

**Pierce County  
Library System**

# 2022 Budget

**We Spark Success for Pierce County**



Thank you for your support and patience, as the Pierce County Library System staff continues to reimagine services and serve you and Pierce County residents safely as we carry on living and working in the COVID-19 pandemic. The Pierce County Library's Board of Trustees is very grateful to your support as staff is creative and attentive to serving the county's diverse communities safely.

The Library System created the 2022 budget using its guiding principles to be financially sustainable and thoughtful stewards of the taxpayers' investment in library services. This year, the Library returned to its regular practice of certifying the highest lawful property tax levy, plus 1% more than the previous year as allowed by law. In 2021, the Library Board took a thoughtful step to help reduce economic burdens on Pierce County residents, by not taking all of the tax monies it could have received. Rather, the Board prepared a flat budget by levying property taxes at a lower amount than legally authorized from homeowners and other property owners.

2022 marks the third year of operating under the Library's levy sustainability plan, which resulted from the voter-approved reauthorized levy in 2018. The plan created a multi-year funding cycle to provide stable funding to deliver valued library services through 2029. In the current phase of the cycle, the Library System is receiving more revenue than it is spending. The Library is saving the unspent funds for future years, when costs to operate the Library System are projected to be higher than revenues.

Another component of the 2022 budget recognizes the third year the Library System is not charging fines on overdue books and materials. In March 2020, the Library System stopped charging fines to help reduce further financial burdens brought on by the economic crisis stemming from the pandemic. This year, the Board will conduct further discussions about eliminating fine assessments permanently, as part of its overall direction to remove barriers and increase equitable access to services.

The 2022 budget shows a \$3.5 million increase from the 2021 budget. The primary increase shows the Library System moving toward full service as well as monies to cover costs from inflation. Other increased costs include continued safety measures to reduce the spread of COVID-19 and serving the public safely with curbside pickup of books, movies, and other materials.

Guided by the Library's strategic work plan, the Library will continue to focus its work in the areas defined as the most important by the public: learning, enjoyment, and community. As the world continues to live and work during the COVID-19 pandemic and external circumstances, the Library System intends to center its work on its fundamental purpose to provide reasonable and fair access to information. Public libraries are central in a democracy by supporting an individual's access to the information they seek and the privacy to explore that information, form opinions, and reach conclusions or decisions.

This year, staff will explore innovative ways to deliver library services such as lockers and mini libraries in retail outlets. Also, the Library System is launching a new reading program, Enjoy BOOKS!, featuring the 10 to Try reading challenge, which encourages people to read new genres, authors, and expand their reading interests. This year, you may also choose from an improved offering of books and materials in a variety of languages and access Wi-Fi in nearly all of the libraries' parking lots with overall better internet connectivity.

On behalf of the Library System's Board of Trustees and the Library's staff, thank you for your support and allowing us the privilege to deliver valued services.

Jamilyn Penn, Ed.D.  
Chair, Board of Trustees

# Fiscal Sustainability Plan

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

—Library Board’s Fiscal Management Policy

With the restored levy voters approved in 2018, the Library System promised to use the funding to deliver library services for at least five years. In order to fulfill this stewardship of the voters’ investment, the Library created a Fiscal Sustainability Plan. The plan guides the Library System to set aside a portion of current levy revenue during the early years of the cycle, which the Library System will use to fund services in future years when it projects operating costs to exceed revenue. In 2019, the Library Board of Trustees created a Levy Sustainability Fund to support this plan. 2022 marks the third full fiscal year of operating with a Levy Sustainability Fund.

Development of a three-phase, multi-year funding cycle is central to the Library’s funding strategy. In phase one of the funding cycle, the Library receives more revenue than is spent and the Library deposits unallocated funds into a Levy Sustainability Fund. During phase two of the funding cycle, revenue and expenditures are in balance and the Library does not deposit funds into nor does it withdraw from the Levy Sustainability Fund. In phase three of the funding cycle, the Library projects costs to operate the Library System to exceed revenue and the Library will withdraw funds from the Sustainability Levy Fund to close the budget shortfall. The Library System projects the current funding cycle will provide stable funding to deliver valued library services through 2029.

The Library estimates total revenue from all sources for the Library in 2022 to be \$44.5 million, of which \$40.4 million is budgeted for 2022 services and operations. The Library plans to fund capital investments of \$3.7 million through carryforwards, available cash in the Capital Fund, and transfers from the General Fund. The Library will deposit \$1.17 million in the Property and Facility Fund. The Library projects the remaining unallocated revenue to be approximately \$1.8 million, which it will deposit into the Levy Sustainability Fund in late 2022. This will bring the Levy Sustainability Fund balance to \$12.9 million, building upon the \$11.1 million in the fund in 2021. The target for the Levy Sustainability Fund is \$14-15 million.

## Pierce County Library System: Organization & Structure

Established in 1946 under Washington State law Chapter 27.12 RCW, the Library is an independent taxing district governed by a five-member volunteer Board of Trustees appointed by the county executive. The Board sets the property tax levy each year and approves the annual budget on its own authority. Property taxes are the Library’s primary revenue source. As the fourth-largest library system in Washington State, the Library serves 634,000 people across 1,800 square miles in unincorporated Pierce County and 15 annexed cities and towns through 20 library locations, and mobile and online services.

Skilled and knowledgeable staff members provide customer and community-driven services to support the Library’s strategic plan and direction. The Library regularly undertakes public engagement activities to understand community priorities, interests, and needs to ensure the Library System provides services valued and used by residents. The Library is highly collaborative in its organizational culture, and Core Skills and Qualities guide how staff designs, delivers, and evaluates services. Core Skills and Qualities include: customer focus, teamwork, professional integrity, leadership, communication, problem solving, change and learning, positive attitude, and diversity.

Management teams support the work of the organization, ensure accountability, tend to the organizational culture, and embody the Library’s Leadership Competencies: builds trustworthy relationships, communicates effectively, builds successful teams, manages and develops people, achieves results, facilitates innovation and change, and demonstrates leadership. The organizational structure creates, manages, and delivers an excellent customer experience to serve communities and staff best.

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

# 2022 marks 76 years of Pierce County Library Service

The Library System thanks communities for supporting library services for 76 years. The Library continuously transformed its services through the years to meet the diverse communities' top priorities. With the public's investment, the Library System continues to support residents' growth and curiosity, offer excellent reading choices, and work to connect and strengthen growing and changing communities.

## Services

The Pierce County Library is committed to meeting the public's highest priority library needs. In 2022, the Library will offer services and programs through learning, enjoying, and connecting as a community, to spark successes for Pierce County residents. Throughout the pandemic, the Library has been reimagining services to include curbside pickup of books, movies, and other materials; online Summer Reading and story times; and answering questions and assisting people online and by phone. Some libraries reopened to in-person technology services starting in February 2021. In the summer of 2021, 19 of 20 libraries reopened for the first time in more than a year, after buildings being closed to help reduce the spread of COVID-19. The libraries offered in-building browsing and checking out of books, movies and other materials as well as use of technology, such as computers, printers, and Wi-Fi. In addition to the enriching in-person services, the Library System continued to offer a variety of online services.

## Online Service Options

- Help from library staff to answer questions, find books and materials, and use technology.
- 661,000 in-building items.
- 363,000 online e-books, audiobooks, videos, and magazines.
- Access to computers, Wi-Fi, printers, and other technology.
- Present classes to prepare children for kindergarten, such as story time.
- Present events and materials for school-aged children related to science, technology, engineering, art, and math (STEAM).
- Present events for teens and adults to enjoy books, authors, and other shared activities.
- Provide online homework help with real-time tutors for students.
- Offer services for job seekers and small businesses.

In 2022, the Library System will also continue delivering books and materials to people with barriers to access, including those who live in adult care centers, are homebound, or are in childcare. In addition, throughout the year, staff will foster partnerships with community organizations to leverage services and increase access for all people in Pierce County.

## 2022 Projects

These projects are in addition to routine service delivery and operational support.

### Library Service Innovations

This project will explore Library service delivery options. The Library System may implement these options at libraries to extend services beyond staffed hours or may be co-located in partner space.

### Strategic Planning for Customer Experience

This project will align Customer Experience planning, processes, and practices with the overall Library plans. The Customer Experience Department plans to develop a three-year road map to assess current practices, identify a direction for the department now and post-pandemic, and coalesce several systemwide efforts into a single map for the department.

### Enjoy BOOKS! -- 10 to Try Reading Challenge

This new reading program encourages customers to try 10 new titles or reading areas.

### Readers' Advisory Training

This ongoing training prepares staff to engage customers in successful conversations about reading and aid customers in finding additional reading materials. The 2022 training will focus on providing staff with tools and knowledge to recommend a wider diversity of titles and authors.

### International Collection Implementation

This project will implement recommendations from a 2020 study on improvements to the Library's international collection of materials in a variety of languages.

### **Collection Diversity Audit**

This project will follow through on recommendations to add an assessment tool to understand diversity gaps in the Library's materials collections.

### **Public Website Update**

This project started in 2021 and will continue in 2022. It will move the Library's website to a more modern, fully functional platform with a focus on creating positive customer experiences that help customers find the information they need about library services.

### **2022 Equity, Diversity, and Inclusion Strategy**

This project will create a multi-year, strategic framework and implementation plan to embed equity, diversity, and inclusion core concepts into daily work, library services, and community interactions at the Library.

### **Summer Reading Program**

This ongoing program supports retention of reading ability and academic skills for students in the summer months. It also emphasizes reading for enjoyment for customers of all ages.

### **Our Own Expressions**

This ongoing program provides the opportunity for teens throughout Pierce County to demonstrate their creativity through writing, photography, and drawing.

### **Community Listening Initiative**

Staff will continue creating meaningful relationships with community partners, and establish a practice of engaging with community through a process of inquiry and listening. This effort builds on those connections and invites the Library to shift its focus and intent when creating new relationships, expanding the possibilities of what it can do together with partners, and developing a deeper understanding of communities.

### **Sumner Pierce County Library Project**

This project will work on the new Sumner Pierce County Library through the planning, construction, interior furnishings, fixtures and equipment, and selection of additional books and other materials.

### **Community Partner Space**

This project will develop parameters for sharing library space with a community partner to deliver needed services. The Library System has an exciting opportunity to pilot this concept as it develops the Sumner Library project.

### **Voter Point of Assistance**

This program is in support of the Pierce County Auditor's Office implementation of same-day voter registration. It allows the Library System to act as a conduit for voter services on Election Day.

### **Interior Wi-Fi Replacements**

This project will update interior Wi-Fi equipment to ensure responsive connectivity for customer-owned and library devices.

## **2021 Initiatives**

- Reopened library buildings safely, when public health officials allowed, following months of closure to help reduce the spread of the COVID-19 virus.
- Provided services to help individuals impacted by the pandemic including resources for home learners/parents-turned-teachers, assistance to displaced workers, and digital literacy (technology access and skill building) to people without access to technology.
- Partnered with regional agencies to extend the reach of public health efforts – hosting drive-through/walk-up COVID-19 testing and distributing COVID-19 self-test kits.
- Developed an Equity, Diversity, and Inclusion framework for the Library, its services, and its engagement with the communities it serves.
- Celebrated 75 years of service and engaged with communities in a StoryWalk.
- Increased online e-book and audiobook selections.
- Added online videos.
- Took services to communities, versus anchoring services at buildings.
- Continued discussions with the public and conducted preliminary design process for possible new library in Sumner.
- Launched Spark: Ignite the future of the Library capital fundraising effort to fund possible new library in Sumner and systemwide innovations.
- Offered Our Own Expressions, Summer Reading program, Enjoy BOOKS!, and supported the Pierce County Library Foundation's Trivia Bee fundraising event.
- Launched new finance system for greater efficiencies and modernization.

# Future Libraries Planning

In 2022, the Library continues work begun in 2019 to address the Library System’s building needs and its strategic priority of welcoming, inclusive spaces to support library services communities need, value, and use. In 2022, the Library will complete work begun in 2021 at the Bonney Lake Pierce County Library to improve access to books and movies, and better use the overall space in the library for quiet reading and studying as well as noisier group activities. This will include updating restrooms, new furniture, and interior painting. The Library will update the Graham Pierce County Library’s parking lot to align with the county’s nearby road improvements, which the Library System projects will improve access to the library. The Library will also begin work to update the interior of the Graham Library.

During the current multi-year funding cycle established following voter approval of the restored levy in 2018, the Library will allocate approximately \$1 million each year to update and improve existing buildings and in support of progress on the Facilities Master Plan.

In 2019, the Library engaged thousands of residents in Lakewood and Sumner to learn about their interest in possible new library buildings, and conducted a capital fundraising feasibility study to determine the potential for private support for funding library buildings. Residents in both communities expressed an interest in new library buildings. With the pandemic and subsequent economic downturn in 2020, the Library System adjusted its scope to focus on a new building in Sumner. In October 2021, the Library System purchased a 1.67-acre site for the new library from the City of Sumner.

In 2022, the Library continues its work toward a new Sumner Library, funded through philanthropy and a public-private partnership with a local Sumner funder. Planning and design of the larger Sumner Pierce County Library at its future location on Main Street will begin. The new facility will be a library resource for east Pierce County and will include space for nonprofit and government agencies to bring needed services into the community.

The Library will also return to the work begun in 2019 in the Lakewood community and will engage a community advisory committee to develop recommendations for the libraries in Lakewood and its Tillicum neighborhood.

The Library will begin to conduct building assessments for all of its locations to prioritize future capital building projects as well as needs.

In 2022, the Library plans to pilot new ways to bring library services to communities without a traditional library and will implement library lockers where people can pick up books and materials. The Pierce County Library Foundation has launched a capital fundraising campaign in support of the project.

# 2022 Revenue Allocations

In 2022, the Library will receive nearly \$44.5 million in new revenue from all sources as identified in each fund provided below. This revenue excludes use of existing fund balances to pay for projects, namely in the Capital Improvement Fund.

<b>Total Revenue (all sources)</b>	<b>\$ 44,473,400</b>
<b>Fund Allocations of New Revenue</b>	
General Fund	\$ 40,393,700
Capital Improvement*	1,100,000
Special Revenue Funds	
Special Purpose**	- 0 -
Elections***	- 0 -
Property & Facilities*	1,173,200
Levy Sustainability	1,806,500
Debt Service**	- 0 -
Grand total Fund Allocations	\$ 44,473,400
<b>Net of total revenue and fund allocations</b>	<b>\$ - 0 -</b>

\* Conducted via General Fund transfers, thus the General Fund allocated revenue was reduced accordingly.

\*\* Passive funds accumulating interest from investments of available cash, if any.

\*\*\* No longer needs revenue as it has reached its goal.

## 2022 General Fund – Revenue and Expenditures

With more than 97% of the Library’s budget derived from property tax and state law limiting property tax collections to a 1% annual increase plus the levy on new construction, it is essential for the Library to project revenues and expenditures in advance to plan for sustaining services for the current year and future years.

By law, the Library may collect up to 50 cents for every \$1,000 of assessed property value. Property values are the basis for the Library District’s property tax rate. In 2022, the Library levy is 39.1 cents for every \$1,000 of assessed property value.

For 2022, total new revenues from all sources are budgeted to increase by net \$3.27 million from 2021, a 6.68% increase. The increase includes restoring deferred property tax revenue in recognition that the Library has fully restored services during the pandemic.

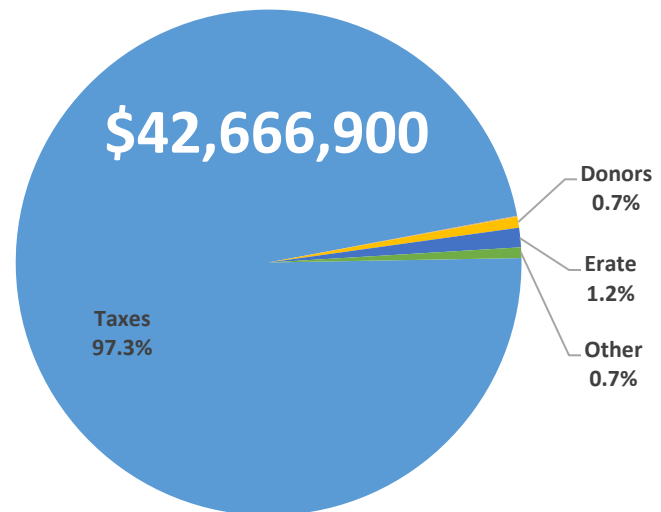
The total amount of property tax revenue is certified to be \$43.1 million in 2022. About \$1.8 million will be set aside in 2022 for future levy sustainability, and will continue to grow through additional savings and set asides for several years. After which, the accumulated savings will be used for balancing future budgets when costs exceed revenue.

In 2022, the homeowner of the average assessed home of \$440,000 will pay \$172 for Pierce County Library services, and the average business property owner will pay \$597.

<b>Revenues</b>	<b>2020 Actual</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2021 to 2022 % chg</b>
Taxes	\$ 37,740,474	\$ 38,923,400	\$ 41,522,400	6.68
Intergovernmental	33,884	15,000	15,000	- 0 -
Charges for Services	41,150	7,500	17,500	133.33
Fines	38,559	10,000	10,000	- 0 -
Donors	306,712	275,000	300,000	9.09
Other	753,596	762,000	802,000	5.25
<b>Total Revenues</b>	<b>\$ 38,914,375</b>	<b>\$ 39,397,900</b>	<b>\$ 42,666,900</b>	<b>8.30</b>
<b>Expenditures</b>				
Personnel	\$ 25,006,372	\$ 27,623,800	\$ 28,832,600	4.38
Maintenance and Operations	5,677,652	6,811,900	7,253,600	6.48
Materials	3,799,249	4,582,200	4,307,500	-5.99
Subtotal	\$ 34,483,274	\$ 39,017,900	\$ 40,393,700	3.53
Transfers to Capital Improvement Fund	\$ 1,950,000	\$ - 0 -	\$ 1,100,000	New
Transfers to Special Revenue Funds	1,780,000	380,000	1,173,000	208.68
Set Aside for Apr/Oct Cash flow	- 0 -	- 0 -	- 0 -	- 0 -
Subtotal	\$ 3,730,000	\$ 380,000	\$ 2,273,200	498.21
<b>Total Expenditures</b>	<b>\$ 38,213,274</b>	<b>\$ 39,397,900</b>	<b>\$ 42,666,900</b>	<b>8.30</b>
Revenues less Expenditures	\$ 701,101	\$ - 0 -	\$ - 0 -	- 0 -
<b>Fund Balance</b>				
Beginning Fund Balance	\$ 9,042,172	\$ 9,743,461	\$ 10,500,000 <sup>1</sup>	7.76
Ending Fund Balance	\$ 9,743,461	\$ 10,500,000 <sup>1</sup>	\$ 10,500,000 <sup>1</sup>	- 0 -

<sup>1</sup> Fund balances for yearend 2021 and 2022 are estimates; final yearend balances are calculated in March of each year.

# Funding the Library



## Revenues

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

**Taxes.** Local property taxes used to fund the General Fund constitute 97.3% of total 2022 revenues. Pierce County Office of the Assessor-Treasurer, using statutory rates and limitations, calculates the total allowable property tax levy. A small amount comes from other taxes including tax title, leasehold excise taxes, and timber taxes.

**Intergovernmental.** The Library receives revenues from other governmental entities, such as grants and contracts, from time to time, generally for specific projects. It is small in comparison to other revenue sources.

**Charges for Services (postponed 2020-2022).** Charges for services include revenue from photocopying, customer printing and faxing in the libraries, and interlibrary loan fees. While library buildings are now open to complement curbside, revenues on services remain greatly reduced.

**Fines (postponed in 2020-2022).** Continuing from 2020, the Library is not charging fines for books and other materials returned late, to help reduce burdens from the economic downturn brought on by the pandemic. The Library continues to assess replacement costs for lost items.

**Donors.** The 501(C)(3) nonprofit Pierce County Library Foundation fundraises for the Library and distributes donor gifts and benefits to the Library.

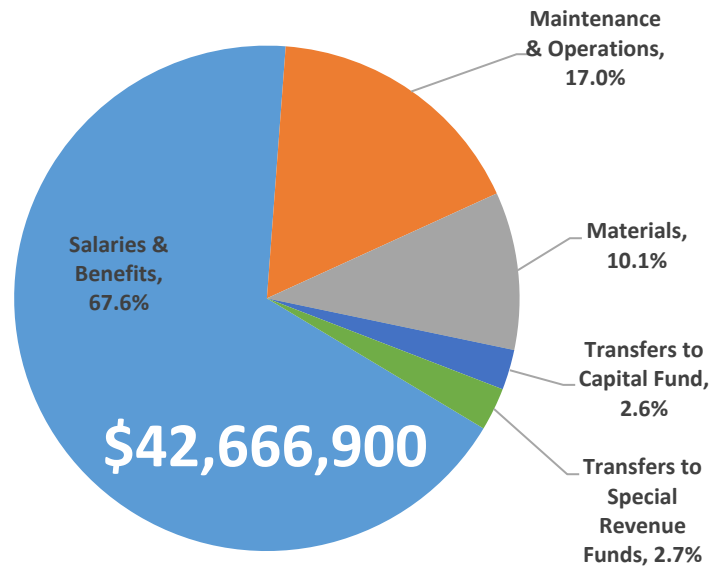
**E-Rate.** A federally-funded program that provides eligible schools and libraries with discounts of 20-90% on telecommunications and internet services.

**Other.** Other revenues include interest earned on investments, scrap sales of assets and Friends of the Library donations. While the library buildings have been closed due to the pandemic, Friends of the Library activities to raise funds have been on hold and contributions are reduced.



# Operating the Library

In 2022, the Library resumes normal operations. Expenditures resumed a normal pattern for providing services to the communities.



## Expenditures

**Salaries and Benefits.** Personnel costs account for nearly 68% of expenditures and pay for staffing the Library to meet its mission and goals. Included are salaries/wages, healthcare/dental, FICA (Federal Insurance Contributions Act-Social Security), retirement, and other personnel costs. The Library also provided mandated but unfunded Federal Emergency Leave for employees. The Library will employ 291 FTEs in 2022.

**Materials.** The Library provides a wealth of materials for customers to read, view, and hear. Staff selects books, movies, music, magazines, and e-books from a variety of sources. In response to the closure of library buildings, the Library stopped the checkout of print materials for several months and purchased more e-books for checkout.

**Maintenance and Operations.** These include a wide range of expenditures, including office and custodial supplies, furnishings, computers, contracted services, legal and professional services, telecommunications costs, rent and leases, utilities, dues and memberships. The Library incurred significant costs for health and safety measures to protect customers and staff due to COVID-19 including personal protective equipment, reconfiguration for social distancing, and investments in virtual tools for meetings, story times and Summer Reading programs.

**Contingency.** The Library reserves a small portion of the budget for unanticipated needs, such as emergency repairs. During the year, the Library adds savings from efficiencies or projected project cost savings to the working contingency, which fluctuates throughout the fiscal year.

**Transfers to Capital Fund.** Some funding for capital projects comes from transferring funds out of the operating budget. In 2022, the transfer was restored to \$1.1 million, which is near normal levels.

**Transfers to Special Revenue Funds.** The Library sets a certain portion of its revenue and savings to pay for costs related to future elections and future property and buildings (transfers to the Levy Sustainability Fund are done directly from revenue receipts, instead of intra-fund transactions). In 2021, the Election Fund's goal of \$1.1 million was satisfied, and no further transfers are needed. For the Property and Facility Fund, the transfer is set to \$1.17 million to be used for procuring land or conducting construction.

# 2021 Capital Improvements and Other Funds

## Fund Balance

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

## Capital Improvement Fund

The Capital Improvement Fund is used to budget and pay for projects that improve or add to the Library's capital assets, which are largely made up of facilities, vehicles, and technology. In 2022, the Library plans to invest in significant facility updates in multiple locations, plan for future buildings including a relocated facility in Sumner, and possible innovative service access methods, vehicle replacement, and technology projects. The Library System plans to install electric charging systems in several locations.

	2020	2021	2022	2021 to
Revenues	Actual	Budget	Budget	2022 % chg
Use of Fund Balance	\$ - 0 -	\$ 2,095,000	\$ 2,590,000	23.63
General Fund Transfers	1,950,000	- 0 -	1,100,000	New
New Revenue	12,751	- 0 -	- 0 -	- 0 -
<b>Total Revenues</b>	<b>1,962,751</b>	<b>\$ 2,095,000</b>	<b>\$ 3,690,000</b>	<b>76.13</b>
Expenditures				
Projects	905,628	1,845,000	3,440,000	86.45
Contingency	- 0 -	250,000	250,000	- 0 -
<b>Total Expenditures</b>	<b>\$ 870,266</b>	<b>\$ 2,095,000</b>	<b>\$ 3,690,000</b>	<b>-76.13</b>
Revenues less Expenditures	\$ 1,057,123	\$ - 0-	\$ - 0-	- 0 -
Fund Balance				
Beginning Fund Balance	\$ 2,182,967	\$ 3,240,090	\$ 5,500,000 <sup>1</sup>	69.75
Ending Fund Balance	\$ 3,240,090	\$ 5,500,000 <sup>1</sup>	\$ 2,900,000 <sup>1</sup>	-47.27

<sup>1</sup> Fund balances for yearend 2021 and 2022 are estimates; final yearend balances are calculated in March of each year.

## Special Purpose Fund

The Special Purpose Fund, also known as Special Revenue Fund, is a fund the Library System uses for committed and restricted projects, as designated by the Board of Trustees. In October 2021, the entire contents of the fund were transferred to two other independent Special Revenue Funds, as described below. Beginning with 2022, the fund will be inactive.

	2020	2021	2022	2021 to
Revenues	Actual	Budget	Budget	2022 % chg
Use of Fund Balance	\$ - 0 -	\$ - 0 -	\$ - 0 -	- 0 -
General Fund Transfers	1,780,000	380,000	- 0 -	-100.00
Property Taxes	- 0 -	- 0 -	- 0 -	- 0 -
New Revenue	13,623	2,000	- 0 -	-100.00
<b>Total Revenues</b>	<b>\$ 1,793,623</b>	<b>\$ 380,000</b>	<b>\$ - 0 -</b>	<b>-100.00</b>
Expenditures				
Total Expenditures	- 0 -	- 0 -	- 0 -	- 0 -
Revenues less Expenditures	\$ 1,793,623	\$ 382,000	\$ - 0 -	-100.00
Transfers to Levy Sustainability Fund	\$ - 0 -	\$ - 0 -	\$ - 0 -	- 0 -
Fund Balance				
Beginning Fund Balance	\$ 7,574,482	\$ 3,918,105	\$ - 0 <sup>1</sup> -	-100.00
Ending Fund Balance	\$ 3,918,105	\$ - 0 <sup>1</sup> -	\$ - 0 <sup>1</sup> -	-100.00

<sup>1</sup> Fund balances for yearend 2021 and 2022 are estimates; final yearend balances are calculated in March of each year.

## Election Fund

In October 2021, the Library Board of Trustees approved the creation of the Election Fund, to be an independent Special Revenue Fund that the Library System uses for committed and restricted projects related to paying the costs of conducting elections such as levy lid lifts and bonds. The funds set aside in the Special Purpose Fund were subsequently transferred this new fund and were designated as "Committed." The Library System creates an expenditure budget only when the Board approves the release of the committed funds for specific projects.

	2020	2021	2022	2021 to
Revenues	Actual	Budget	Budget	2022 % chg
Use of Fund Balance	\$ - 0 -	\$ - 0 -	\$ - 0 -	- 0 -
Special Purpose Fund Transfers	- 0 -	- 0 -	- 0 -	- 0 -
New Revenue	- 0 -	- 0 -	2,000	New
<b>Total Revenues</b>	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>	<b>\$ 2,000</b>	<b>New</b>
Expenditures				
Total Expenditures	- 0 -	- 0 -	- 0 -	- 0 -
Revenues less Expenditures	\$ - 0 -	\$ - 0 -	\$ 2,000	New
Fund Balance				
Beginning Fund Balance	\$ - 0 -	\$ - 0 -	\$ 1,118,000 <sup>1</sup>	New
Ending Fund Balance	\$ - 0 -	\$ 1,118,000 <sup>1</sup>	\$ 1,120,000 <sup>1</sup>	0.18

<sup>1</sup> Fund balances for yearend 2021 and 2022 are estimates; final yearend balances are calculated in March of each year.

## Property and Facility Fund

In October 2021, the Library Board of Trustees approved the creation of the Property and Facility Fund, to be an independent Special Revenue Fund the Library System uses for committed and restricted projects related to the procurement and construction of land and facilities. The funds set aside in the Special Purpose Fund were subsequently transferred this new fund and were designated as "Committed." The Library System creates an expenditure budget only when the Board approves the release of the committed funds for specific projects.

	2020	2021	2022	2021 to
Revenues	Actual	Budget	Budget	2022 % chg
Use of Fund Balance	\$ - 0 -	\$ - 0 -	\$ - 0 -	- 0 -
General Fund Transfers	- 0 -	- 0 -	1,173,200	- 0 -
New Revenue	- 0 -	- 0 -	5,000	New
<b>Total Revenues</b>	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>	<b>\$ 1,178,200</b>	<b>New</b>
Expenditures				
Total Expenditures	- 0 -	- 0 -	- 0 -	- 0 -
Revenues less Expenditures	\$ - 0 -	\$ - 0 -	\$ 1,178,200	New
Fund Balance				
Beginning Fund Balance	\$ - 0 -	\$ - 0 -	\$ 3,370,000 <sup>1</sup>	New
Ending Fund Balance	\$ - 0 -	\$ 3,370,000 <sup>1</sup>	\$ 4,548,000 <sup>1</sup>	34.96

<sup>1</sup> Fund balances for yearend 2021 and 2022 are estimates; final yearend balances are calculated in March of each year.

## Levy Sustainability Fund

The Library created a Levy Sustainability Fund in 2019 to accumulate funds to pay for future sustainability of operations. The annual amount deposited into this fund depends on the amount of revenue available after budgeting for operations, and this is accomplished through recording revenue directly to the fund (instead of transfers). The goal to extend fiscal sustainability for up to 5 years is for the fund to have approximately \$15 million. For 2022, the amount to be deposited directly from revenue receipts is calculated at \$1.8 million and will have achieved 86% of its goal.

	2020	2021	2022	2021 to
Revenues	Actual	Budget	Budget	2022 % chg
Use of Fund Balance	\$ - 0 -	\$ - 0 -	\$ - 0 -	- 0 -
Special Purpose Fund Transfers	5,450,000	- 0 -	- 0 -	- 0 -
Property Taxes (Funding Cycle Revenue)	2,983,000	3,000,000	1,806,500	-39.78
Other New Revenue	34,339	4,000	10,000	150.00
	\$ 8,467,339	\$ 3,004,000	\$ 1,816,500	-39.53
Expenditures				
Total Expenditures	- 0 -	- 0 -	- 0 -	- 0 -
Revenues less Expenditures	\$ 8,467,339	\$ 3,004,000	\$ 1,816,500	-39.53
Fund Balance				
Beginning Fund Balance	\$ - 0 -	\$ 8,467,339 <sup>1</sup>	\$ 11,100,000 <sup>1</sup>	31.09
Ending Fund Balance	\$ 8,467,339	\$ 11,000,000 <sup>1</sup>	\$ 12,916,000 <sup>1</sup>	17.42

<sup>1</sup> Fund balances for yearend 2021 and 2022 are estimates; final yearend balances are calculated in March of each year.

## Debt Service Fund

The Library System Debt Service Fund makes payments related to debt, for example bonds. The Library System last used the Debt Service Fund in 2002. Other than unbudgeted revenue from investment returns, the fund is not actively budgeted and no expenses are incurred.

	2020	2021	2022	2021 to
Revenues	Actual	Budget	Budget	2022 % chg
Use of Fund Balance	\$ - 0 -	\$ - 0 -	\$ - 0 -	- 0 -
New Revenue	537	- 0 -	- 0 -	- 0 -
Total Revenues	\$ 537	\$ - 0 -	\$ - 0 -	- 0 -
Expenditures				
Total Expenditures	- 0 -	- 0 -	- 0 -	- 0 -
Revenues less Expenditures	\$ 537	\$ - 0 -	\$ - 0 -	- 0 -
Fund Balance				
Beginning Fund Balance	\$ 88,086	\$ 88,623	\$ 88,700 <sup>1</sup>	0.09
Ending Fund Balance	\$ 88,623	\$ 88,700 <sup>1</sup>	\$ 88,800 <sup>1</sup>	0.11

<sup>1</sup> Fund balances for yearend 2021 and 2022 are estimates; final yearend balances are calculated in March of each year.

# 2022 Debt

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

## Debt Capacity

### Unrestricted General Tax Obligation Bonds (UGTO)

Library District assessed value:	\$ 110,177,629,562
Legal Councilmanic bond capacity:	x 0.005000
Maximum Councilmanic capacity:	\$ 550,888,148
Current outstanding Councilmanic bonds:	<u>- 0-</u>
Available UGTO capacity:	\$ 550,888,148

### Councilmanic Bonds

Library District assessed value:	\$ 110,177,629,562
Legal Councilmanic bond capacity:	x 0.001000
Maximum Councilmanic capacity:	\$ 110,177,630
Current outstanding Councilmanic bonds:	<u>- 0-</u>
Available Councilmanic bond capacity:	\$ 110,177,630

### Summary of Current Bonds and Debt

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

## Last Use of Debt (System Expansion Project)

In 1986, voters passed a \$28.9 million general obligation bond levy to construct new library facilities, including the purchase of land and the acquisition of furniture and equipment. It included funds to remodel/renovate existing library facilities throughout the Library System and to purchase books and other materials. Bonds were issued in 1986 (\$18 million), 1990-91 (\$8 million), and 1992 (\$2.9 million). In 1995, the Library refinanced a portion of the 1986 and 1990-91 issues; 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 completed a comprehensive report and plan in January 2010. Every year, the Library reviews elements in the plan. In 2022, the Library will have finished a major revision of the Facilities Master Plan. At this time, the Library has no plans to issue debt for new facilities.

## Bonds Explained

The Library's common form of debt include...

**Unrestricted General Tax Obligation Bonds (UGTO).** Bonds may be issued as a measure to voters in the taxing district and require 60% approval. The Library's maximum legal debt capacity is one-half of 1% of the Library District's assessed valuation, and in the simplest form may be levied up to 30 years. The Library District's assessed value of \$110 billion means the Library may issue an aggregate total of general obligation bonds of \$550.9 million.

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

**Councilmanic Bonds.** The Library may also issue debt in the form of councilmanic bonds at a rate of one tenth of 1% of the Library District's assessed valuation. Because these bonds are non-voted, the bonds may be considered a bank loan secured by property tax revenue, payable out of the Library's existing funds or future revenue receipts. The Library District's assessed value of \$110 billion means the Library may borrow up to \$110 million. The borrowing entity must repay the debt within seven years.

Entities may use councilmanic bonds for short-term financing of small construction projects, equipment needs, or emergencies that available general funds or Capital Improvement funds cannot fund. Entities would not use the bonds for covering budget shortfalls in ongoing operations.

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

# Strategic Plan

## Pierce County Library System sparks success for Pierce County

With 20 libraries, hundreds of events, helpful staff, and more than one million books, e-books, movies, and other materials, the possibilities are endless.

### Guiding Principles

The Library System is creative, community-focused, and system strong.

It pledges to:

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

### Focus Areas



**Learning.** Support growth and curiosity.

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



**Enjoyment.** Help people enjoy their free time.

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



**Community.** Connect and strengthen communities.

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

# Core Services



## Materials

Provide books and resources the public values.



## Technology

Meet needs with today's technology.



## Staff

Connect people to the right resource at the right time.



## Partnerships

Collaborate with others to serve communities best.



## Spaces

Provide welcoming and vital spaces for communities.



## Classes & Events

Offer skill-building classes, and interesting events.



## Business Processes

Make smart investments in sound and sustainable operations.

**LEARNING  
ENJOYMENT  
COMMUNITY**