alter, amend, or repeal by-laws for regulating and managing its affairs.
 - (b) Insure that its by-laws are consistent and within the scope of the Articles of Incorporation.

Section 2. Purposes

- (1) The Foundation supports the mission of the Pierce County Rural Library District (Library).
- (2) The Foundation provides the following services for the benefit of the Library:
 - (a) Solicits contributions, grants, gifts, bequests, trusts, and property,
 - (b) Coordinates fundraising activities,
 - (c) Receives and administers property, and
 - (d) Provides financial services.

ARTICLE II

There are two classes of membership within the Pierce County Library Foundation.

Section 1. Voting Members

Only the Board of Directors has voting privileges. Each Director is entitled to one vote including those director positions shared by two parties.

Section 2. Non-Voting Members

The following are eligible to attend meetings of the Foundation and to participate fully with the exclusion of voting privileges.

- (1) Ex-Officio Members include the Pierce County Library System Director and the Pierce County Library Development Director.
- (2) Contributing Members as determined by the Board of Directors.

ARTICLE III

The Board of Directors manages the affairs of the Pierce County Library Foundation.

Section 1. Number

The Board of Directors consists of no fewer than five and no more than twenty-five directors. The Foundation may determine an exact number by resolution.

Section 2. Selection

A majority of the existing Board of Directors will select new members of the Board of Directors when directorships become available. The Board of Directors will select from individuals who live and work within the Pierce County Library System, as well as those individuals from outside of the system who support the Pierce County Library System.

Section 3. Term of Office

- (1) A director will serve for three years. A director may serve a maximum of three successive three-year terms of office.
- (2) The three-year terms of office will be staggered. Normally no more than one third of the entire directorship will stand for election at any meeting.
- (3) At the annual meetings of the Foundation, the Board of Directors will fill new directorships by a majority vote. The Board will also have the option to elect new directors between annual meetings or to elect directors to complete the term of an outgoing director. Directors nominated and elected between annual meetings will begin their service immediately. The tenure of any directors elected between annual meetings will begin retroactive to the previous annual meeting.
- (4) The Board will fill vacancies by a majority vote of the remaining directors.
- (5) Any director may resign at any time by delivering written notice to the secretary of the Foundation.
- (6) The Board may remove a director from office with or without cause. Any director whom the Board has proposed to remove will receive an opportunity to be heard by the Board.

Section 4. Duties

- (1) A director will perform the duties of a director, including the duties as a member of any committee of the Board,
- (2) In good faith and in the best interests of the Foundation;
- (3) With care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances;
- (4) Relying on information, opinions, reports, statements, including financial statements and other financial data as presented by an officer of the Foundation, a committee of the Board on which the director does not serve, or those individuals presenting to the Board on matters within that individual's professional or expert competence.

ARTICLE IV

The Board of Directors will meet regularly to conduct the business of the Pierce County Library Foundation.

Section 1. Annual Meeting

The annual meeting of the Board of Directors will be held between May 15 to June 30th each year. The business of this meeting will include

- (1) The election of new members to the Board of Directors;
- (2) The election of the President, Vice President, Secretary, Treasurer, and other elected officers; and,
- (3) The transacting of any other business that may come properly before the Board of Directors.

Section 2. Regular Meetings

The Board of Directors will meet a minimum of three regular meetings in addition to its annual meeting during the fiscal year of the Foundation. The specific day, hour, and place will be designated by a majority vote of the Board of Directors.

Section 3. Special Meetings

Special meetings may be held at any place or time, whenever called by the president or any three of the Board of Directors.

Section 4. Notice of Special Meetings

The president or directors calling a special meeting of the Board must give notice to the Board of Directors at least one week prior to the meeting by personally delivering or mailing written notice of the meeting. E-mail or facsimile of the written notice can be used provided that a director has provided the secretary with prior written consent to receive notice by e-mail or facsimile communication. The notice must provide the time, place, and specific business to be transacted at the meeting. The Board may not take final disposition on any other matters at a special meeting.

Section 5. Quorum

A quorum will consist of forty percent of the Board of Directors but no fewer than five directors will constitute a quorum. A director may vote by proxy by designating another director in a written request received by the president in advance of the meeting at which the vote is taken.

Section 6. Presumption of Assent

A director who is present at a meeting of the Board of Directors at which action on any Foundation matter is taken is presumed to have assented unless the director dissents or abstains on the record.

ARTICLE V

The Board of Directors will elect the offices of president, vice-president, secretary, and treasurer to serve the Pierce County Library Foundation.

Section 1. Election, Qualification, and Term of Office.

The Board of Directors will elect the officers from among their voting members to serve for a term of one year or until such later time as their successors are duly elected and qualified.

Section 2. Resignation, removal and vacancies.

- (1) An officer may resign at any time by delivering written notice to the Board of Directors.
- (2) The Board of Directors may remove any officer whenever in its judgment the best interests of the Foundation will be better served. Any officer whose removal has been proposed will be given an opportunity to be heard by the Board.
- (3) The Board of Directors may fill any vacancies in any office at any regular, annual, or special meeting.

Section 3. President

The President is the chief executive officer and, subject to the Board of Director's control, will exercise the usual executive powers pertaining to the office of president.

- (1) The President will preside at meetings of the Executive Board and the Board of Directors and is informally a member of all committees.
- (2) The President may sign deeds, bonds, contracts, resolutions and other instruments except when the signing and executing has been expressly delegated by the Board or by these Bylaws to some other officer or agent of the Foundation, or are required by law to be otherwise signed or executed by some other officer or in some other manner.

Section 4. Vice President

In the absence of the President or his or her inability to act, the Vice President will serve as the President and have all of the powers and authority of the President.

Section 5. Secretary

The Secretary will maintain the records and proceedings of the Board of Directors, serve as the registered agent of the Pierce County Library Foundation, and under the direction of the President will sign and execute all deeds, bonds, contracts, resolutions and other obligations or instruments in the name of the Foundation.

Section 6. Treasurer

- (1) The Treasurer is responsible as directed by the Board of Directors for the care and custody of the funds, investments, and account records of the Foundation.
- (2) The Treasurer will act as fiscal agent for the Foundation and may be a signer on behalf of the Foundation in the management of bank accounts, investments and other financial matters.
- (3) The Treasurer will provide that a true and accurate accounting of the financial transactions of the Foundation is made.
- (4) The Treasurer will present financial reports at each regular meeting of the Board of Directors and on such other occasions as the Directors may require.
- (5) The Treasurer will ensure that all accounts payable are authorized for payment.

ARTICLE VI

The Board of Directors will serve as members to permanent and special committees.

Section 1. All Committees

The Board of Directors accomplishes the goals and objectives of the Foundation through the use of committees. All committees are responsible for performing tasks as assigned, evaluating accomplished activities, reporting progress to the Board of Directors, and contributing to progress in the execution of the Development Plan. A committee is considered either Standing or Special.

Section 2. Standing Committees

- (1) Standing committees have year-round responsibilities and shall consist of the following: Executive Committee, Finance Committee, Board Development Committee, the Annual Giving Committee, the Corporate Gifts Committee, and the Leadership Gifts Committee.
- (2) Except for the Executive Committee, the President appoints all Standing Committees annually with the approval of the Board of Directors. Each standing committee consists of a committee chair and at least two board members, who are appointed by the President. Members of the community who are not Board members may also join the committees.
- (3) The chair of each Committee must be a member of the Board of Directors in good standing.

Section 3. Special Committees

- (1) Special Committees are convened as a task force to accomplish a short-term objective or program. Special Committees do not have year-round responsibilities. Upon the Special Committee's completion of the objective or program, the Special Committee is dissolved and, if needed, reconvened.

- (2) Special Committees include communications, events, research, and planning.
- (3) The President will establish all Special Committees, with the concurrence of the Board of Directors. Each committee will consist of a committee chair, as appointed by the President, and members of the board and from the community, as needed.

Section 4. The Executive Committee

- (1) The Executive Committee consists of the President, as Chair, the Past President, the Vice President, the Secretary, the Treasurer, and one Member at Large from the Board of Directors, each with equal vote.
- (2) The Executive Committee is responsible for the Board of Directors structure and the work of the Board's committees. Its essential role is
 - (a) to review the Year End Financial Statement before it is sent to the full Board of Directors;
 - (b) to monitor and assess the work of the committees;
 - (c) to work in partnership with the President to recruit leaders; and,
 - (d) to initiate changes in by-laws and approve any administrative or policy changes which would affect the workings of the Board of Directors.
- (3) The Executive Committee has the power to transact all regular business of the Foundation between the meetings of the Board of Directors, provided that any action it takes must not conflict with the policies and expressed wishes of the Board of Directors.

Section 5. The Finance Committee

- (1) The Finance Committee consists of the President of the Board of Directors, the Treasurer, and at least one other member of the Board of Directors. The Foundation Director shall serve as ex-officio member.
- (2) The Finance Committee is responsible for the financial health of the Foundation. Its essential role is
 - (a) to oversee the administration of the financial report;
 - (b) to manage funds;
 - (c) to oversee the financial processes of the Foundation.

Section 6. The Board Development Committee

The Board Development Committee is responsible for the effectiveness of individual members. Its essential role is

- (1) to attain and maintain a full Board of Directors;
- (2) to nominate the Board's officers; and,
- (3) to present a slate of officers for the coming year; and,

The Board Development Committee may also provide orientation for new Board members, mentor members and administer and annual Board evaluation.

Section 7. The Annual Giving Committee

The Annual Giving Committee is responsible for accomplishing assigned tasks in accordance with the Development Plan. Its essential role is

- (1) to provide input in fundraising and communications for the year;
- (2) to help plan and execute the annual community campaign to individual donors;
- and,
- (3) to help expand the Foundation's base of donors.

Section 8. The Corporate Gifts Committee

The Corporate Gifts Committee is responsible for carrying out assigned tasks in accordance with the Development Plan. Its essential role is

- (1) to identify corporate contracts;
- (2) to lead the Board of Directors' effort when soliciting selected requests for specific proposals and programs; and,
- (3) to provide input in solicitation materials.

Section 9. The Leadership Gifts Committee

The Leadership Gifts Committee is responsible for carrying out assigned tasks in accordance with the Development Plan. Its essential role is

- (1) to identify potential major gift donors;
- (2) to lead the Board of Directors' effort in communication, solicitation and stewardship of identified major donor prospects,
- (3) to provide input in fundraising strategies, tools and materials.

ARTICLE VII

The Board of Directors will provide management of the administrative and financial operations of the Pierce County Library Foundation.

Section 1. Fiscal Year

The fiscal year of the Foundation will be from July 1st to June 30th of any given year.

Section 2. Program Policies

The Board has approved policies and procedures which govern general and specific business operations. These policies and procedures will be maintained in a policy manual independent of these bylaws.

Section 3. Contracts

The Board may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation. Such authority may be general or confined to specific instances.

Section 4. Loans

No loans may be contracted on behalf of the Foundation and no evidence of indebtedness will be issued in the Foundation's name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 5. Checks, Drafts, or Other Debit Instruments

The Board of Directors will determine by resolution that an officer or officers, agent or agents, of the Foundation may sign checks, drafts, or other orders of the payment of money, notes, or other evidences of indebtedness issued in the name of the Foundation.

Section 6. Loans Prohibited

The Foundation will not make loans to any officer or to any director.

Section 7. Books and Records

The Foundation will keep at its registered office, its principal office in the state of Washington, or at its secretary's office if located in the state of Washington, the following.

- (1) Current Articles of Incorporation and Bylaws.
- (2) Correct and adequate records of accounts and finances.
- (3) A record of officers' and directors' names and addresses.
- (4) Minutes of the proceedings of the Board of Directors and minutes maintained by committees of the Board. Records may be held in written or electronic format.

Section 8. Copies of Resolutions

Any individual dealing with the Foundation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors when certified by the president or secretary.

Section 9. Amendment of Bylaws

These Bylaws may be altered, amended, or repealed by an affirmative vote of a majority of the Board of Directors at any regular or special meeting. Any proposed amendment will be submitted in written notice outlining the proposal to all directors at least five (5) days before a scheduled Board meeting.

Amended May 22, 2012

M E M O

Date: November 4, 2013

To: Linda Ishem and members of the Board of Trustees

From: Jaime Prothro, Customer Experience Manager

Subject: Microsoft IT Academy

Washington residents have an opportunity to build their computer skills by accessing Microsoft IT Academy through their local library, made possible through legislative support with the Washington State Library. Microsoft IT Academy is currently funded through August 2016. The state-wide launch date is November 12, 2013.

To be competitive in the 21st Century job market, employees need to have essential computing skills and classes to obtain these skills are often costly. Microsoft IT Academy is available to Washington residents at no cost, 24/7, and on any computer with Internet access.

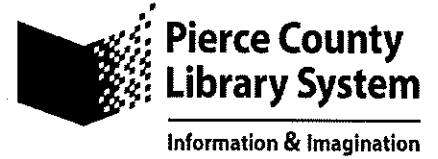
Microsoft IT Academy is a self-paced, self-directed online class with hands-on practice to help learners improve their computer skills and become more proficient with Microsoft applications. There is a course on basic digital literacy for beginning computer users. This course emphasizes the role of technology and is a great entry point for building computer skills.

As a Microsoft IT Academy site, Pierce County Library System has received access to lesson plans for Microsoft applications for in-person training, 789 e-books from Safari to help trouble-shoot computer questions, site licenses, and vouchers for staff to certify in courses.

To enroll, customers need to have an email address, a MS Live Account and an enrollment code, which will be distributed at the Help Desk at all library locations or online through the PCLS webpage. Learners can, at their own expense, choose to obtain certification from approved Certiport testing centers after completing milestone courses. The certification is reputable in the job market because it validates a potential candidate's skills. Certification is done at the expense of the learner.

Microsoft IT Academy is a great extension of the in-person computer classes offered at Pierce County Library locations: get started with library staff, and build additional skills through self-paced courses.

M E M O



Date: November 13, 2013

To: Chair Linda Ishem and members of the Board of Trustees

From: Georgia Lomax, Deputy Director

Subject: Resolution 2013-09 – Becoming a Member of the AWC Benefit Trust Health Care Program

RCW 48.62 authorizes local government entities to self-insure for health care benefits and delegates rule-making authority and oversight to the Washington State Risk Manager. WAC chapter 200-110 establishes that members of the pool must be signatory to the program's Interlocal Agreement and the Interlocal must be adopted by the local government body by resolution.

Attached is a copy of the resolution and recitals for Board review, as well as a fact sheet on the AWC's Self-funded Health Care Program.

During the November Board meeting we would ask for approval of the resolution, which is due to AWC no later than November 15, 2013.



Self-Funded Health Care Program

On August 26, 2013, the State Risk Manager approved the AWC Trust's application to self-insure the medical plans through Group Health and Regence Blue Shield, the Vision Service Plan, and Washington Dental Service plan effective January 1, 2014. The remaining insurance products will continue to be fully-insured. This fact sheet is intended to provide background of the Trust and insight into the Board of Trustee conversation ultimately leading to the decision to self-insure.

Trust history

The AWC Employee Benefit Trust is a Voluntary Employees' Beneficiary Association (VEBA), as defined in IRC 501 (c) (9). The Trust was formed in 1970 by the Association of Washington Cities to offer affordable coverage for its cities and towns with participants in Law Enforcement Officers and Fire Fighters Pension Plan 1 (LEOFF 1). Since that time, the Trust has broadened its insured membership to include all walks of municipal government and their families. Today, the Trust serves 275 participating entities and insures approximately 36,000 employees and family members.

The Trust currently offers medical, dental, vision, employee assistance program, life insurance, long-term disability insurance, and long-term care insurance.

In 1984, the Board of Trustees proved to be true visionaries in the health care industry and adopted an innovative health promotion project (wellness) as a cost containment tool. Today, the award-winning Total Health Management services of the Trust (available to Regence and Group Health medical subscribers) continues to reduce health care costs and improve quality of life for our insured members.

The AWC Trust, one of the first of its kind as a municipal league pool, is nationally recognized for excellence and innovation. Industry respect and long-term, stable relationships with insurance carriers, vendors, and consultants have benefited the pool members with quality health care programs, trust-worthy technical assistance and financial predictability. Customer advocacy and member-driven decisions continue to be the cornerstone of the Trust mission, vision and goals.

Planning retreat priority: self-insurance

As one of the highest priorities emerging from the 2011 Long Range Strategic Planning Retreat, the Trustees dedicated its 2013 meetings to learning about the world of self-insurance; hearing in-depth analysis from benefit, legal and actuarial consultants; and weighing the pros and cons of self-insuring the health care plans.

On July 25, Trustees instructed staff and consultants to proceed with a self-insurance application to the State Risk Manager. Approval was granted on August 26, and the Trust will transition its **Regence/Asuris, Group Health, WDS and VSP** plans to self-insurance effective January 1, 2014.

Self-Insurance means a formal program of advance funding and management of entity financial exposure to a risk of loss that is not transferred through the purchase of an insurance policy or contract.

Cost savings

One of the overriding factors in the decision is the potential for cost savings to members. Self-insurance allows the Trust to eliminate several taxes mandatory for fully insured plans including a 2% state tax and a 2% - 3% new 2014 federal insurer tax. While our retention and stop loss fees were extremely competitive as a fully insured plan, these fees were also lowered with the aid of a competitive self-insurance marketplace. Along with all these cost savings, we'll be able to focus on our own trend line, which has been lower than carriers' trends for many years. This bodes well for not only this year's rate projections, but future year's as well.

continued

RESOLUTION NO. 2013-09

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
PIERCE COUNTY RURAL LIBRARY DISTRICT
BECOMING A MEMBER OF THE ASSOCIATION OF WASHINGTON CITIES
BENEFIT TRUST HEALTH CARE PROGRAM**

WHEREAS, the Association of Washington Cities Employee Benefit Trust (the "Trust") is an entity to which contributions by cities and towns and non-city entities organized and existing under the Constitution or laws of the state of Washington and who are members of the Trust ("Participating Cities and Towns," and "Participating Non-City Entities") and their employees can be paid and through which the Board of Trustees of the Trust ("Trustees") provides one or more insured health and welfare benefit plans or programs to Participating Cities and Towns' and Non-City Entities' employees, their dependents and other beneficiaries ("Beneficiaries"), on whose behalf the contributions were paid; and

WHEREAS, the Trust qualifies as a voluntary employee beneficiary association within the meaning of Section 501(c)(9) of the Internal Revenue Code, providing for the payment of life, sick, accident or other benefits to Beneficiaries; and

WHEREAS, the Trust and Participating Cities and Towns and Non-City Entities have determined that it is in the best interest of Participating Cities and Towns and Non-City Entities to jointly self-insure certain health benefit plans and programs for Beneficiaries through a designated account within the Trust, while at the same time having the Trust continue as the entity to which other insured health and welfare benefit program contributions are paid and through which insured health and welfare benefit plans and programs are provided to Beneficiaries; and

WHEREAS, it appears economically feasible and practical for the parties to do so; and

WHEREAS, Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under chapter 39.34 RCW, jointly self-insure health benefit plans and programs, and/or jointly hire risk management services for such plans or programs by any one or more of certain specified methods; and

WHEREAS, the Association of Washington Cities Employee Benefit Trust Interlocal Agreement (the "Interlocal Agreement") attached hereto creates a joint self-insured health and welfare benefit program (the "Health Care Program") to be administered by the Trustees for the purposes of providing self-insured health benefits to Beneficiaries; and

WHEREAS, WAC 200-110-030 requires every local government entity participating in a joint self-insurance health and welfare benefit program to adopt such program by resolution; and

WHEREAS, Chapter 48.62 requires Health Care Program assets to be managed consistent with existing authority over use of municipal funds in RCW 35.39.030. The Trust will manage Health Care Program reserves in compliance with Chapter 48.62 RCW; RCW 35.39.030, and the Health Care Program Investment Policy; and

WHEREAS, all premium contributions for use in the Health Care Program are deposited into a designated account within the Trust, the Health Care Program Account (the "HCP Account"), and the HCP Account represents a pool of funds that is independent of all other Trust or AWC funds; and

WHEREAS, the Trust intends to manage the HCP Account assets in compliance with federal and state laws and the Interlocal Agreement; and

WHEREAS, Pierce County Library System believes it is in the best interest of the Health Care Program to allow the Trust to manage the HCP Account;

NOW THEREFORE BE IT RESOLVED, that the Interlocal Agreement creating the Health Care Program is hereby adopted.

RESOLVED, that by adopting such Agreement, Pierce County Library System acknowledges that it shall be subject to assessments as required by the Health Care Program.

PASSED AND APPROVED THIS 13TH DAY OF NOVEMBER, 2013.

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Linda Ishem, Chair _____

Allen Rose, Vice-Chair _____

Donna Albers, Member _____

Robert Allen, Member _____

J. J. McCament, Member _____

**ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST
HEALTH CARE PROGRAM
INTERLOCAL AGREEMENT**

This Agreement is made and entered into in the State of Washington by and among the Association of Washington Cities Employee Benefit Trust (the "Trust") and cities and towns, and non-city entities organized and existing under the Constitution or laws of the State of Washington and who are members of the Trust ("Participating Cities and Towns," or "Participating Non-City Entities"), all of whom are signatories to this Agreement.

RECITALS

WHEREAS, the Trust is an entity to which contributions by Participating Cities and Towns and Non-City Entities (defined below) and Participating Employees (defined below) are paid and through which the Board of Trustees provides one or more insured health and welfare benefit plans or programs to Participating Employees, their covered dependents and other beneficiaries ("Beneficiaries"), on whose behalf the contributions were paid; and

WHEREAS, the Trust qualifies as a voluntary employee beneficiary association within the meaning of Section 501(c)(9) of the Internal Revenue Code ("VEBA"), providing for the payment of life, sick, accident or other benefits to Beneficiaries; and

WHEREAS, the Trust and the Participating Cities and Towns have determined that it is in the best interest of Participating Cities and Towns to jointly self-insure certain health benefit plans and programs for Beneficiaries through a designated account within the Trust, while at the same time having the Trust continue as the entity to which health and welfare benefit plan or program contributions are paid and through which insured health and welfare benefit plans and programs are provided to Beneficiaries; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement (defined below) to do so; and

WHEREAS, Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, jointly self-insure health benefit plans and programs, and/or jointly hire risk management services for such plans or programs by any one or more of certain specified methods; and

WHEREAS, each local government entity that is a signatory hereto, as required by WAC 200-110-030, acts upon the authority of a resolution adopting this Agreement and the Health Care Program (defined below) created herein;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

The following are definitions of terms used in the Agreement. Unless indicated otherwise, other terms are defined where they are first used. Defined terms are capitalized when used in the defined context.

- 1.1 **Agreement** means this Interlocal Agreement entered into under the authority of Chapter 39.34 RCW and as required by RCW 48.62.031(2) between the Trust and Participating Employers.
- 1.2 **Association of Washington Cities** or **AWC** means the Association of Washington Cities, a not-for-profit membership association established pursuant to the laws of the state of Washington for the purpose of providing various services to and on behalf of its member cities.
- 1.3 **Association of Washington Cities Employee Benefit Trust** or the **Trust** means the trust and all property and money held by such entity, including all contract rights and records, established for the sole purpose of providing life, sick accident or other health and welfare benefits to Participating Employees, their covered dependents and other beneficiaries, and which is approved by the Internal Revenue Service as a VEBA.
- 1.4 **Employee Benefits Advisory Committee** or **EBAC** means the committee defined in Article V of the Trust Agreement that may be delegated responsibility by the Board of Trustees, including but not limited to: overseeing the operations of the Health Care Program, analyzing and developing annual premium levels and benefit coverage changes for recommendation to the Board of Trustees and performing other duties necessary to ensure that the needs of Participating Employers are met and the long-term financial health of the Health Care Program is maintained.
- 1.5 **Health Care Program** means the joint self-insurance program offering self-insured health benefit options through the HCP Account.
- 1.6 **HCP Account** means a designated account within the Trust and created by this Agreement, the Trust Agreement and Trust Health Care Program policies all under the authority of Chapter 48.62 RCW to provide self-insured health benefits to Participating Employees, their covered dependents and other beneficiaries and further described in Article 6.
- 1.7 **Non-City Entity** means any public agency, public corporation, intergovernmental agency or political subdivision, within the state of Washington that meets the requirements of Article IX, Section 1(c)(ii) and (iii) of the Trust Agreement for participation in the Health Care Program.
- 1.8 **Participating City** means any city or town within the state of Washington that meets the requirements of Article IX, Section 1(a) or Section 1(b) of the Trust Agreement.

- 1.9 **Participating Employee** means any individual employed by a Participating Employer and for whom the Participating Employer makes contributions to the Trust, and any individual who may have been so employed but is subsequently laid off, terminated, or retired.
- 1.10 **Participating Employer** means a Participating City or Non-City Entity that is also a party to this Agreement.
- 1.11 **Resolution** means the resolution adopted by each Participating City or Non-City Entity that authorizes the Health Care Program.
- 1.12 **State Risk Manager** or **Risk Manager** means the risk manager of the Risk Management Division within the Department of Enterprise Services.
- 1.13 **Stop Loss Insurance** or **Reinsurance** means a promise by an insurance company that it will cover losses of the Health Care Program over and above an agreed-upon individual or aggregated amount, which definition shall be modified by any changes to the definition of stop loss insurance in WAC 200-110-020.
- 1.14 **Third-Party Administrator** means the independent association, agency, entity or enterprise which, through a contractual agreement, provides one or more of the following ongoing services to the Health Care Program: pool management or administration services, claims administration services, risk management services, or services for the design, implementation, or termination of an individual or joint self-insurance program.
- 1.15 **Trust Agreement** means the Trust Agreement Governing the Trust amended and restated July 1, 2013, and any subsequent amendments thereto.
- 1.16 **Trustees** or **Board of Trustees** means the following individuals and their successors, who together, govern the Trust and the Health Care Program:
- 1.16.1 the AWC President and the AWC Vice President;
- 1.16.2 the EBAC Chair and the EBAC Vice Chair; and
- 1.16.3 an individual elected pursuant to the procedures in Article III, Section 5 of the Trust Agreement to serve as the trustee from one of the following regions:
- (a) North East Region (known as the "North East Region Trustee");
 - (b) North West Region (known as the "North West Region Trustee");
 - (c) South East Region (known as the "South East Region Trustee"); and
 - (d) South West Region (known as the "South West Region Trustee").

Individuals from Non-City Entities are not eligible to serve as Trustees.

ARTICLE 2

PURPOSE

This Agreement is entered into for the purpose of authorizing the Health Care Program created by the Trust to provide self-insured health benefits to Participating Employees, their covered dependents and other beneficiaries. The Health Care Program shall comply with the statutory provisions found in Chapters 48.62 and 39.34 RCW and the regulatory requirements contained in WAC 200-110 applicable to joint self-insurance programs.

ARTICLE 3

PARTIES

Each party to this Agreement certifies that it intends to participate in the Health Care Program. Participating Employers are signatories of this Agreement to become effective on a date to be mutually determined (the "Effective Date") and with such other Participating Cities and Non-City Entities as may later be added to and become signatories to this Agreement.

ARTICLE 4

DURATION OF AGREEMENT

- 4.1 This Agreement shall become effective on the Effective Date.
- 4.2 This Agreement shall have perpetual duration unless terminated as hereinafter provided.

ARTICLE 5

MEMBERSHIP COMPOSITION

The Health Care Program shall be open to Participating Cities and Non-City Entities. Participation in the Health Care Program is voluntary and not a requirement of AWC membership. The Board of Trustees shall provide for the reasonable admission of new Participating Cities and Non-City Entities.

ARTICLE 6

HCP ACCOUNT

- 6.1 All premium contributions by Participating Employers, Non-City Entities and Participating Employees for use in the Health Care Program are deposited into the HCP Account.
- 6.2 The HCP Account represents a pool of funds that is independent of all other Trust or AWC funds and independent of all other Participating Employer and Non-City Entity funds. The funds deposited into the HCP Account are held, managed and expended only for the Health Care Program and reasonable expenses, consistent with applicable state

and federal statutes and rules governing joint self-insurance programs and self-insurance programs generally.

- 6.3 The HCP Account is subject to audit by the State Auditor's Office.

ARTICLE 7

TRUSTEE POWERS RELATED TO HEALTH CARE PROGRAM

The Board of Trustees is provided with the powers and functions established under RCW 48.62.031 to accomplish the following:

- 7.1 Promote the economical and efficient means by which health benefits coverage is made available to Participating Employers and Non-City Entities and provided to Participating Employees, their covered dependents and other beneficiaries;
- 7.2 Protect the financial integrity of the Health Care Program through purchase of Stop Loss Insurance or Reinsurance in such form and amount as needed;
- 7.3 Contract for or otherwise provide risk management and loss control services;
- 7.4 Contract for or otherwise provide legal counsel for the defense of claims and other legal services;
- 7.5 Consult with the state insurance commissioner and the State Risk Manager;
- 7.6 Obligate the Participating Employers and Non-City Entities to pledge revenues or contribute money to secure the obligations or pay the expenses of the Health Care Program, including the establishment of a reserve or fund for coverage; and
- 7.7 Exercise all other powers and perform all other functions reasonably necessary to carry out the purposes of the Health Care Program, Chapter 48.62 RCW and Chapter 200-110 WAC.

ARTICLE 8

ORGANIZATION OF HEALTH CARE PROGRAM

- 8.1 The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Trustees or any delegates review and analyze Health Care Program-related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW.
- 8.2 The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110 WAC.

ARTICLE 9

RESPONSIBILITIES OF THE TRUSTEES

- 9.1 The Board of Trustees shall discharge its responsibilities under this Agreement as follows:
- 9.1.1 Provide for the efficient management and operation of the Health Care Program;
 - 9.1.2 Provide for health benefit coverage options for Participating Employees, their covered dependents and other beneficiaries;
 - 9.1.3 Determine the level of Stop Loss Insurance or Reinsurance coverage for claims expenses above the amounts deemed appropriate for self-insurance;
 - 9.1.4 Ensure that the Health Care Program meets required state and federal statutes and rules;
 - 9.1.5 Contract with vendors required to meet the responsibilities established by the Trust Agreement, Health Care Program policies, and applicable state and federal statutes and rules;
 - 9.1.6 Maintain the balance between meeting the Health Care Program needs of Participating Employers and the long-term financial integrity of the Health Care Program;
 - 9.1.7 Prepare an annual financial report on the operations of the Health Care Program; and
 - 9.1.8 Provide for other services deemed appropriate by the Board of Trustees to meet the purposes of this Agreement.
- 9.2 The Board of Trustees may delegate the responsibilities described in this Article 9 to the EBAC or other delegates at its complete discretion.

ARTICLE 10

RESPONSIBILITIES OF THE PARTICIPATING EMPLOYERS

In order to participate in the Health Care Program, Participating Employers shall:

- 10.1 Be a Participating City or Non-City Entity in good standing and comply with the requirements of admission or qualification as established by the Board of Trustees;
- 10.2 Adopt this Agreement by Resolution, agreeing to its terms and provisions;
- 10.3 Submit the Resolution and Agreement to the Trust;

- 10.4 Read the terms, conditions and representations set forth in the application agreement related to participation in the Health Care Program;
- 10.5 Designate an employee of the Participating Employer to be a contact person for all matters relating to the Participating Employer's participation in the Health Care Program;
- 10.6 Pay premiums for the Health Care Program to the Third-Party Administrator no later than the tenth day of the month in which the premium is due;
- 10.7 By formal action of the legislative body of the Participating Employer, approve policies and procedures necessary to secure protected health information ("PHI") in accordance with Chapter 70.02 RCW and the Health Insurance Portability and Accountability Act ("HIPAA") privacy and security rules, codified at 45 C.F.R. Parts 160-164;
- 10.8 Provide the Health Care Program with such information or assistance as is necessary for the Health Care Program to meet its responsibilities under this Agreement; and
- 10.9 Cooperate with and assist the Health Care Program and any insurer of Stop Loss Insurance or Reinsurance, in all matters relating to the administration and operation of the Health Care Program and all matters relating to this Agreement.
- 10.10 Comply with all bylaws, rules, regulations and policies adopted by the Board of Trustees relating to the Health Care Program.

ARTICLE 11

RESERVE FUND INVESTMENT

All reserve fund investments from the HCP Account shall be made in a manner that is consistent with RCW 48.62.111, Chapter 39.59 RCW, WAC 200-110-090 and the Health Care Program Investment Policy.

ARTICLE 12

FINANCIAL RECORDS

- 12.1 The Board of Trustees shall develop estimated revenue and expenditures to establish a budget for each fiscal year covering January 1 through December 31 annually. Actual Health Care Program revenues and expenditures shall be monitored monthly by the Board of Trustees and reported at its quarterly meetings.
- 12.2 The accounting records of the Health Care Program are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Health Care Program also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. Once reviewed and approved by the

Office of the State Auditor the year-end financial report is transmitted to the Office of the State Risk Manager.

- 12.3 Financial records of the Health Care Program shall be subject to audit by the Office of the State Auditor. Year-end financial reports and audit results shall be made available to interested parties. The Health Care Program shall provide financial information as required by state statute and rule to the Office of the State Risk Manager.

ARTICLE 13

PARTICIPATING EMPLOYER TERMINATION AND WITHDRAWAL

- 13.1 A Participating Employer must remain in good standing with the Trust and adhere to the requirements of this Agreement. In the event that a Participating Employer fails to be a Participating City or Non-City Entity in good standing, participation in the Health Care Program shall automatically terminate without notice as shall all health and welfare benefits provided through the Health Care Program.
- 13.2 The Board of Trustees may take action to terminate membership or deny membership in the Health Care Program where it determines that such termination or denial is in the best interest of the Health Care Program
- 13.3 When a Participating Employer's eligibility in the Health Care Program is affected due to merger or annexation, the affected Participating Employer may petition the Board of Trustees to remain in the Health Care Program.
- 13.4 A Participating Employer may only withdraw its participation in the Health Care Program at the end of the calendar year and must provide written notice to the Trust at least thirty-one (31) days in advance of the end of the calendar year (December 31st).
- 13.5 In the event of withdrawal or non-renewal, the Health Care Program will cover any of the Participating Employer's remaining outstanding Health Care Program claims expenses incurred prior to the Participating Employer's withdrawal from or non-renewal in the Health Care Program.
- 13.6 No Participating Employer, because of withdrawal or any other reason, has any right or interest in the HCP Account because of its nature as a rate stabilization fund. In the event any Participating Employer withdraws from the Health Care Program, its Participating Employees, their covered dependents and other beneficiaries and any Consolidated Omnibus Budget Reconciliation Act of 1985 as amended (COBRA) participants and contract personnel and dependents approved by the Board of Trustees, shall forfeit all right and interest to the HCP Account.

ARTICLE 14

TERMINATION OF HEALTH CARE PROGRAM

- 14.1 In the event the Health Care Program is terminated, the Board of Trustees shall distribute the remaining funds in the HCP Account to the Trust or any successor association authorized by Chapter 39.34 RCW for like purposes for use in any program with similar purposes.
- 14.2 Upon termination, this Agreement and the HCP Account shall continue for the purpose of paying remaining outstanding claims and expenses and fulfilling all other functions necessary to complete the business of the Health Care Program.

ARTICLE 15

MEETINGS, NOTICES AND COMMUNICATIONS

- 15.1 The Board of Trustees and the EBAC, if any responsibilities for Trust management have been delegated thereto, shall provide notice of their regular and special meetings and hold their meetings in accordance with Chapter 42.30, RCW Open Public Meetings Act.
- 15.2 Communications with Participating Employers may occur using mail, email or posting on the Health Care Program website. The website shall be partitioned to provide information for the general public and information specific to Participating Employers and their employees.
- 15.3 Communications may come directly from the Health Care Program, through the Third-Party Administrator or through another vendor on behalf of the Health Care Program.

ARTICLE 16

AMENDMENTS TO INTERLOCAL AGREEMENT

- 16.1 The Board of Trustees shall review and analyze any proposed amendment to this Agreement. An amendment may be proposed for review by any party to this Agreement.
- 16.2 The Board of Trustees upon its discretion may take action by resolution on any amendment at any regular meeting of the Board of Trustees.

ARTICLE 17

PROHIBITION ON ASSIGNMENT

- 17.1 No Participating Employer may assign any right or claim of interest it may have under this Agreement.

- 17.2 No creditor, assignee or third-party beneficiary of any employer shall have the right, claim or title to any party, share, interest, premium or asset of the Trust, HCP Account or the Health Care Program.

ARTICLE 18

HEALTH CLAIM DISPUTES AND APPEALS

In the event that a dispute arises over a health claim, the procedures, adjudication requirements and administrative remedies shall be found in the Health Care Program's plan document applicable to the Health Care Program covering the claimant.

ARTICLE 19

PLAN ADMINISTRATION DISPUTES AND APPEALS

- 19.1 In the event that a dispute arises between a Participating Employer and the Health Care Program, the Participating Employer shall document the circumstances causing the dispute and submit a written request for review of the disputed circumstances to the Board of Trustees. Upon review of such information, the Board of Trustees shall attempt to resolve the dispute.
- 19.2 If the Board of Trustees' resolution to the dispute is deemed unsatisfactory, then alternative dispute resolution through mediation or binding arbitration may be necessary.

ARTICLE 20

ENFORCEMENT OF TERMS OF AGREEMENT

- 20.1 The Board of Trustees may enforce the terms of this Agreement.
- 20.2 In the event legal action is initiated to enforce any term or provision of this Agreement against any present or previous Participating Employer, the prevailing party shall receive such reimbursement of costs as the court deems reasonable for attorneys' fees and costs related to the relevant legal action.

ARTICLE 21

DEFAULT

- 21.1 If any Participating Employer fails to perform any term or condition of this Agreement and such failure continues for a period of sixty (60) days after the Board of Trustees has given the Participating Employer written notice describing such failure, the Participating Employer shall be considered in default.
- 21.2 Upon default, the Board of Trustees may immediately cancel the Participating Employer's participation in the Health Care Program without additional notice or exercise some other remedy otherwise provided by law.

21.3 The rights and remedies of the Board of Trustees are cumulative in nature and pursuit of any particular remedy shall not be deemed an election of remedies or a waiver of any other remedies available hereunder or otherwise available by law.

ARTICLE 22

NO WAIVERS

No waiver or forbearance of a breach of any covenant, term, or condition of this Agreement shall be construed to be a waiver or forbearance of any other or subsequent breach of the same or of any other covenant, term or condition, and the acceptance of any performance hereunder, or the payment of any sum of money after the same has become due or at a time when any other default exists hereunder, shall not constitute a waiver or right to demand payment of all sums owing or a waiver of any other default then or thereafter existing.

ARTICLE 23

CONTRACT MANAGEMENT

The Health Care Program shall designate a person to whom the State Risk Manager shall forward legal process served upon the Risk Manager; **The AWC Chief Executive Officer** (designee or successor). **The Health Care Program Director** shall be responsible for and shall be the contact person for all communications regarding the performance of this Agreement.

ARTICLE 24

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

ARTICLE 25

COUNTERPART COPIES

This Agreement may be signed in counterpart or duplicate copies and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

ARTICLE 26

HEADINGS

The Article and Section headings in this Agreement are inserted for convenience only and are not intended to be used in the interpretation of the contents of the Articles and Sections they introduce.

ARTICLE 27

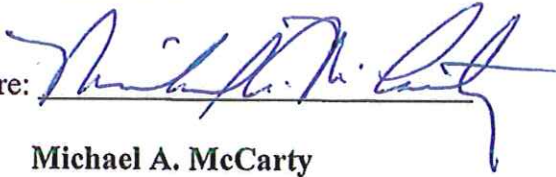
AGREEMENT COMPLETE

This Agreement and the documents referenced herein contains all the terms and conditions agreed to by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement.

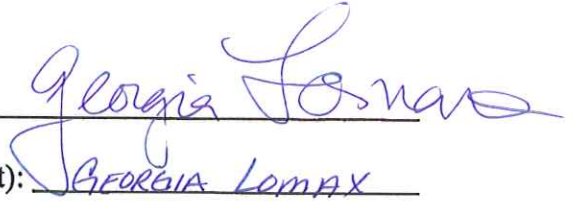
Association of Washington Cities
Employee Benefit Trust

Signature: 
Name: **Michael A. McCarty**

Title: Chief Executive Officer

Date: August 30, 2013

Participating Employer

Signature: 
Name (print): GEORGIA LOMAX

Title: DEPUTY DIRECTOR

Date: October 31, 2013

Effective Date: January 1, 2014