

# M E M O



Date: September 11, 2012  
To: Chair Linda Ishem and Members of the Board of Trustees  
From: Clifford Jo, Finance & Business Director  
Subject: 2013 Estimated Revenues and Expenditures—CORRECTED

*- The following is a corrected version of the estimated 2013 budget -*

We estimate a shortfall of about \$3 million. However, we will not know the final revenues until the County provides us a preliminary certificate, around the middle to late September. Major assumptions that went into this estimated budget include:

## Revenues

- Property tax values and revenues declining by 9.77% based on the amended 2012 preliminary certificate.
- 50 cent statutory limit.
- No new construction.
- Slight changes to other revenue categories.
- The IPD should not be a factor in the 2013 budget.

## Expenditures

- Estimated increases for medical/health coverage (subject to the effects of bargaining a new contract)
- Statutory increases to retirement system contributions.
- 0% set aside for contingency, as the unrestricted fund balance can be maintained at greater than 2%.
- The anticipated effects of personnel reductions with the change of delivery service in Outreach.
- All Maintenance & Operations remain flat from 2012 pending department head proposals.

As we discussed during the August Board meeting, the Library is looking several changes to its budget methods, including a reduction of the CIP transfer, use of cash reserves, increase of the planning percentage reduction for actual personnel costs, and reduction of the materials budget, as well as efficiencies, changes to service delivery while preserving the Levy Promises and services to the community, and other adjustments. Department Head budget presentations are set to begin next week and through September.

Note that the shortfall appears at the bottom line shows \$2.1 million and not \$3 million as stated above. I will explain this to you during the Board meeting.

**PIERCE COUNTY LIBRARY SYSTEM  
- 2013 ESTIMATED -**

**DRAFT**

GENERAL FUND ANNUAL BUDGET ESTIMATED AS OF 9/11/2012	2012 Final (12/14/11)	2013 Estimated	% Change 2012 Final to 2013 FY	.Notes
<b>----- REVENUES -----</b>				
31110 Property Taxes Refunded				
31111 Property Taxes Current	24,708,421	<b>22,593,501</b>	-8.56%	
31112 Property Taxes Delinquent	988,337	<b>903,740</b>	-8.56%	
31130 Sale of Tax Title Property	3,000	<b>3,000</b>		
31210 Private Harvest Tax	50,000	<b>50,000</b>		
31720 Leasehold Excise Tax	10,000	<b>15,000</b>	50.00%	
33300 Indirect Federal Grants	5,000	<b>0</b>	-100.00%	
34160 Copier Fees	25,000	<b>25,000</b>		
34162 Printer Fees	45,000	<b>60,000</b>	33.33%	
35970 Library Fines	615,000	<b>615,000</b>		
36110 Investment Income	25,000	<b>25,000</b>		
36700 Foundation Donations	150,000	<b>150,000</b>		
36920 Book Sale Revenue	40,000	<b>20,000</b>	-50.00%	
36991 Payment for Lost Materials	25,000	<b>25,000</b>		
36999 Rebates - Procurement Card	5,000	<b>10,000</b>	100.00%	
<b>TOTAL REVENUES</b>	<b>\$26,694,758</b>	<b>\$24,495,241</b>	<b>-8.24%</b>	
Increase/decrease over previous		-2,199,517 (-8.24%)		

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GENERAL FUND ANNUAL BUDGET ESTIMATED AS OF 9/11/2012	2012 Final (12/14/11)	2013 Estimated	% Change 2012 Final to 2013 FY	Notes
<b>----- EXPENDITURES -----</b>				
<b>PERSONNEL</b>				
51100 Salaries & Wages	13,379,902	<b>13,781,823</b>	3.00%	Includes Steps
51105 Additional Hours	239,600	<b>239,600</b>		
51106 Shift Differential	157,066	<b>139,816</b>	-10.98%	
51107 Substitute Hours	282,100	<b>290,500</b>	2.98%	
51109 Tuition Assistance Program	12,000	<b>12,000</b>		
51200 Overtime Wages	10,000	<b>10,000</b>		
52001 Industrial Insurance	135,780	<b>168,469</b>	24.07%	
52002 Medical Insurance	2,325,486	<b>2,232,310</b>	-4.01%	
52003 FICA	1,070,324	<b>1,099,917</b>	2.76%	
52004 Retirement	1,170,901	<b>1,047,072</b>	-10.58%	
52005 Dental Insurance	242,158	<b>248,310</b>	2.54%	
52006 Other Benefit (Cell Phone Allowance)	9,180	<b>9,580</b>	4.36%	
52010 Life and Disability Insurance	25,929	<b>24,279</b>	-6.36%	
52020 Unemployment Compensation	30,500	<b>30,500</b>		
52200 Uniforms	1,300	<b>1,300</b>		
Total Personnel	<b>19,092,226</b>	<b>19,335,476</b>	<b>1.27%</b>	
Reduction in salaries planning budget to match projections (	<b>(381,845)</b>	<b>(386,710)</b>	-1.27%	Set at 2%
Net Personnel	<b>18,710,381</b>	<b>18,948,766</b>	<b>1.27%</b>	
<b>MAINTENANCE &amp; OPERATIONS</b>				
53100 Office/Operating Supplies	158,960	<b>158,960</b>		
53101 Custodial Supplies	41,000	<b>41,000</b>		
53102 Maintenance Supplies	40,000	<b>40,000</b>		
53103 A/V Processing Supplies	25,000	<b>25,000</b>		
53104 Book Processing Supplies	22,000	<b>22,000</b>		
53200 Fuel	65,000	<b>65,000</b>		
53500 Minor Equipment	15,300	<b>15,300</b>		
53501 * Furnishings	50,000	<b>50,000</b>		
53502 * PC Hardware	196,200	<b>196,200</b>		
53503 Printers	20,000	<b>20,000</b>		
53505 Software	11,300	<b>11,300</b>		
54100 * Professional Services	252,675	<b>252,675</b>		
54101 Legal Services	20,000	<b>20,000</b>		
54102 Collection Agency	28,200	<b>28,200</b>		
54161 Resource Sharing Services	25,000	<b>25,000</b>		
54162 Bibliographics Services	40,000	<b>40,000</b>		
54163 Printing and Binding	2,000	<b>2,000</b>		

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54165 Inter Library Loan Lost Item Charges	3,000	3,000		
54200 Postage	45,000	45,000		
54201 Telephone/Data Lines	128,800	128,800		
54300 * Travel	27,950	27,950		
54301 Mileage Reimbursements	30,850	30,850		
54400 * Advertising	30,620	30,620		
54501 * Rentals/Leases - Buildings	201,400	201,400		
54502 * Rentals/Leases - Equipment	69,300	69,300		
54600 Insurance	184,000	184,000		
54700 Electricity	220,000	220,000		
54701 Natural Gas	18,000	18,000		
54702 Water	25,500	25,500		
54703 Sewer	23,500	23,500		
54704 Refuse	22,500	22,500		
54800 * General Repairs/Maintenance	196,140	196,140		
54801 * Contracted Maintenance	666,900	666,900		
54803 Maint. Telecomm Equipment	29,300	29,300		
54900 * Registrations	34,325	34,325		
54901 * Dues and Memberships	30,740	30,740		
54902 Taxes and Assessments	27,760	27,760		
54903 Licenses and Fees	27,380	27,380		
54904 Miscellaneous	900	900		
55100 Intergovernmental	1,000	1,000		
<b>Total Maintenance &amp; Operations</b>	<b>3,057,500</b>	<b>3,057,500</b>		
* Items that are asterisked required department heads to list specific costs				
<b>MATERIALS</b>				
534xx Materials	4,271,161	3,919,239	-8.24%	Maintained at 16% of revenues
<b>Total Materials</b>	<b>4,301,161</b>	<b>3,919,239</b>	<b>-8.88%</b>	= 16.00% of revenues (when incl. Found. distributions & gifts)
54910 ELECTION SET-ASIDE	0	0		Goal met; no longer need to set-aside
54912 CONTINGENCY	0	0		Unrestricted cash balance of 2% is met; no need to set aside
59700 TRANSFERS TO CIP	800,843	734,857	-8.24%	Set at 3% of revenues
<b>Total Transfers</b>	<b>800,843</b>	<b>734,857</b>	<b>-8.24%</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$26,869,885</b>	<b>\$26,660,362</b>	<b>-0.78%</b>	
<b>REVENUES LESS EXPENDITURES</b>	<b>(\$175,127)</b>	<b>(\$2,165,121)</b>	<b>-1136.31%</b>	

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GENERAL FUND ANNUAL BUDGET ESTIMATED AS OF 9/11/2012	2012 Final (12/14/11)	2013 Estimated	% Change 2012 Final to 2013 FY	.	Notes
<b>----- BUDGET SUMMARY -----</b>					
<b>REVENUES</b>					
Taxes	25,759,758	<b>23,565,241</b>	-8.52%		96.20% of revenues
Intergovernmental	5,000	<b>0</b>	-100.00%		0.00% of revenues
Charges for Services	70,000	<b>85,000</b>	21.43%		0.35% of revenues
Fines	615,000	<b>615,000</b>			2.51% of revenues
Miscellaneous	245,000	<b>230,000</b>	-6.12%		0.94% of revenues
<b>TOTAL REVENUES</b>	<b>26,694,758</b>	<b>24,495,241</b>	<b>-8.24%</b>		100.00% of revenues
Increase/decrease over previous year		-2,199,517 (-8.24%)			
<b>EXPENDITURES</b>					
Personnel	18,710,381	<b>18,948,766</b>	1.27%		71.07% of expenditures
Maintenance & Operations	3,057,500	<b>3,057,500</b>			11.47% of expenditures
Materials	4,301,161	<b>3,919,239</b>	-8.88%		14.70% of expenditures
Subtotal	<b>26,069,042</b>	<b>25,925,505</b>	<b>-0.55%</b>		97.24% of expenditures
Increase/decrease over previous year		-143,537 (-.55%)			
ELECTION SET-ASIDE	0	<b>0</b>			0.00% of expenditures
CONTINGENCY	0	<b>0</b>			0.00% of expenditures
TRANSFERS TO CIP	800,843	<b>734,857</b>	-8.24%		2.76% of expenditures
Subtotal	<b>800,843</b>	<b>734,857</b>	<b>-8.24%</b>		2.76% of expenditures
<b>TOTAL EXPENDITURES</b>	<b>26,869,885</b>	<b>26,660,362</b>	<b>-0.78%</b>		100.00% of expenditures
Increase/decrease over previous year		-209,523 (-.78%)			
<b>NET OF REVS &amp; EXPS</b>	<b>(\$175,127)</b>	<b>(\$2,165,121)</b>	<b>-1136.31%</b>		