



K I N G
C O U N T Y
L I B R A R Y
S Y S T E M

kcls.org

2015 BUDGET

King County Library System (KCLS) is poised to tackle the future before it arrives.

For more than 70 years, King County Library System (KCLS) has provided library service to residents from small rural areas of King County to large urban and suburban cities. While many things have changed over time, the challenge of sustaining service excellence while adapting to new technologies, population growth and ever-changing patron needs remains the same.

KCLS is nearing the end of its 10-Year Capital Improvement Program, which has expanded the System from 550,000 square feet to more than 753,000 square feet in 48 community libraries. New and renovated facilities feature flexible spaces that accommodate quiet study, lively programs and community gatherings, with ample Wi-Fi access and outlets for recharging computers, tablets, smart phones and other mobile devices. KCLS' fleet of 17 eye-catching mobile vehicles will bring books, computers, library resources and expert staff to childcare centers, low-income housing, senior centers, community events and other locations, further connecting KCLS to residents who have limited or no access to the library.



KCLS is taking a fresh approach to developing operational objectives that support the level of service patrons demand while maintaining KCLS' tradition of prudent fiscal management.

The 2015 Budget is constructed around five strategic goals:



**Facilitate Early
Literacy and
Cultivate Young
Readers**



**Engage and Support
Teens and Children**



**Encourage Lifelong
Learning**



**Provide
Personalized
Information Access
and Assistance**

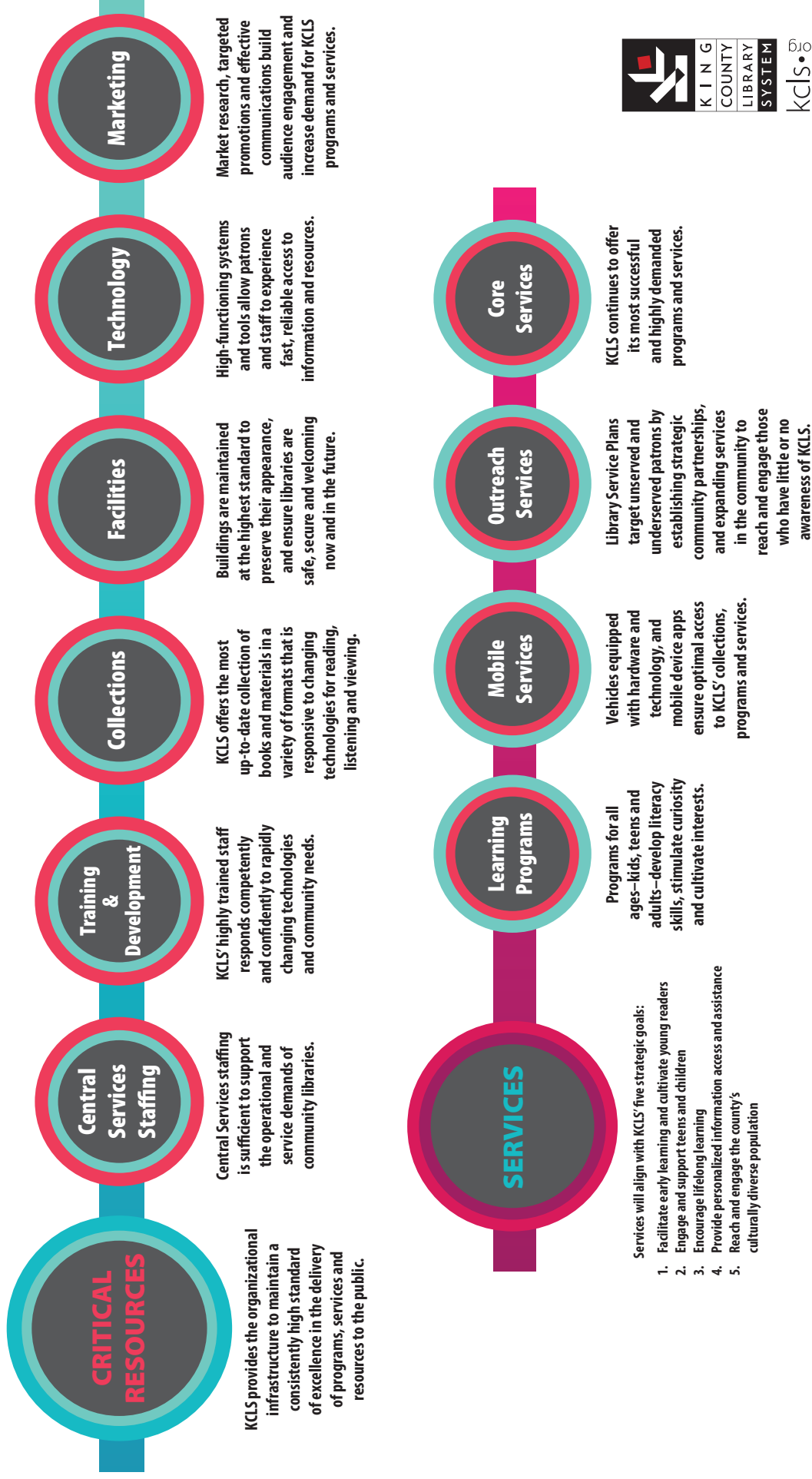


**Reach and Engage
the County's
Culturally Diverse
Population**

Budget allocations will focus on Services that align with these goals and Critical Resources—the organizational infrastructure—to fulfill a commitment to patrons who have come to rely on KCLS for information, inspiration and innovation.

2015 Budget Strategies • Critical Resources & Services

The budget outlook for 2015 is favorable as the economy continues to improve. KCLS anticipates an operating surplus of approximately \$2.5 million at the end of 2014. In 2015, total revenue from property valuations and growth in new construction are expected to increase 2.4% while inflation is expected to remain in the 2.0-2.5% range. KCLS remains on track to defer the next Levy Lid Lift beyond the original 2018 target date. The 2015 Budget will fund critical resources to support operational needs and focus on services that are aligned with KCLS' five strategic goals.



Financial Strategy

The budget outlook for 2015 is favorable as the economy continues to improve. KCLS anticipates an operating surplus of approximately \$2.5 million at the end of 2014. In 2015, total revenue from property valuations and growth in new construction are expected to increase 2.4% while inflation is expected to remain in the 2.0-2.5% range. This forecast allows KCLS to remain on track to defer the next Levy Lid Lift beyond the original 2018 target date.

The Budget includes a 1.0% increase in property tax revenue as a result of growth in assessed values. While assessed values have increased 11.7%, property tax law limits revenue growth to a 1% increase over the prior year amount, plus new construction revenue. New construction revenue is projected to be \$1.53 million in 2015 versus \$0.96 million in 2014. The regular property tax levy in 2015 is projected to be \$0.44 per \$1,000 of assessed value due to the significant growth in assessed values.

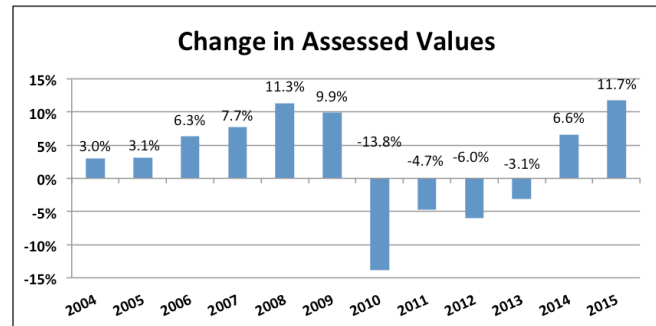
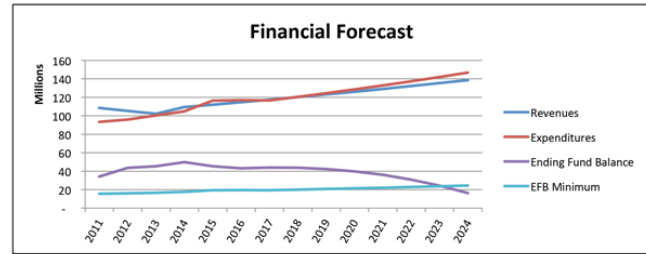
The levy rate for capital bond repayment is forecasted to be \$0.051 per \$1,000 in 2015—well below the \$0.08 per \$1,000 that was communicated to voters.

KCLS intends to use a portion of its current \$2.5 million operating surplus to provide additional resources to maintain a high standard of service excellence, including funding for training and development, collections, infrastructure upgrades and staffing. The budgeted Ending Fund Balance for 2015 is \$43.0 million.

The Budget includes a 2% general wage increase assumption, contingent upon Board approval. Benefits inflation is anticipated to be 7.3%, and is primarily being driven by increases in healthcare premiums.

Included in the 2015 budget is \$5.5 million general fund coverage to provide sufficient funds for construction, furnishings and materials for remaining Capital Plan library projects.

The King County Library System Foundation will provide \$301,750 of additional funding for library programs and activities beyond KCLS' operating budget. By 2016, the Foundation Board of Directors will conclude its campaign to raise \$1.0 million for the Community Mosaic at the Tukwila Library, a 2,000 square foot addition that will be used as a community gathering space.



2015 Budget Planning Scenario

	2014 Budget	% Increase	2015 Budget	% Increase	2016 Forecast
Beginning Fund Balance	45,000,000		49,854,205		45,390,970
Property Tax Base	105,535,854	1.0%	107,565,000	1.0%	110,185,654
New Construction	964,146		1,529,707		1,571,009
All Other Revenue	2,884,500	2.2%	2,947,750	0.0%	2,947,750
Total Revenue	109,384,500	2.4%	112,042,457	2.4%	114,704,413
Salaries	47,286,380	3.6%	48,996,268	3.0%	50,466,156
Substitutes	1,392,554	20.0%	1,670,405	2.0%	1,703,813
Benefits	17,276,618	7.3%	18,529,810	6.0%	19,641,599
Facilities	11,197,734	7.1%	11,997,734	2.3%	12,273,682
Materials	13,536,665	6.1%	14,369,020	2.3%	14,699,507
CAPS	1,427,901	25.7%	1,795,546	2.3%	1,836,844
Technology	5,830,192	0.9%	5,880,192	2.3%	6,015,436
Programs	826,418	8.0%	892,168	2.3%	912,688
Admin/Other	6,180,280	-7.2%	5,734,509	2.3%	5,866,403
Building Leases	1,780,000	1.8%	1,811,332	4.0%	1,883,785
Transfer to 302/307 funds	3,100,000		5,500,000		2,300,000
Transfer to 840 fund	1,698,500	0.5%	1,706,375	-1.8%	1,675,875
Total Expenses	111,533,242	6.6%	118,883,359	0.3%	119,275,788
Ending Fund Balance	42,851,258		43,013,303		40,819,595
Adjustments:					
2014 BFB Adjust	326,285				
Projected Underage	6,676,662		2,377,667		2,385,516
Projected EFB	49,854,205		45,390,970		43,205,111

Central Services Staffing

Central Services staffing will be sufficient to support the operational and service demands of community libraries.

In July 2014, KCLS completed the transition to a new library staffing model that supports KCLS' Services Strategy, which was designed to create more time for librarians to plan and implement services that reach and engage patrons in libraries, in the community and online. In 2015, KCLS will bolster central services resources to better support library staff as they focus on meeting Services Strategy goals.

Highlights

KCLS will increase its salaries budget by 1.6% in 2015 to **add staffing**, or increase hours of existing staff in several positions throughout the System, including Graphics Assistant, Library Technical Assistant, Library Page, Program Assistant and Public Services Specialist. A newly created position, Library Operations Coordinator, will assist the Director of Library Operations in the administration and oversight of KCLS' 48 community libraries. This position will also guide and support Operations Managers, Assistant Operations Managers and Supervisors who have managerial responsibility under the new staffing model for operations personnel, activities, policies, procedures and guidelines, and are accountable for ensuring the highest standard of patron service in the library.

Substitute staff are essential to provide public services when regular staff is on leave or participating in other KCLS projects and initiatives. Funding for substitute staff has historically covered approximately one quarter of leave time but has not sufficiently covered staff who are engaged in committee or project work. An infusion of \$250,000 for **substitute salaries** will more effectively support KCLS operations and service standards, and significantly improve service both in and beyond the library.



Training and Development

Staff will be highly trained in order to respond competently and confidently to rapidly changing technologies and community needs.

KCLS serves a large and socioeconomically diverse population. Patrons speak multiple languages, have wide-ranging needs and interests, and a growing number are accessing the library online with personal computers and other mobile devices. As demographics and technology advancements continue to evolve rapidly, KCLS will keep pace by developing a well-trained workforce with the skills required to respond and adapt quickly to patrons' changing needs.

Highlights

KCLS has a longstanding tradition of supporting staff who wish to pursue training, education and professional development opportunities, through funding for tuition assistance, conference attendance and skills training to develop and retain its 1,200 employees.

Over the last five years, tuition costs have increased, on average, more than 98% while funding for tuition assistance has remained flat, and many employees have been on the waiting list for some time. Of the 32 program participants in 2014, 13 are earning MLS/MLIS degrees, one is working toward a master's degree in another discipline and 18 are pursuing undergraduate degrees. A 23% increase in the **tuition assistance** budget, raising it from \$215,000 to \$265,000, will allow more employees to pursue their education in 2015.

KCLS will budget \$264,000 for individual development across all departments and libraries for attendance at workshops, classes or specialty conferences.

KCLS will allocate \$152,000 of its training budget to support a variety of **skills training**, including diversity awareness (\$17,175); language classes (\$15,000); patron interactions (\$29,000); community outreach (\$13,600); mobile services driver safety (\$23,375); staff safety and well-being (\$44,350); and leading and managing change (\$10,000). An additional \$9,500 is allocated for technology training for staff use, and for staff who assist patrons with computers and software.

Responses to an employee survey conducted in 2013 indicated an interest in **leadership development** opportunities for directors, managers and supervisors. KCLS will allocate \$139,100 of its training budget for participation in programs offered or developed by other organizations, such as Leadership Eastside.

To ensure that every staff member can attend at least one learning event per year, KCLS will budget \$165,000 for **substitute coverage** for those who participate in training and development opportunities. With a variety of training options, employees can attend when and where it's most convenient, including teleconferences, webinars, videos, online courses and KCLS-sponsored classes conducted by third-party trainers.

In 2014, the KCLS Foundation Board of Directors expanded eligibility requirements for its **scholarship program** to reflect the Foundation's core values and emphasis on lifelong learning. In 2015, the KCLS Foundation will offer \$15,000 in scholarship funds to support KCLS staff who are pursuing advanced degrees in any discipline.



Collections

KCLS will offer the most up-to-date collection of books and materials in a variety of formats that is responsive to changing technologies for reading, listening and viewing.

KCLS has grown in recent years to include the Renton, Renton Highlands, Enumclaw and Newcastle Libraries, with East Hill of Kent coming soon, and the collection budget has had to stretch farther. Additional funding in 2015 will allow the collection to keep pace with the expanding Library System and over the next couple years reduce the overall age of the collection from the current average of 9.3 years to 8.4 years, providing patrons with more up-to-date browsing collections in community libraries.

Highlights

KCLS' **total collections budget** in 2015 is \$14.4 million. Roughly three-quarters (\$10.7 million) will be spent on new materials, including books, DVDs, music and audio items. \$2.0 million of the total will be allocated for downloadable content (primarily eBooks and eAudio). Another \$1.7 million is allocated for **Opening Day collections** for the new Renton Highlands, Tukwila, Skyway and White Center Libraries, and the planned East Hill Library in Kent, which includes \$400,000 from the capital budget.

In addition to reducing the overall age of its collection for all ages and interests through the infusion of new materials and opening day collections, KCLS will budget approximately \$500,000 to **update materials** in several subject areas, including Health, Arts and Crafts, Psychology, Religion and Gardening.

In September 2013, KCLS debuted new **picture book shelving** at the Federal Way 320th Library after conducting research that showed parents and children responded positively when children's books were displayed face-out by category. KCLS will spend \$50,000 to install new shelving at more libraries in 2015, making it easier for even the youngest patrons to access the children's collection.

Circulation of digital content continues to increase exponentially and has become KCLS' "busiest library." In response, KCLS plans to install **OverDrive Media Stations** in several libraries after successful pilots at the Federal Way 320th and Vashon Libraries in 2014. The 27-inch touchscreen monitors provide direct access to KCLS' collection of eBooks, eAudiobooks and streaming video, allowing patrons to send any title to their computer or mobile device and use a QR code, email or SMS to check out the item. In 2015, the KCLS Foundation will provide \$50,000 in funding to support these installations.

Patrons who search KCLS' catalog enjoy features that enhance and promote the discovery of materials, including images of book covers, publisher summaries, reviews, Tables of Content, author biographies, character information, genre, series titles and more. In 2015, KCLS will allocate \$50,000 for **catalog enrichment services** provided by third party vendors for new materials added to the collection.



Facilities

Buildings will be maintained at the highest standard so that libraries will be safe, secure and welcoming now and in the future

Ten years after voters approved a \$172 million Capital Bond, community support for libraries remains strong. Over the past decade, KCLS has completed 33 new, renovated or expanded libraries and two parking expansion projects. At the end of 2014, eight projects remain active and three are pending.

As KCLS nears the completion of its 2004 Capital Bond Program, a new **Facilities Standards Policy** has been adopted to ensure that libraries and other capital assets are maintained while preserving their intended design and creating safe, secure and welcoming environments for years to come.

Highlights

Prolonging the life of KCLS facilities and ensuring that buildings and grounds are safe to navigate requires year-round **maintenance**. Roofs must be free from defects; parking lots and sidewalks must be well-lit; landscapes require regular maintenance to improve visibility. Mechanical systems, including HVAC, fire alarms and automated systems must be regularly tested and upgraded to ensure safe and efficient operations. Library interiors must be clean, and furniture and fixtures in good repair to provide a comfortable experience for patrons. KCLS will allocate \$4.4 million for contracted maintenance services that preserve the integrity of each building. An additional \$1.96 million is allocated for utilities, including electricity, gas and water.

In 2015, KCLS will allocate \$1.8 million for **12 building leases**, including libraries in the Crossroads and Southcenter malls, temporary sites while libraries are under construction, and the Materials Distribution Services Center in Preston.

KCLS' **fleet of 59 vehicles**, including delivery, maintenance and repair vehicles, Library2Go!, ABC Express, Techlab and Mobile Learning Labs must be in optimum condition at all times for the safety, comfort and convenience of all who use them. KCLS will budget \$200,000 for vehicle maintenance to ensure vehicles are clean, and onboard equipment and technology are functioning properly.

Patron and staff safety and security are always paramount concerns. Over time, increases in disruptive behaviors—in some cases illegal activities—in libraries have required staff to manage situations beyond the scope of their training and customary responsibilities. Management is working with staff and Union representatives to address the issue, and KCLS will budget \$195,000 for **safety and security** resources so KCLS can respond more rapidly and effectively when incidents occur, and keep all libraries as safe, secure and welcoming as possible for staff and patrons alike.



Technology

High-functioning technological systems, tools and apps will allow patrons and staff to experience fast, reliable access to information and resources.

In 2010, KCLS launched Evergreen, an open source Integrated Library System that allows libraries to develop and support their own catalog and circulation systems. An assessment of Evergreen conducted in 2013 by an external consultant concluded that Evergreen is technically sound and capable of serving patrons' current and future needs, but recommended that internal processes be restructured and reinforced to improve efficiencies so that staff can assist patrons more effectively.

Highlights

Each year, KCLS **replaces or updates** approximately 25% of its computer equipment, including PCs, printers, laptops and mobile devices. In 2014, all staff and patron workstations and laptops were updated to Windows 7, which significantly improved performance and reliability, and set a more centralized approach for performing regular updates in the future. In 2015, KCLS will allocate \$600,000 for a new update to Windows 8.1, which will change the way computers are secured and filtered, and provide further gains in system performance and workstation reboot time. An additional \$400,000 is budgeted for equipment repairs.

KCLS will allocate \$143,000 for **hardware and software upgrades** to support the increased demand for mobile services, including \$57,000 for tablets and \$86,000 for network infrastructure on vehicles.

The number of wireless devices being used in libraries across the System has doubled over the past four years with nearly 2,000 devices simultaneously accessing KCLS' network during peak times. As the need for a stable and reliable **wireless network** continues to grow, KCLS will budget \$50,000 to increase the number of wireless access points in libraries to ensure a strong, evenly distributed signal throughout buildings.

KCLS will budget \$159,000 to continue to migrate its phone system to **Voice Over IP (VOIP)** technology, which merges the phone system with the network. VOIP offers savings on local long distance calls, lower maintenance costs and greater functionality, including the ability for staff to access the system remotely, and lays the groundwork for additional service integration in the future.

KCLS benefits from access to **I-NET**, King County's state-of-the-art fiber optic network service. I-NET provides network capacity to public agencies throughout the County at half the cost of commercial alternatives. In 2014, KCLS added Library Connection @ Southcenter to I-NET, leaving Skykomish Library and Preston as the only facilities not connected to the County's public network. KCLS will budget \$5,000 to improve network performance at these remaining locations.



Marketing

Market research, targeted promotions and effective communications will build patron and citizen engagement and increase demand for KCLS programs and services.

When KCLS was founded by King County residents in 1942, the Bookmobile was the latest in technology, bringing library services to even the most isolated rural areas. Although technology has changed dramatically, reaching out to the community remains a key focus. Today, anyone with a smart phone has instant access to more information generated in the last three years than in all of recorded history. This phenomenon has prompted some to wonder if libraries are still 'relevant'. Why would anyone turn to the library when the Web is effectively in their pocket?

That's the question marketing and public relations staff must answer. There's no shortage of information. For most people, the challenge isn't where to find it but how to discern whether it's accurate and reliable. And that's what KCLS does best, offering core services and information assistance from knowledgeable staff who make reading and learning an enjoyable experience for the whole family.

In 2015, KCLS' marketing and public relations efforts will focus on identifying and deploying the strategies, infrastructures and tools to better understand and serve library users and communities throughout King County, and connect with future patrons to demonstrate the value and ultimately increase demand for library services.

Highlights

Strategic communications—from bookmarks and fliers to ads, press releases and social media—raise awareness of KCLS and break down invisible barriers between libraries and the public, inviting all to take advantage of an extraordinary community asset. The 2015 Budget includes \$285,000 to cover the costs of **supplies, paper and copier leases** to design, print and produce materials for all 48 libraries. An in-house graphic design and print department allows KCLS to achieve tremendous cost efficiencies, producing materials at an average of \$0.06 per piece.

Marketing tools such as surveys and focus groups enable KCLS to engage the public and measure community interests and satisfaction, which, in turn, allows staff to tailor strategic, data-driven information campaigns to connect specific audiences with the library services and resources they need. In 2015, \$50,000 is budgeted for **market research** to better understand patron preferences. A total of \$243,000 for campaigns to promote KCLS programs and services includes \$120,000 for **learning programs** for children and adults.

Gone are the days when eager reporters faced newspaper print deadlines. Today, many reporters are gone, along with the newspapers. In their place, social media has become a key source of information through short, 140-character Twitter blasts and blogs that cater to a niche following. Public relations remains essential, enabling broader interaction with larger audiences to connect, engage and encourage community-wide conversations about significant issues, from defining service priorities to addressing hunger, homelessness and substance abuse in the community. KCLS will allocate \$15,000 to expand **public relations** efforts in 2015.

Strategic media planning enables staff to identify issues, assess potential impacts, track results of communication efforts, and keep a continuous eye on community conversations about KCLS. In 2015, \$12,000 is budgeted for **media analysis tools**.

Learning Programs

KCLS will offer programs for all ages—kids, teens and adults—that develop literacy skills, stimulate curiosity and cultivate interests.

With a focus on Science, Technology, Reading, Engineering, Art and Math (STREAM), Thinkology: the Study of Fun was introduced in 2014 as a youth learning program but will expand to include all ages in 2015. Moving away from pure entertainment, all programs will have defined learning objectives to develop critical thinking skills, creativity and collaboration.

Highlights

Summer Learning programs for children focus on preventing the summer slide—a loss of reading and critical thinking skills that happens during the break from school—by providing enriching experiences in libraries and at community outreach sites. KCLS will allocate \$58,000 of its programming budget for Summer Learning Programs with an additional \$100,000 in funding from the KCLS Foundation for incentives for participants. The Foundation will also provide \$6,000 to pay for buses to transport kids to libraries during the summer.

Summer Learning for teens encourages the many uses of the library, including reading, programs, posting book reviews online and recommending books to friends. Teen programs experienced triple digit growth in 2014 and KCLS will budget \$39,000 to increase outreach efforts in 2015 to draw even more participants, with an additional \$25,000 in funding from the KCLS Foundation for Teen Summer Learning books and prizes.

The **Mind Matters** adult program series invites adults to learn more about brain health. Programs will cover topics such as meditation, sleep and how to keep the brain fit and well-functioning. The series will emphasize hands-on learning emphasize STREAM topics as much as possible in alignment with 2015 Budget strategies. KCLS will allocate \$16,000 for Mind Matters in 2015 with an additional \$10,000 in funding from the KCLS Foundation.

MAKE programs allow people to design, create and build almost anything one can imagine, fostering innovation, entrepreneurship and engagement. In 2015, KCLS will begin the second year of its MAKE series, offering free, hands-on workshops where patrons of all ages can unleash their creativity and strengthen science and technology skills through STREAM-based programs, including animation and special effects, robotics, or 3D printing. These powerful learning opportunities will be supported by \$10,000 in funding from the KCLS Foundation.

KCLS will budget \$120,000 to promote and support learning programs throughout the year, with an additional \$20,000 to support continued development of program outcomes.

Mobile Services

High-functioning vehicles will be equipped with hardware and technology to ensure optimal access to KCLS collections, programs and services.

Mobile Services have become a key service priority and increasingly crucial part of KCLS' presence in the community, delivering library materials, training and services to patrons who cannot or do not come to the library. Mobile Services staff is currently divided under two departments but will consolidate in 2015. Services will be deployed from community libraries rather than from the Service Center in Issaquah, to achieve greater efficiencies and reach more patrons. Library staff will continue their outreach efforts to underserved communities using Library2Go!, visiting home daycares, senior centers, social service agencies, camps and community events. The larger ABC Express will continue to stop at larger daycares.



After successful pilots at two clusters, KCLS' **Mobile Learning Lab** will be analyzed for potential future service across community libraries. **Techlab**, the largest mobile learning lab with eight patron workstations, completed a successful summer, bringing Minecraft to tweens and teens. The popular computer game improves science, technology, engineering and math skills. Program offerings will be expanded in 2015.

A portion of KCLS' \$200,000 **vehicle maintenance budget** ensures all mobile services vehicles are clean, sound, and onboard equipment and technology are functioning optimally.

GENERAL FUND SUMMARY

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Description	Actual 2013	Budget 2014	Budget 2015	\$ Variance	% Variance
General Fund Beginning Balance	\$ 43,558,073	\$ 45,000,000	\$ 49,854,205	\$ 4,854,205	10.8%
Revenues	102,180,053	109,384,500	112,042,457	2,657,957	2.4%
50000 Expenditures					
51000 Library Operations					
51100 Salaries	44,201,832	47,286,380	48,996,269	1,709,889	3.6%
51200 Substitute Salaries	918,452	1,392,554	1,670,406	277,852	20.0%
51300 Personnel Benefits	15,073,299	17,276,618	18,529,808	1,253,190	7.3%
51400 Supplies	4,031,284	4,174,860	4,192,267	17,407	0.4%
51600 Staff Development	520,449	950,160	1,018,278	68,118	7.2%
51700 Professional Services	3,611,079	4,734,651	5,149,189	414,538	8.8%
51800 Communications	1,234,374	1,447,400	1,481,585	34,185	2.4%
51900 Travel	196,236	204,773	204,078	(695)	-0.3%
52000 Advertising	210,273	522,200	256,200	(266,000)	-50.9%
52100 Operating Leases	1,890,513	2,217,855	2,172,832	(45,023)	-2.0%
52200 Insurance	659,084	732,660	751,460	18,800	2.6%
52300 Utilities	1,943,801	1,919,863	1,961,130	41,267	2.1%
52400 Repair and Maintenance	8,099,043	8,441,203	9,827,380	1,386,177	16.4%
52600 Reserve	-	500,000	500,000	-	0.0%
52700 Miscellaneous	296,698	324,082	319,082	(5,000)	-1.5%
52800 Intergovernmental Svc	49,714	56,000	55,000	(1,000)	-1.8%
53100 Library Materials Non-Capital	1,596,664	2,158,010	2,115,649	(42,361)	-2.0%
51000 Library Operations	84,532,795	94,339,269	99,200,613	4,861,344	5.2%
60000 Capital Outlay					
60100 Land	319,404	-	-	-	0.0%
60200 Building	568,731	-	75,000	75,000	100.0%
60300 Furniture and Equipment	769,753	744,818	111,000	(633,818)	-85.1%
60400 Materials	11,985,190	11,378,655	12,253,371	874,716	7.7%
60620 Software (Capitalized)	441,732	272,000	37,000	(235,000)	-86.4%
60700 Owners Costs	40,687	-	-	-	0.0%
60000 Capital Outlay	14,125,497	12,395,473	12,476,371	80,898	0.7%
80000 Other Financing Uses					
80100 Operating Transfers	1,753,549	4,798,500	7,206,375	2,407,875	50.2%
80000 Other Financing Uses	1,753,549	4,798,500	7,206,375	2,407,875	50.2%
50000 Expenditures	100,411,841	111,533,242	118,883,359	7,350,117	6.6%
General Fund Ending Balance	\$ 45,326,285	\$ 42,851,258	\$ 43,013,303	\$ 162,045	0.4%