



KCLS BUDGET FISCAL YEAR 2023

**King County Library System
960 Newport Way NW
Issaquah, WA 98027**



kcls.org



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LIBRARY DISTRICT OVERVIEW

2023 Annual Budget

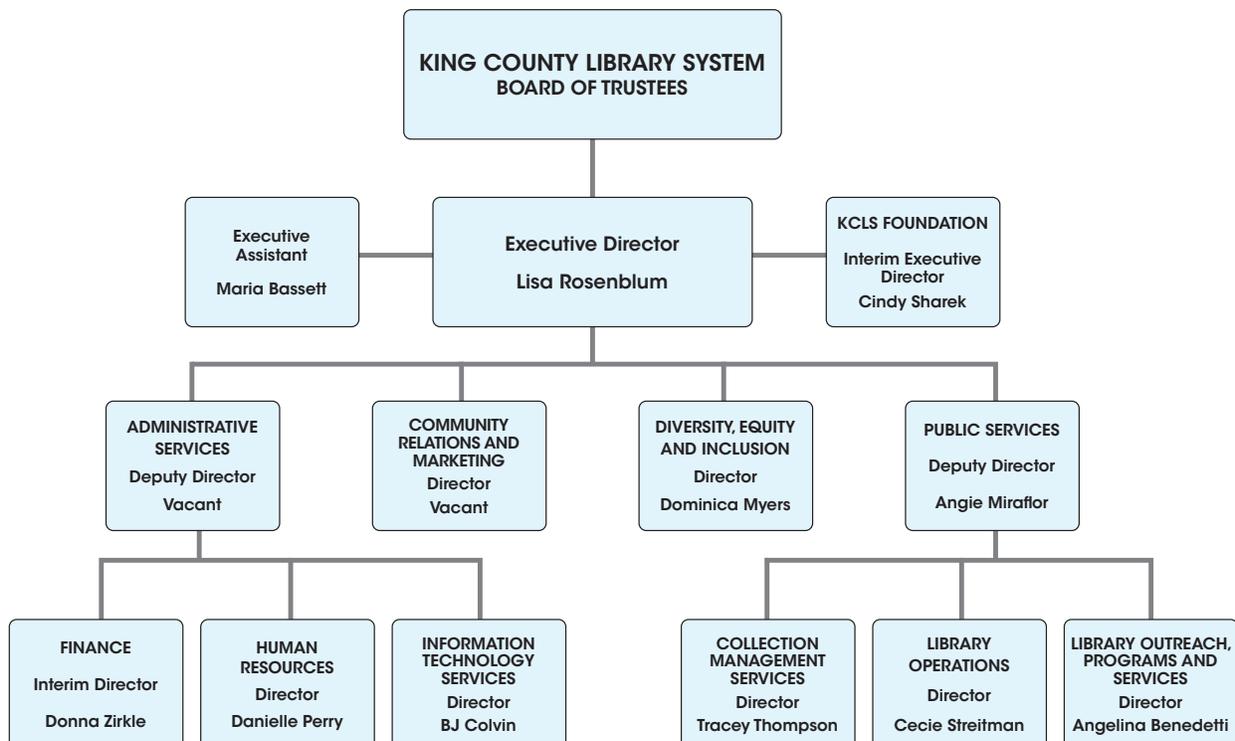


The King County Library System serves approximately 1.5 million residents across more than 2,300 square miles of King County, Washington. KCLS is consistently ranked as one of the busiest libraries in the country. With 50 libraries located in 38 distinct urban, suburban and rural communities, KCLS typically circulates more than 20 million items and welcomes approximately 10 million visitors annually.

KCLS was established in 1942 as an independent taxing district and is governed by a seven-member Board of Trustees in accordance with RCW 27.12.192. Board of Trustee members are appointed by the King County Executive and confirmed by the King County Council. The Board of Trustees hires the Executive Director, adopts the Library District's annual operating budget, sets an annual property tax levy and approves the District's long-range strategic plan. Trustees serve voluntarily and agree to uphold the Mission, Vision and Values of the King County Library System.

The Executive Director oversees the annual operating budget and keeps the KCLS Board of Trustees apprised of the Library District's financial and operational status. Responsible for the overall strategic direction and leadership of the District, the Executive Director ensures that KCLS operates within its approved budget while providing relevant programs, services and materials that meet the needs of the diverse communities the Library System serves.

The Executive Director's Leadership Team includes the Deputy Director of Administrative Services; Deputy Director of Public Services; and the Directors of Collections Management Services; Community Relations and Marketing; Diversity, Equity and Inclusion; Finance and Facilities; Human Resources; Information Technology Services; Library Operations; and Library Outreach, Programs and Services. The KCLS Foundation Executive Director is also a member of the Leadership Team.



2023 KCLS BOARD OF TRUSTEES



Anne Repass



Harish Kulkarni



Srini Raghavan



Lalita Uppala



Jeff Guddat



Laura Valenziano

KCLS ADMINISTRATION



Lisa Rosenblum
KCLS Executive Director



EXECUTIVE DIRECTOR'S SUMMARY

2023 Annual Budget



December 14, 2022

To the King County Library System Board of Trustees,

I am pleased to present the King County Library System's Budget for Fiscal Year 2023, which includes KCLS' annual Operating Budget and five-year Capital Investment Program (CIP).

The 2023 Budget reflects a continued focus on the overarching strategic goals that guide our work: Communities of Inclusion and Belonging; Responsive and Inspirational Service; Organizational Excellence; and Strategic Communication. With the completion of the Diversity, Equity and Inclusion (DEI) Assessment in 2022, KCLS embarks on a new five-year plan that incorporates recommendations from that study within the existing Strategic Framework. The 2023 Budget funds key strategic initiatives and projects that further expand programs and services to support operational improvements. It creates internal efficiencies and enhances experiences for patrons and staff, all developed through a DEI lens.

BUDGET FUNDING

As an independent taxing district, KCLS has a General Fund comprised predominately of property tax revenue that is collected and distributed by the King County Treasurer twice a year, in April and October. To sustain ongoing operations during the gap in revenue collection between the end of the year and the following April, KCLS relies on a minimum Ending Fund Balance (EFB), which is equal to 120 days of operating expenditures. Maintaining an adequate fund balance is a vital component of KCLS' comprehensive financial planning.

BUDGET CHALLENGES

Historically, KCLS' operational expenditures have significantly outpaced revenues. While there are several contributing factors, the statewide Initiative 747 has had a critical impact. Initiative 747 limits annual revenue growth to 1%, yet in September the U.S. Bureau of Labor and Statistics showed an 8.2% increase in the cost of goods and services over the past year. The effect of inflation on salaries and healthcare benefits, fuel costs, contracted maintenance services and the hiring of more staff to expand open library hours, has a cumulative impact on the budget. At the current rates of inflation, KCLS will struggle to maintain an adequate fund balance and could be in a future deficit position.

The Library System has passed a levy lid lift measure every eight years since 2002, the last being in 2010. Voter approval of a new levy lid lift would increase revenue and allow KCLS to sustain library operations for several more years. However, continuing financial impacts caused by the COVID-19 pandemic have led KCLS to postpone the measure yet again, adding to budgetary pressures.

In 2023, total General Fund expenditures are budgeted at \$140.7M, reflecting a 2.5% increase over the previous year.

2022 SUCCESSES

In 2022, KCLS closed out a five-year strategy that implemented more than 100 distinct projects which reduced barriers to library access, enhanced environmental sustainability and renewed a commitment to excellent customer service. New services focusing on economic empowerment, STEM, social and health services were operationalized. Staff recommendations resulted in a fresh look at KCLS' organizational values, including the establishment of a DEI Department to ensure that the Library System embraces and reflects the diversity of our communities. In this final year, noteworthy efforts which align with KCLS strategic goals included:

Communities of Inclusion and Belonging

- Completed a comprehensive DEI Assessment that gathered data and information from internal and external sources and stakeholders to produce a detailed analysis and a set of strategic recommendations that will be implemented over the next five years as part of KCLS' updated strategy.
- Launched The Welcoming Center at Bellevue, Kent and Tukwila Libraries, offering a point of connection and services that respond to the unique needs of nearby immigrant and refugee populations.
- Engaged with older adults who continue to experience isolation due to the COVID-19 pandemic, by continuing online programming that informs and entertains, and by reintroducing in-person programming that provides opportunities to expand social connections.

Responsive and Inspirational Service

- Increased open hours, reopened library meeting rooms for public use, and resumed in-person programming, while maintaining online programs and other popular services launched during the pandemic.
- Installed equipment and updated library spaces to improve access to health and financial information services; provided privacy and equipment for online telehealth appointments and interviews as well as interpretation services.
- Developed resources and services in response to the needs of Black, Indigenous and People of Color (BIPOC) entrepreneurs, in partnership with other local organizations that also serve these communities.
- Expanded services that support children's love of reading through partnerships with schools, programs for parents and caregivers, and piloting new offerings for preschoolers.

Organizational Excellence

- Reorganized administrative departments to reflect changing business priorities and utilize salary resources more efficiently.
- Expanded hiring of community library front-line staff, including librarians, to support increased open hours, co-creation of services and resumption of in-person programming.
- Partnered with Puget Sound Energy (PSE) to go carbon neutral at 45 library locations and two administrative buildings, preventing an estimated 19.2 million pounds of carbon dioxide from entering the atmosphere each year.

Strategic Communication

- Implemented OpenGov, a web-based financial reporting product that offers convenient access and greater transparency to the public.
- Launched a suite of interactive business reports and dashboards that provide staff with easy access to robust data and metrics for planning, evaluation and decision-making.
- Introduced a new newsletter product that offers patrons more options for customizing the content they receive, resulting in higher usage.

2023 BUDGET HIGHLIGHTS

The 2023 Budget integrates DEI values into KCLS' existing Strategic Framework, providing a refreshed strategic direction for 2023-2028.

KCLS has a long tradition of working with local organizations in the communities we serve. Beginning in 2023, KCLS will increasingly focus on working with partners to co-create programs and services, particularly with communities most impacted by systemic inequity. This work will ask staff to build relevant skills to ensure that their interactions with diverse communities are successful. It will also require more detailed recording and management of these contacts. Although ambitious, this shift in program and service development is a significant step toward the Library System's goal of building communities of inclusion and belonging.

The renewed focus on inclusion naturally extends into KCLS' physical spaces, which are valued community assets. In 2023, KCLS will assess each building with an eye to the future. The reviews will look at accessibility, condition, sustainability and alignment with community needs. Based on the findings, KCLS will create a plan for future improvements and ongoing maintenance, ensuring that the libraries provide welcoming spaces for patrons and staff. KCLS also will continue to decrease the environmental impact of these buildings by implementing cutting-edge improvements.

The rapid changes of 2021-2022 catalyzed a fresh look at organizational needs. The ongoing implementation of subsequent recommendations may suggest changes to KCLS' organizational structure in order to improve efficiency and effectiveness. Ongoing organizational analysis in 2023 will provide the information needed to increase open hours and service levels, and engage in more responsive interaction with the communities KCLS serves. When needed, KCLS will continue to adjust organizational structure and the staffing mix to support these improvements.

Feedback from patrons and community members will be essential in determining the success of these initiatives. In 2023, individuals will have multiple opportunities to provide this input. A large-scale patron satisfaction survey will gather detailed information about library usage throughout the district. Additional engagement by community library staff will help identify high-priority needs at the local level. Ongoing, targeted evaluation of programs and services will provide data needed for continuous improvement.

CONCLUSIONS

The 2023 Budget represents the first year of integrating the KCLS Strategic Framework with recommendations from the DEI Assessment. While keeping the core activities that KCLS is known for, this budget supports key changes that will make KCLS more inclusive and representative of all the communities we serve. At the same time, improvements in efficiency and effectiveness will ensure that KCLS remains an excellent steward of resources. It is a strong operational plan balanced by a continued focus on prudent fiscal management.

Sincerely,



Lisa G. Rosenblum, KCLS Executive Director



STRATEGIC FRAMEWORK

2023 Annual Budget



The King County Library System's (KCLS) Strategic Framework reflects its commitment to public service and accountability with a deep intention to enhance lives, forge connections and strengthen communities. This framework has been expanded to reflect the findings from a comprehensive assessment of Diversity, Equity and Inclusion (DEI) completed in 2022. The DEI assessment looked both internally and externally, with input from community leaders, partner organizations and staff. The resulting recommendations will guide KCLS strategic priorities for the next five years.

FOCUS

To create opportunities through meaningful connections.

KCLS will do this by connecting people with information, services and community-centered spaces; by providing equitable avenues to build the skills and knowledge needed for success; and by creating points of connection for building communities of inclusion and belonging.

Mission

To inspire the people of King County to succeed through ideas, interaction and information.

Vision

A world in which knowledge allows diverse communities to prosper and grow.

Values

Knowledge; Intellectual Freedom; Diversity, Equity and Inclusion; Professional Ethics; Stewardship and a Service Mindset.

Commitments

Customer service through helpful and expert staff; a robust and diverse collection of books and resources; responsive programs and services; and welcoming library spaces.



GOALS

Responsive, Inspirational Service

KCLS offers customized pathways to exciting, relevant opportunities that inspire innovation, creativity, learning and reflection. KCLS connects with people and organizations to leverage community strengths and enhance experiences.

Communities Of Inclusion And Belonging

KCLS continually works to increase equity, strengthen bonds and support individual and community identities by embracing and reflecting the diversity of our communities.

Organizational Excellence

KCLS has clear priorities and effective practices; high-performing leadership and staff; financial stability and a healthy culture. KCLS measures performance and uses what it learns to make sound decisions.

Strategic Communication

KCLS communication is clear, timely and intentional. Residents, partners and supporters recognize KCLS as an essential contributor to their lives. Staff uses internal standards, practices and tools that inform, educate and build connections.

Centering Communities Most Impacted By Systemic Inequities

With the completion of its comprehensive 2021-22 DEI Assessment, KCLS has intentionally leaned into its core values of Diversity, Equity and Inclusion by adding to its Strategic Framework the four DEI strategic pillars of **Systems, Co-Creation, Well-Being** and **Accountability**. These pillars work together to weave a connection between the principle of centering communities most impacted by systemic inequities and the implementation of KCLS' services and projects.

Pillar #1: Systems

Systematically apply a DEI lens to internal processes and resources.

To effectively serve and welcome diverse communities into the libraries, KCLS must have appropriate internal infrastructure and support in place.

Pillar #2: Co-Creation

Co-create and evaluate services with most impacted communities.

KCLS should proactively engage communities most impacted by systemic inequities at every stage of public service design and development.

Pillar #3: Well-Being

Adopt a trauma-informed approach to staff well-being.

Staff who are cared for, valued and who feel a sense of belonging in the workplace, are best positioned to create that same environment for patrons.

Pillar #4: Accountability

Communicate DEI accountability to the public.

KCLS must communicate its DEI goals and progress clearly and proactively. Doing so keeps the organization publicly accountable for its commitments to its most impacted communities.

2023 INITIATIVES

The Budget includes funding for key initiatives that align with KCLS' four strategic goals and work toward centering communities most impacted by systemic inequities.

Responsive, Inspirational Service

- Engage in community-led library programs and services that center communities most impacted by systemic inequity.
- Improve and expand services to linguistically diverse communities.
- Build on programs supporting economic recovery and self-sufficiency so that residents may prosper and grow.
- Improve online access to library materials through technology upgrades.



Communities of Inclusion and Belonging

- Engage unstably housed people to increase access to library and partner services.
- Evaluate internal processes and guiding documents to improve library access.
- Assess the condition and accessibility of KCLS' community libraries.



Organizational Excellence

- Assess organizational structure and staffing to increase services and workforce diversity.
- Study and plan for future initiatives that will improve employee engagement and support staff well-being.
- Conduct a classification and compensation study to align KCLS with industry standards and implement related DEI recommendations.
- Improve workflow processes in the Collection Management Services (CMS) Department through a LEAN assessment.
- Implement technology security initiatives to improve best practices in KCLS' business operations.



Strategic Communication

- Use proactive messaging strategies to ensure clear communication about KCLS' progress toward DEI goals.
- Increase options for patrons and community members to provide feedback, co-create services and customize communications they receive from KCLS.
- Engage staff in a day of learning that will focus on improving service to patrons, supporting work teams through ongoing transitions and developing core competencies.
- Expand the functionality of the internal Help Desk system to provide a primary point of contact for all staff requests for support services.





Responsive, Inspirational Service Community-Led Library Programs and Services

As opportunities continue for expanding in-person and online programs, KCLS will engage proactively with communities most impacted by systemic inequity to co-create programs and services. This represents a significant change in how services are developed, utilizing location-specific recommendations from the 2022 Diversity, Equity and Inclusion (DEI) Assessment and partnerships with key stakeholders. KCLS librarians and other staff will build relevant skills to ensure successful interactions. To facilitate ongoing community engagement, KCLS will implement a software product to record, share and manage a variety of staff contacts with community representatives, partner organizations and other library stakeholders.

Services to Linguistically Diverse Communities

KCLS will implement recommendations from the DEI Assessment that aim to improve and expand services to linguistically diverse communities. This will include the addition of a World Language Coordinator who will work System-wide to assess community needs and guide KCLS' organizational responses. KCLS will also designate an existing Materials Selector position to focus on World Language collection development. This initiative will also include an increase in library programs such as World Language Story Times and expanding The Welcoming Center, a suite of culturally and linguistically relevant services focusing on newly arrived immigrants and refugees, to three additional locations.

Economic Recovery and Self-Sufficiency

KCLS will continue to support and co-create equitable opportunities for economic resilience in our communities. Primary areas include small businesses, jobs, personal finance and digital skills needed to achieve economic justice and self-sufficiency - particularly among most impacted populations – so that all residents may prosper and grow. The ability to navigate and access COVID recovery funds, manage finances, and attain career goals benefits individuals, families and the local economy as a whole.

Improve Online Access to Library Materials

Patrons find and access KCLS materials online using a combination of products that work together to provide a seamless experience. In 2023, KCLS will make changes to two of these products in order to improve access, update features and lay a foundation for future service enhancements. Further improvements may be identified through the 2023 Accessibility Audit.

Communities of Inclusion and Belonging Engaging Unstably Housed People

KCLS will expand engagement with people living in tent city communities, transitional shelters and other locations to increase library services among those with limited access to resources and information. Trained specialists with lived experience will build connections among key community stakeholders to co-create opportunities for equitable access. Working together with partner organizations and people directly affected by housing disparities will make the greatest impact.

Evaluation of Policies, Procedures and Guidelines to Improve Library Access

The 2021-2022 DEI Assessment recommended a regular review of internal processes and guiding documents to ensure that KCLS practices inclusion and equitable access throughout collections, services, programs and buildings. In 2023, KCLS will review the first group of high-priority documents for possible bias or disproportionate impact on specific communities and revise as needed.

Facilities Assessments

KCLS' library buildings are a valued community asset. In 2023 and as KCLS looks toward the future, these spaces will be evaluated for accessibility, condition, sustainability and alignment with community needs. The findings will reimagine use of these spaces to foster understanding and belonging among and between communities. The assessment will guide decisions for capital maintenance options going forward, including improvements for the condition and functionality of buildings and infrastructure, to ensure they are energy-efficient and provide welcoming spaces for patrons and staff. KCLS will continue to build ongoing environmental sustainability partnerships with organizations such as Puget Sound Energy, which resulted in 45 locations becoming carbon-neutral in 2022.

Organizational Excellence

Organizational Analysis

In 2023, KCLS will continue to assess the organizational structure and staffing mix to identify opportunities for change that will better meet community needs, improve resource stewardship, develop strategies to improve workforce diversity, and improve internal and external customer service. Targeted hiring will support increased services and strategic DEI recommendations. Reorganization in KCLS' central administrative departments will improve work processes, and increase collaboration and alignment.

Employee Engagement and Well-Being

KCLS will develop and implement a survey to measure employee engagement. Engagement is an important measure of an employee's involvement, commitment and work satisfaction, informing KCLS' ability to attract and retain employees and enhancing their experience with the organization. Consultant recommendations from the survey findings will inform initiatives for future projects. The survey will establish a baseline level of engagement, with the goal of these responses being to improve staff engagement over time. Concurrently, KCLS will adopt a trauma-informed approach to staff well-being, a framework that will help staff understand and support each other through challenges.

Classification and Compensation Study

KCLS, with vendor support and guidance, will conduct a System-wide Classification and Compensation Study. The most recent KCLS review was completed in 2016. Since then, KCLS has experienced significant changes in response to the conditions of a global pandemic, and a market comparison analysis to assist in attracting and retaining staff is indicated. Additionally, the DEI Department has provided new perspectives to guide, update and revise organizational strategies and processes. This project will result in approved implementations to be included with the 2024 annual budget process.

Collection Management Services Process Improvement Projects

To reduce turnaround time for materials and to provide more responsive service, Collection Management Services will conduct a LEAN assessment of the related processes and implement subsequent recommendations. Additional projects in the department will streamline the item request and interlibrary loan processes to provide quicker and more efficient delivery of requests.

Technology Security Initiatives

In 2022, KCLS assessed technology security risks and began to implement solutions. In 2023, Information Technology Services will fully implement three projects to increase security: multi-factor authentication (MFA), data protection solutions and electronic staff badges for all locations. These security projects will lead to improved best practices in business operations.

Strategic Communication

Regular, Clear and Proactive Progress Reports

The 2022 DEI Assessment recommended proactively informing the public of KCLS' DEI goals and progress toward them. In 2023, KCLS will develop a variety of messaging strategies that reach out to the region's diverse communities, providing DEI progress reports in conjunction with operational statistics, community profiles and highlights from patron satisfaction surveys. Doing so will keep the organization publicly accountable for its commitments, build trust with the community and increase understanding of the benefits of these initiatives.

Increase Options for Community and Individual Feedback

To support KCLS' commitment to co-create opportunities with most-impacted communities, the System will implement additional processes for engaging with community members. Patron satisfaction surveys, community listening sessions and community leader interviews will provide foundational information with which to build relationships and expand services. KCLS will also expand options for individual patrons to choose what communications they wish to receive, providing targeted news via customized email newsletters.

2023 StaffCon Day of Learning

StaffCon is a day of learning for all staff; it has been held every two to three years since 2017. It offers a unique opportunity for staff who work at all 52 KCLS locations to build connections, while engaging in learning activities that develop essential knowledge and skills. Topics for 2023 will focus on improving service to patrons, supporting work teams through ongoing transitions and developing core competencies.

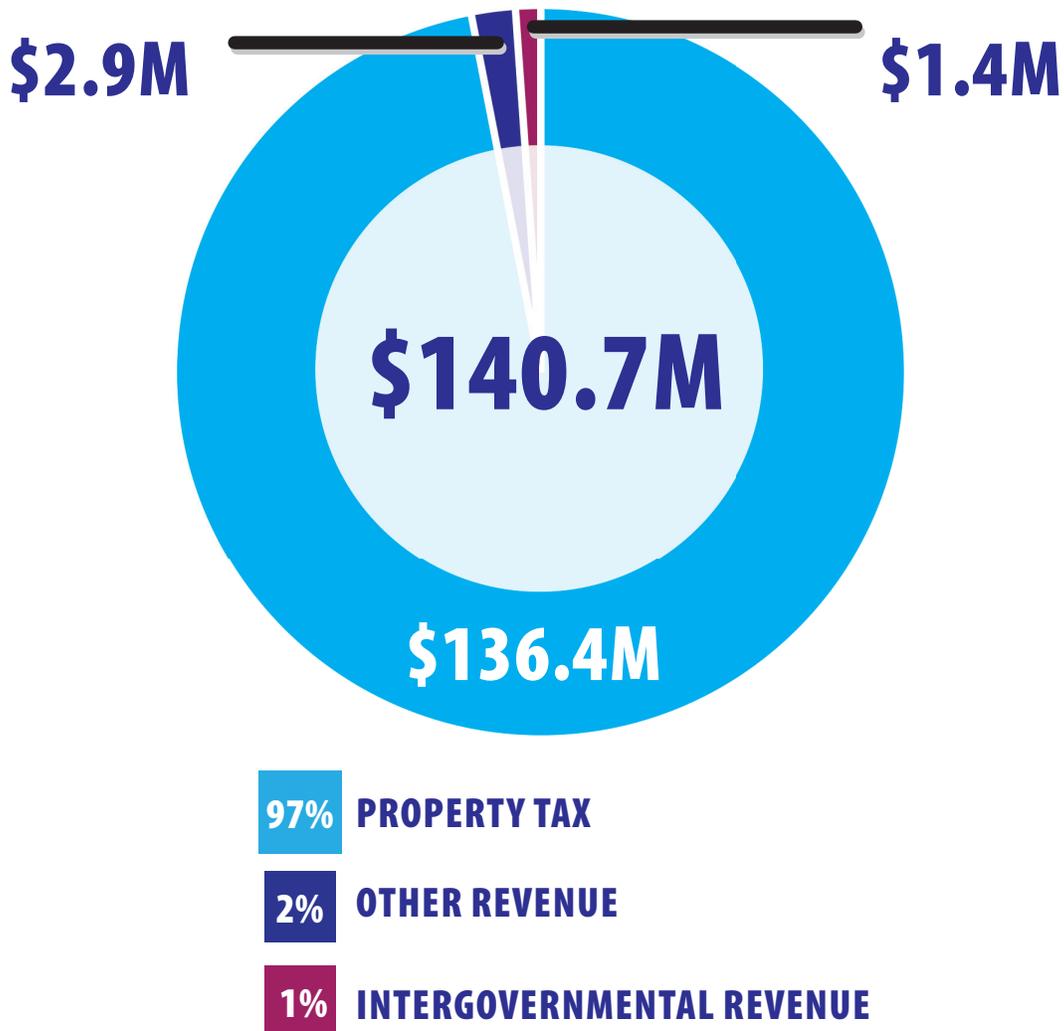
Internal Help Desk Replacement

This project will expand the functionality of the Help Desk system currently used by staff to make requests for information or report problems with specific business systems. The goal of the project is to make the Help Desk the primary point of contact for all staff requests to departments that provide support services. By moving to a single communication system for all requests, resolution will happen more quickly and trends can be tracked more effectively, improving overall operational performance.

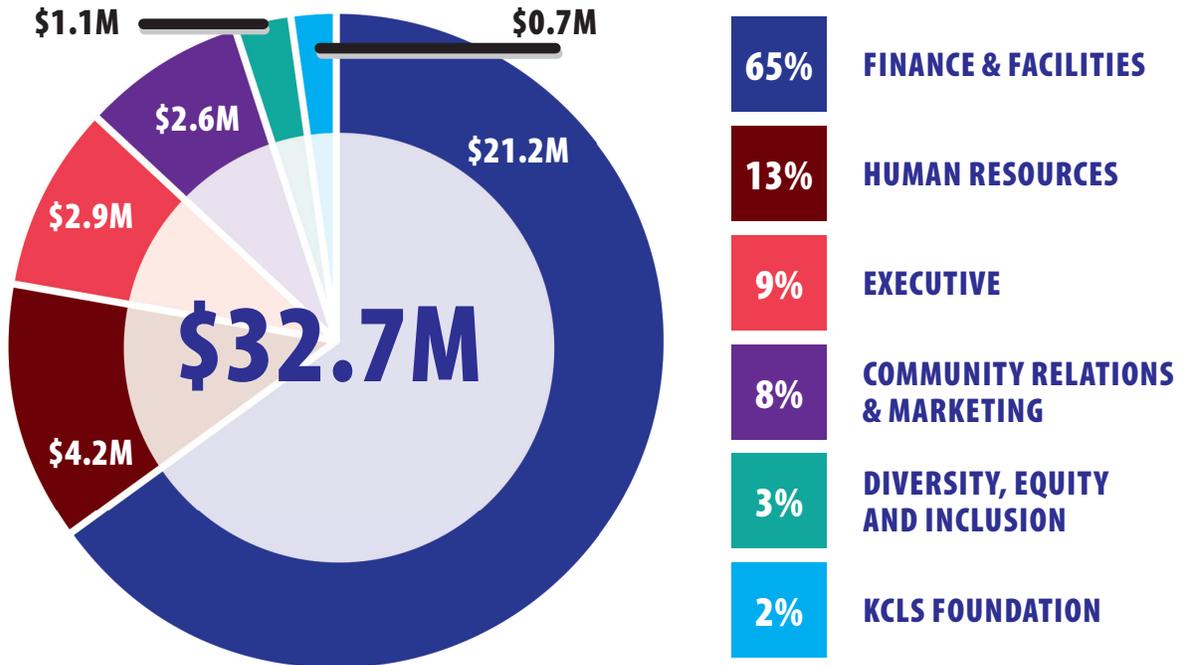


KCLS BUDGET REVENUE (\$140.7M) BY SOURCE

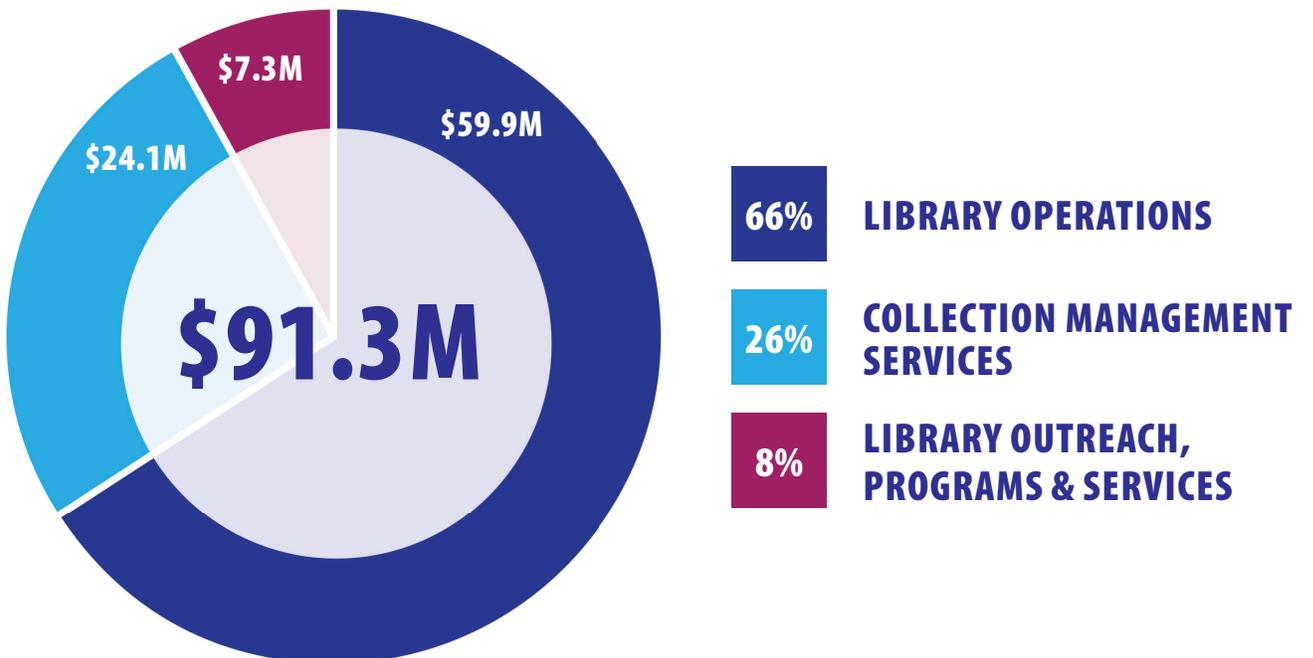
In 2023, total general fund revenue is projected at \$140.7M. KCLS revenue is relatively stable year to year, as it is predominantly comprised of property tax. Annual growth in property tax revenue is restricted to 1% over the prior year; plus any increase in revenue derived from new construction. Other revenue sources include, but are not limited to, grant funding, investment interest and eRate subsidies. Intergovernmental revenue is received from other government entities, for example, state timber tax.



ADMINISTRATION BUDGET BY DEPARTMENT



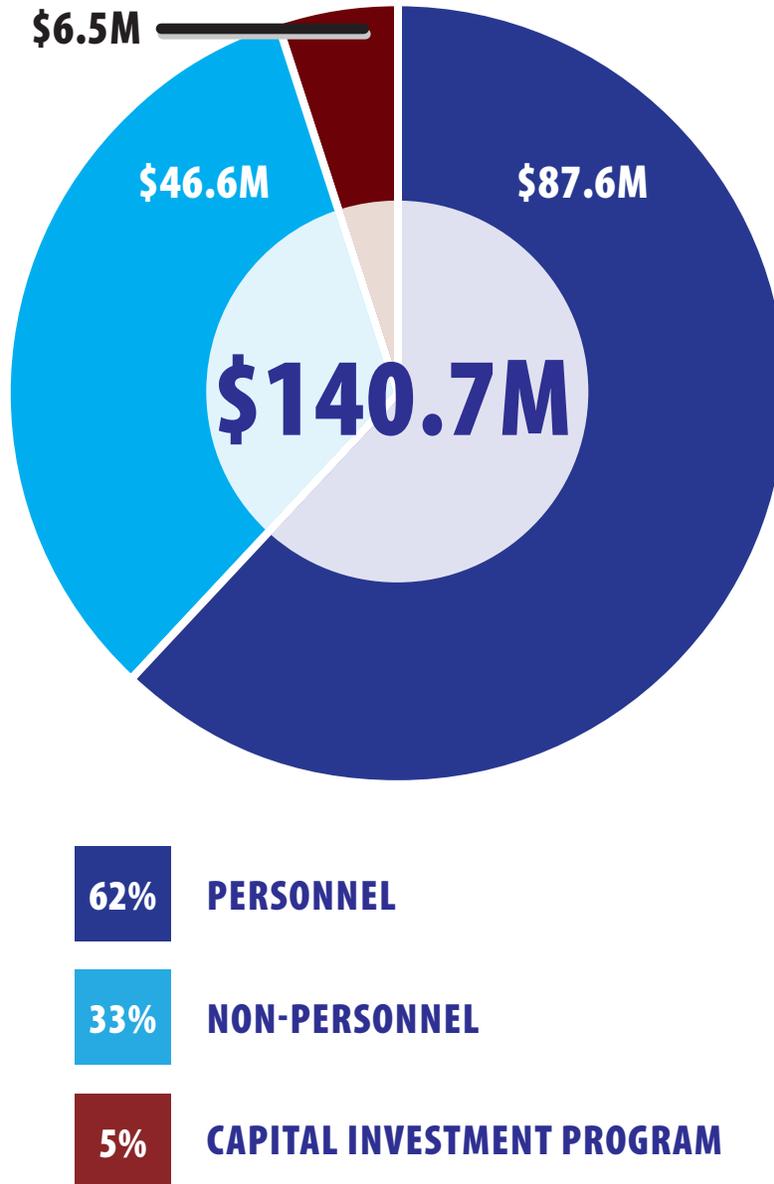
PUBLIC SERVICES BUDGET BY DEPARTMENT



KCLS BUDGET EXPENDITURES (\$140.7M) BY CATEGORY

Personnel expenditures account for 62% of total budgeted expenditures, and include salaries and benefits for 1,026 employees, or 815 Full-Time Equivalent (FTE) employees.

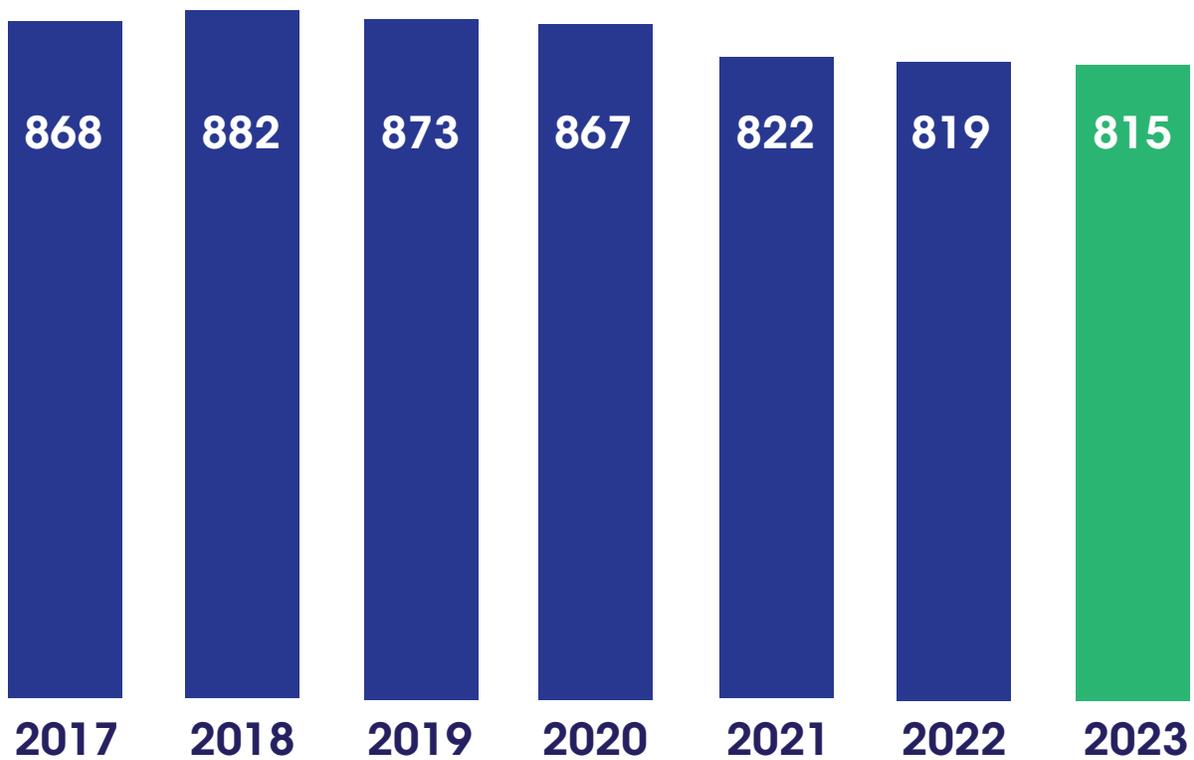
Non-personnel expenditures account for 38% of total budgeted expenditures. The 2023 Budget also includes \$6.5M in funding for the Finance & Facilities and Technology Capital Investment Program (CIP) to cover anticipated major expenditures for ongoing maintenance and upkeep of the Library District's capital assets.



GENERAL FUND OVERVIEW

The 2023 Budget proposes investments that will continue to inspire KCLS patrons and staff, and a further expansion of library operations. This includes increasing library open hours, filling open and reorganized positions equal to 815 FTEs, and increasing the Capital Investment Program budget by 17%.

KCLS BUDGETED FULL-TIME EQUIVALENTS



ECONOMIC OUTLOOK

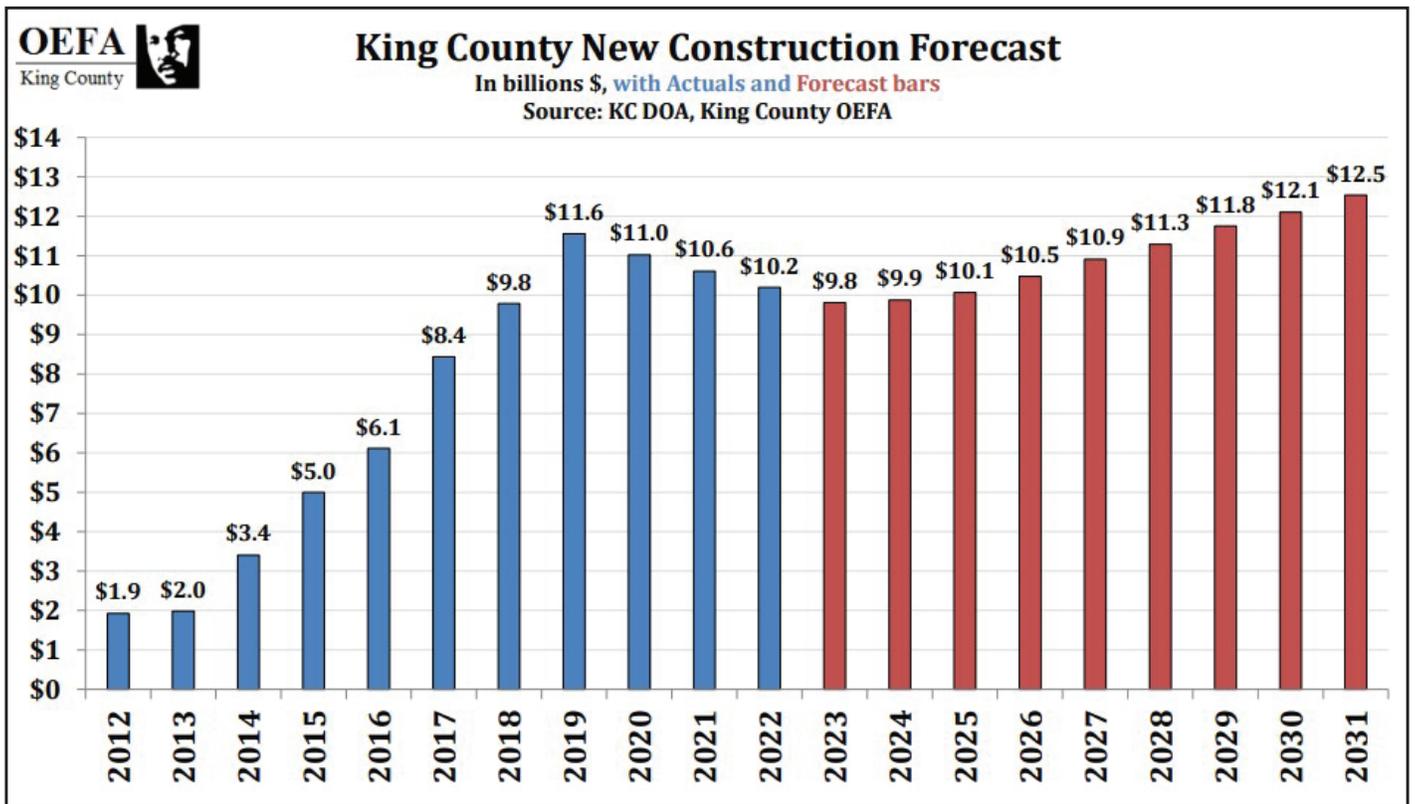
While property tax, which accounts for 97% of KCLS' revenue, is a relatively stable funding source, the passage of Initiative 747 in 2001 restricts the growth in annual revenue to the lesser of 1% or the Implicit Price Deflator (IPD), plus any additional tax revenue generated from new construction.

The IPD is a figure used to measure inflation for personal consumption expenditures for the United States; it is published for the most recent twelve-month period by the U.S. Bureau of Economic Analysis of the U.S. Department of Commerce by September 25 of the year before the taxes are payable.

In the event the IPD falls below 1%, the Board of Trustees must approve a resolution declaring a substantial need in order to receive the full 1% increase in property tax revenue. For purposes of this budget, the IPD is reported to be 6.46% (greater than 1%) and, therefore, KCLS requires no such resolution to increase its property tax levy by 1%.

When factoring in forecasted new construction revenue based on available economic data from King County, growth in forecasted property tax revenue is anticipated to be 2.5% in 2023.

Considering all revenue sources, KCLS estimates a 2.5% increase for the 2023 Budget period.



REVENUE AND EXPENSE DEFINITIONS

2023 Annual Budget

REVENUE DEFINITIONS

Contracts: Revenue from institutional library in the King County Juvenile Detention Center. The contract renews each year.

E-Rate: The Schools and Libraries (E-Rate) Program provides discounts to assist eligible schools and libraries to obtain affordable internet access and telecommunications services. E-Rate funds the following service types: Data Transmission Services and/or Internet Access; Internal Connections; Managed Internal Broadband Services, and Basic Maintenance of Internal Connections. KCLS utilizes an independent E-Rate consulting firm that completes and files the application needed to secure funding for eligible services every year.

Fines: Revenue obtained from fines for overdue library materials.

Investment Interest: KCLS belongs to the King County Investment Pool that invests cash reserves for all county agencies, special districts and other public authorities. The investment portfolio in the pool complies with the county investment policies and state law, and only invests in certain types of highly rated securities, including certificates of deposit, U.S. Treasury obligations, federal agency obligations, municipal obligations, repurchase agreements and commercial paper.

KCLS Foundation: Since 1991, the King County Library System Foundation (KCLSF) has provided financial support from private donors for library programming that goes beyond what is possible with public funding. This allows KCLS to extend the reach of critical library programs and services across the county so that all communities can thrive. It includes:

- Launching pilot programs to provide services for populations in need. For example, Wi-Fi hotspots in areas with limited internet access.
- Providing consistent funding for programs that are offered year-to-year, such as Summer Meals for students who lose access to free-and-reduced-price lunch programs when schools are closed.
- Supporting library construction projects in some of King County's most underserved communities.

Lost Materials: Revenue obtained from fees assessed for damage to or loss of library property.

Miscellaneous Revenues: Sales of General Fixed Assets; Sales of Taxable Merchandise; Refunds/Credits; Donations; KCLS Foundation Postage reimbursements and Found Money.

Other Taxes: Includes the Leasehold Excise Tax. The state of Washington imposes a 12.84% Leasehold Excise Tax on the act or privilege of occupying or using publicly owned, or specified privately owned, real or personal property (RCW 82.29A.030).

Allocation of Leasehold Excise Tax: Leasehold Excise Taxes imposed by cities and counties are credited against the 12.84% state Leasehold Excise Tax. This credit is applied in layers, which is to say the county rate (with a maximum rate of 6%) is credited against the state rate, and the city rate (with a maximum rate of 4%) is credited against the county. For example, if the county imposes its maximum of 6% and no city has imposed a Leasehold Excise Tax, the county will receive 6% countywide and the state will receive the remaining 6.84%. However, if a city also imposes its 4% maximum rate, the city will receive 4% and the county will receive 2% within the incorporated area. The county would still receive its full 6% for the unincorporated areas, and the state would receive the remaining 6.84% countywide.

Photocopies: Revenue obtained from patrons utilizing KCLS photocopiers and printers.

Private Timber Tax: The state of Washington timber harvesters pay an excise tax on the value of timber harvested, whether on private or public lands. The State Department of Revenue collects the funds and distributes revenue back to the county of origin, less prorated administrative costs, which in turn distributes the revenue to local taxing districts. In place of property taxes, timber owners pay this 5% excise tax on timber harvested, with 1% distributed to the state and the remaining 4% to counties. KCLS qualifies for this revenue since it is a taxing district, which has forestlands within the boundaries of the Library System service area. The primary revenue distribution is made quarterly in February, May, August and November, which explains why a large amount came to KCLS in May. The King County Treasurer distributes the revenues to the local taxing districts according to a formula prescribed in the law, which includes factors of number of acres of forestland available in a district's area and assessed values of the land.

Property Tax: An Ad Valorem Tax on real estate property, based upon the value of the property. Property Tax provides the majority of KCLS revenue. Annual growth in Property Tax revenue is restricted to 1% over the prior year, and the increase in revenue is derived from new construction. The county treasurer collects and distributes the revenue to KCLS twice a year in April and October.

EXPENSE DEFINITIONS

Advertising: Promotion of KCLS programs, services and initiatives through social media, print, radio, broadcast and digital marketing.

Communications:

Data: King County I-NET and data connections in various areas not currently supported by I-NET. Includes ongoing data costs for mobile devices used by staff, and funds to strengthen connectivity to the KCLS Service Center at Preston.

Voice: Telephones, fax, cell, radio and cordless phones; telephone system hardware upgrades; directory listings and conversion of phone systems to King County I-NET. Includes repair and improvements to existing phone systems throughout KCLS.

Insurance: Property and casualty coverage for all locations as well as Directors and Officers, Fiduciary and Liability Insurance coverage. Coverage for all fleet, maintenance and public services vehicles.

Intergovernmental: Washington State Auditor fees; state and county purchasing pools membership fees; and other government membership and service fees.

Library Materials–Capitalized: Additions to the KCLS materials collection that KCLS owns and which will exist for longer than one year.

Library Materials–Non-Capitalized: Additions to the KCLS materials collection that KCLS does not own or which will not exist for longer than one year.

Miscellaneous: Includes Ad Valorem expenses. An Ad Valorem tax is charged by state and municipal governments and is based on the assessed value of a product or property. The most common Ad Valorem tax is the property tax, which is charged on real estate and personal property. Other miscellaneous expenses include book repair, banking fees, membership fees, interest and penalties.

Operating Lease: Lease expenditures include base rent, copier leases, the shared portion of tax, Common Area Maintenance (CAM), insurance and utilities for all the leased buildings.

Professional Services: Services provided by third party vendors or consultants including network services, computerized reference services, on-site security, ergonomic consultations, health and safety consultations, payroll and benefit related consultations, major system workflow enhancements services, courier services, legal consultations and other general professional consultation or contract services.

Repairs and Maintenance: Includes all contracted repair and maintenance services, outside contracts call-out services for all buildings, assets, vehicles, furniture and equipment.

Reserve: Contingency funds supporting the Library District's response to unforeseen expenses.

Staff: Includes salaries, benefits, retirement contributions, FICA and other taxes.

Staff Development: Expenses that improve employees' existing competencies and skills and develop new skills to support the organization's goals, such as workshops, specialty trainings, seminars, conferences, tuition assistance and other general trainings.

Supplies: Expenditures for materials, supplies, contractual services, fees and other services.

Travel: Reimbursement to staff to defray the costs of travel to professional conferences and events and for using personal vehicles while conducting KCLS business.

Utilities: Utilities expenditures include electricity, gas, water, garbage and recycling, sewage management, etc.



EXECUTIVE

The King County Library System Executive Director oversees KCLS' annual operating budgets and keeps the KCLS Board of Trustees apprised of the Library District's financial and operational status. Responsible for the overall strategic direction and leadership of the District, the Executive Director ensures that KCLS operates within its approved budget while providing relevant programs, services, resources and materials that meet the needs of the diverse communities KCLS serves.

CHANGES FROM 2022

- The Executive Budget will decrease mainly due to a reduction in departmental reserves, as KCLS is not anticipating fees and other costs associated with a levy lid lift in the coming year. These funds were shifted back into organizational reserves.

Other expenditures to note include:

- Software subscriptions increased to give all staff access to a community data resource to help implement KCLS' DEI strategy.
- Memberships decreased. KCLS continually evaluates which organizational memberships provide strategic benefits. KCLS is dropping two memberships for 2023.

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$1,257,812
Intergov./Reserve/Misc./TransOut	\$1,224,100
Professional Services	\$235,000
Supplies	\$48,700
Travel/Advertising/Staff Development	\$99,000
TOTAL	\$2,864,612

EXECUTIVE

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$134,087	\$335,000	\$290,713
Salaries	\$549,678	\$1,092,100	\$967,099
SALARIES/BENEFITS TOTAL	\$683,764	\$1,427,100	\$1,257,812
Intergov./Reserve/Misc./TransOut			
	2021 Actual	2022 Budget	2023 Budget
Miscellaneous			
Miscellaneous - Memberships	\$23,438	\$38,100	\$22,100
Miscellaneous - Other	\$0	\$2,000	\$2,000
MISCELLANEOUS TOTAL	\$23,438	\$40,100	\$24,100
Reserve			
Reserves	\$0	\$3,120,000	\$1,200,000
RESERVE TOTAL	\$0	\$3,120,000	\$1,200,000
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	\$23,438	\$3,160,100	\$1,224,100
Professional Services			
Professional Services			
Professional Services - General	\$10,930	\$200,000	\$200,000
Professional Services - Legal	\$0	\$35,500	\$35,000
PROFESSIONAL SERVICES TOTAL	\$10,930	\$235,500	\$235,000
PROFESSIONAL SERVICES TOTAL	\$10,930	\$235,500	\$235,000
Supplies			
Supplies			
Operating Supplies	\$639	\$2,000	\$2,000
Supplies - Program	\$0	\$0	\$36,300
Supplies - Software	\$8,698	\$8,900	\$10,400
SUPPLIES TOTAL	\$9,336	\$10,900	\$48,700
SUPPLIES TOTAL	\$9,336	\$10,900	\$48,700
Travel/Advertising/Staff Development			
Staff Development			
Training	\$275	\$65,000	\$65,000
Individual Development	\$1,654	\$28,000	\$28,000
STAFF DEVELOPMENT TOTAL	\$1,929	\$93,000	\$93,000
Travel			
Travel	\$125	\$6,000	\$6,000
TRAVEL TOTAL	\$125	\$6,000	\$6,000
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$2,054	\$99,000	\$99,000
TOTAL	\$729,523	\$4,932,600	\$2,864,612

COLLECTION MANAGEMENT SERVICES

The Collection Management Services (CMS) Department builds an extensive collection that is responsive to the needs of KCLS communities. CMS selects, orders, catalogs, prepares, and distributes digital and physical materials, with the goal of providing a collection that reflects local communities and removes barriers to access. CMS is committed to supporting KCLS' values of inclusion and belonging by offering diverse materials.

CHANGES FROM 2022

- Merge Materials Distribution Services into CMS to improve coordination of materials delivery.
- Designate a World Language Selector to reinvigorate collections, and work with the DEI Department to identify and support the needs of World Language communities.
- Move databases to CMS and designate a Selection Librarian as digital lead to better coordinate physical and digital resources.
- Undertake a Lean Library project to reduce turnaround time of materials and provide more responsive service.
- Streamline patron request and Interlibrary Loan processes to provide quicker and more efficient delivery of requests.
- Evaluate circulation policies to remove unintended barriers to access.
- Begin strategic planning for potential future replacement of AMH machines.

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$7,404,076
	2023 Budget
Intergov./Reserve/Misc./TransOut	\$20,000
Insurance/Lease/Utilities/Communications	\$87,000
Library Material	\$14,610,127
Professional Services	\$1,125,120
Repairs and Maintenance	\$749,498
Supplies	\$130,260
Travel/Advertising/Staff Development	\$17,320
TOTAL	\$24,143,401

COLLECTION MANAGEMENT SERVICES

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$1,720,622	\$1,792,100	\$2,175,497
Salaries	\$4,270,006	\$4,534,900	\$5,228,579
SALARIES/BENEFITS TOTAL	\$5,990,628	\$6,327,000	\$7,404,076
Intergov./Reserve/Misc./TransOut			
Miscellaneous	\$27,765	\$35,000	\$20,000
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	\$27,765	\$35,000	\$20,000
Insurance/Lease/Utilities/Communications			
Communications	\$85,658	\$90,000	\$87,000
Operating Lease	\$65	\$0	\$0
INSURANCE/LEASE/UTILITIES/COMMUNICATIONS TOTAL	\$85,723	\$90,000	\$87,000
Library Material			
Library Material - Non Cap.	\$5,084,531	\$4,497,000	\$5,987,447
Library Material - Cap.	\$8,298,098	\$9,122,814	\$8,622,680
LIBRARY MATERIAL TOTAL	\$13,382,629	\$13,619,814	\$14,610,127
Professional Services			
Professional Services	\$826,663	\$1,022,150	\$1,125,120
PROFESSIONAL SERVICES TOTAL	\$826,663	\$1,022,150	\$1,125,120
Repairs and Maintenance	\$0	\$0	\$749,498
Supplies			
Supplies	\$103,756	\$127,000	\$130,260
SUPPLIES TOTAL	\$103,756	\$127,000	\$130,260
Travel/Advertising/Staff Development			
Staff Development	\$2,813	\$9,000	\$14,320
Travel	\$281	\$1,000	\$3,000
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$3,094	\$10,000	\$17,320
TOTAL	\$20,420,257	\$21,230,964	\$24,143,401

COMMUNITY RELATIONS AND MARKETING

The Community Relations and Marketing (CRM) Department creates, designs and delivers strategic external communications to promote, increase and drive awareness of KCLS’ programs, services and offerings, and to manage the Library System’s brand and reputation. CRM is responsible for media outreach and partnerships, public relations and social media, government relations, marketing and branding, advertising and the design and production of all KCLS promotional materials.

CHANGES FROM 2022

- Social media will move from Online Library Services to CRM during the fall of 2022.
- An Organizational Performance Project Manager position in the Strategy Department will be reorganized to an Internal Communications Coordinator and moved to CRM.
- The previously vacant (during COVID) CRM Intern position will be reinstated for 2023.
- With the shift of social media to CRM, the associated software expenses will include social media posting and analytic software (plus Cision and BiblioEmail).
- Professional Services reflects a slight increase with transferred expenses for social media podcast hosting and video transcription services (for ADA compliance).
- Operating supplies will rise to accommodate the need for more promotional items for libraries to use for increased outreach.
- Staff Development includes specialized training and professional development for CRM staff, plus public records training.
- Supplies-Events covers Friends Day 2023.
- Travel is reduced for the CRM Department with the ability to meet online (Teams or Zoom).

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$1,871,663
Intergov./Reserve/Misc./TransOut	\$1,625
	2023 Budget
Professional Services	\$115,160
Supplies	\$194,440
Travel/Advertising/Staff Development	\$408,775
TOTAL	\$2,591,663

COMMUNITY RELATIONS AND MARKETING

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$366,638	\$395,100	\$497,016
Salaries	\$1,039,026	\$1,099,300	\$1,374,647
SALARIES/BENEFITS TOTAL	\$1,405,665	\$1,494,400	\$1,871,663
Intergov./Reserve/Misc./TransOut			
Miscellaneous	\$1,120	\$1,880	\$1,625
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	\$1,120	\$1,880	\$1,625
Professional Services			
Professional Services	\$74,844	\$108,500	\$115,160
PROFESSIONAL SERVICES TOTAL	\$74,844	\$108,500	\$115,160
Supplies			
Supplies	\$109,683	\$185,015	\$194,440
SUPPLIES TOTAL	\$109,683	\$185,015	\$194,440
Travel/Advertising/Staff Development			
Staff Development	\$0	\$4,000	\$5,275
Travel	\$484	\$6,000	\$3,500
Advertising	\$364,326	\$396,000	\$400,000
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$364,810	\$406,000	\$408,775
TOTAL	\$1,956,122	\$2,195,795	\$2,591,663

DIVERSITY, EQUITY AND INCLUSION

The DEI Department is responsible for developing and strengthening a holistic DEI strategy that embodies KCLS' Mission, Vision and Values by embedding a shared vision of equity and creating an environment that embraces diverse perspectives and experiences across all levels of the organization.

CHANGES FROM 2022

Personnel expenditures (Salaries and Benefits) will increase due to the addition of a World Language Coordinator position. The World Language Coordinator will lead an ongoing systematic assessment of community language needs, and coordinate initiatives in programs, services, collections, staffing, trainings and communications at KCLS. This position will partner with library regions and departments System-wide to guide and improve KCLS' overall service to linguistically diverse communities. This effort includes understanding and designing responses to the evolving and unique needs of World Language speakers and readers, particularly those with limited English language proficiency.

Non-personnel operating costs will decrease mainly due to the reduced need for professional services as compared to the need for consultants in 2022 to complete the organizational 2021-22 DEI Assessment. Professional services will continue to be needed in 2023 for Accessibility audit-related efforts to improve our services and access for patrons with disabilities.

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$951,987
	2023 Budget
Professional Services	\$126,500
Supplies	\$17,000
Travel/Advertising/Staff Development	\$14,000
TOTAL	\$1,109,487

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$136,235	\$206,000	\$259,238
Salaries	\$451,817	\$592,600	\$692,749
SALARIES/BENEFITS TOTAL	\$588,052	\$798,600	\$951,987
Professional Services			
Professional Services	\$0	\$135,000	\$126,500
PROFESSIONAL SERVICES TOTAL	\$0	\$135,000	\$126,500
Supplies			
Supplies	\$499	\$6,000	\$17,000
SUPPLIES TOTAL	\$499	\$6,000	\$17,000
Travel/Advertising/Staff Development			
Staff Development	\$119,025	\$8,000	\$11,000
Travel	\$192	\$3,000	\$3,000
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$119,217	\$11,000	\$14,000
TOTAL	\$707,768	\$950,600	\$1,109,487

FINANCE AND FACILITIES

The Finance and Facilities Department is responsible for KCLS' capital assets, including 50 libraries, fleet vehicles, and the Service Center in Issaquah. Finance divisions are responsible for day-to-day financial operations, providing timely financial statements, auditing, and fiduciary control over all Library District assets. The finance staff is a trusted partner in providing transparency, accountability, and strategic financial planning that supports the fiscal sustainability of the King County Library Systems.

The Finance and Facilities Department is comprised of the following divisions:

Accounting: Maintains accounting records, produces financial reports and annual financial statements, safeguards assets, and implements appropriate financial controls in compliance with Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standards Board (GASB).

Budget: Supports leadership in organizational financial planning and provides independent financial analysis on a wide range of issues and projects. Leads annual operating and capital budget planning and develops long-range financial plans and forecasts. Acts as a liaison for insurance claims and certificates of insurance. Provides budgeting and cost analysis for staff positions.

Purchasing: Manages the purchase of goods and services; provides information regarding purchasing policies and bid requirements; prepares and issues Requests for Proposals (RFPs) and provides contract support for large purchase requests.

Facilities: Oversees building and grounds upkeep, repair, and preventive maintenance; capital leases (buildings and vehicles); building construction, remodel and renovation, and fleet vehicle management. Facilities closely monitors other on-site contracted services to comply with Washington State's prevailing wage regulations.

CHANGES FROM 2022

- Finance's organizational structure now includes Facilities Management Services (FMS) and Building & Grounds (moved in Fall of 2022).
- KCLS is no longer building new buildings. It now focuses on the preservation of KCLS' investment in facilities, structures, and maintenance. A vacant Director of Facilities position was reorganized and renamed Facilities & Construction Manager to oversee these changing needs.
- Finance adds a new Procurement & Contract Specialist to support operational staff requiring assistance with procurement, including purchase orders and contract support.
- Implementing a new Procure to Pay tool (Esper), which includes Accounts Payable Automation, Vendor & Expense Management and Contracting to support KCLS's Green Initiative.
- Includes contracted services for ongoing facilities landscaping, janitorial services, HVAC, and roof maintenance. Contracted services agreements are negotiated every three years to control repair and maintenance costs, which would be prohibitive if scheduled on an on-call basis.
- Finance manages a rolling 10-year calendar of scheduled facility upkeep to avoid long-term deterioration of assets.

FINANCE AND FACILITIES

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$4,016,723
Intergov./Reserve/Misc./TransOut	\$413,500
Insurance/Lease/Utilities/Communications	\$5,888,800
Professional Services	\$283,000
Repairs and Maintenance	\$9,872,200
Supplies	\$607,800
Travel/Advertising/Staff Development	\$89,500
TOTAL	\$21,171,523

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$975,891	\$1,172,100	\$1,093,824
Salaries	\$2,720,147	\$3,165,400	\$2,922,898
SALARIES/BENEFITS TOTAL	\$3,696,038	\$4,337,500	\$4,016,723
Capital - FFE/Improvement/Software			
Capital - FFE/Improvement/Software	\$0	\$200,000	\$0
Carpet	\$30,098	\$0	\$0
Furniture	\$176,825	\$0	\$0
Roof Replacement	\$128,690	\$0	\$0
Exterior	\$14,336	\$0	\$0
HVAC	\$800	\$0	\$0
Vehicles	\$39,198	\$0	\$0
Green Project	\$0	\$300,000	\$0
CAPITAL - FFE/IMPROVEMENT/SOFTWARE TOTAL	\$389,947	\$500,000	\$0
Intergov./Reserve/Misc./TransOut			
Intergovernmental	\$47,437	\$95,000	\$98,500
Miscellaneous	\$462,602	\$275,000	\$315,000
Reserve	\$0	\$250,000	\$0
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	\$510,040	\$620,000	\$413,500
Insurance/Lease/Utilities/Communications			
Insurance	\$831,319	\$965,000	\$960,000
Operating Lease	\$79,161	\$2,486,800	\$2,545,500
Utilities	\$242,921	\$2,311,000	\$2,383,300
INSURANCE/LEASE/UTILITIES/COMMUNICATIONS TOTAL	\$1,153,401	\$5,762,800	\$5,888,800
Professional Services			
Professional Services	\$170,026	\$291,412	\$283,000
PROFESSIONAL SERVICES TOTAL	\$170,026	\$291,412	\$283,000
Repairs and Maintenance	\$1,242,151	\$9,392,788	\$9,872,200
Supplies			
Supplies	\$410,957	\$756,000	\$607,800
SUPPLIES TOTAL	\$410,957	\$756,000	\$607,800
Travel/Advertising/Staff Development			
Staff Development	\$14,856	\$40,000	\$62,000
Travel	\$3,734	\$13,500	\$7,500
Advertising	\$10,078	\$20,000	\$20,000
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$28,669	\$73,500	\$89,500
TOTAL	\$7,601,228	\$21,734,000	\$21,171,523

HUMAN RESOURCES

The Human Resources (HR) Department develops and delivers programs and services that support KCLS as an employer of choice for applicants, employees and alumni of the Library System. Departmental teams are responsible for recruitment, selection and onboarding of new employees; classification and compensation; benefits and safety; payroll and leave administration; labor and employee relations, and learning and professional development. HR oversees administration of the Library System's four collective bargaining agreements with the Washington State Council of County and City Employees, AFSCME Council 2 AFL-CIO. In 2023, KCLS enters into the second year of three-year contracts.

CHANGES FROM 2022

The HR budget will increase due to a return to pre-pandemic-level hiring within reorganized staffing models; implementation of DEI Assessment recommendations, which target diversity hiring and safe and welcoming work environments for BIPOC employees; and survey work to assess classification and compensation with respect to the labor market and organizational health. The Page Fellowship program remains paused.

Areas that represent significant change include:

- Training and Professional Services to implement recommendations from the DEI Assessment, including all staff and manager training on implicit bias, micro aggressions and related topics; coaching and development for leaders and the leadership team to support hiring and retention strategies for a diverse workforce; and wellness and staff support for employees.
- Coordination of the biennial Staff Conference to engage all staff in learning and development with current and relevant topics.
- Anticipated contractual expense for Health and Benefits Broker and COBRA, FSA and HSA Administration.
- The budget for advertising, background checks and employee badging returns to pre-pandemic levels, reflecting the end of controlled hiring during the pandemic.
- A Classification & Compensation Study to determine whether the organization's HR structures remain aligned with business needs and the labor market.
- An Employee Engagement Survey, at the request of the Board of Trustees, to monitor organizational health and culture.
- Reorganization of three of the Department's positions from Employment and Learning & Development teams to align as a Talent team, led by a single Manager; adding a Senior Recruiter role and further cross-training the Technical Trainers.
- Adding two new senior level positions for the Leave & Pay and Benefits & Safety teams to expand compliance focus and address coverage needs.

HUMAN RESOURCES

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$2,721,007
Intergov./Reserve/Misc./TransOut	\$4,000
Professional Services	\$486,000
Supplies	\$159,175
Travel/Advertising/Staff Development	\$867,900
TOTAL	\$4,238,082

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$508,700	\$651,600	\$762,099
Salaries	\$1,562,621	\$2,039,800	\$1,958,908
SALARIES/BENEFITS TOTAL	\$2,071,322	\$2,691,400	\$2,721,007
Intergov./Reserve/Misc./TransOut	\$3,119	\$4,000	\$4,000
Professional Services			
Professional Services	\$144,786	\$217,750	\$486,000
PROFESSIONAL SERVICES TOTAL	\$144,786	\$217,750	\$486,000
Supplies			
Supplies	\$97,610	\$153,700	\$159,175
SUPPLIES TOTAL	\$97,610	\$153,700	\$159,175
Travel/Advertising/Staff Development			
Staff Development	\$152,147	\$689,000	\$772,200
Travel	\$25,726	\$54,400	\$52,200
Advertising	\$8,581	\$27,000	\$43,500
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$186,453	\$770,400	\$867,900
TOTAL	\$2,503,291	\$3,837,250	\$4,238,082

INFORMATION TECHNOLOGY SERVICES

Information Technology Services (ITS) supports the implementation, management and maintenance of KCLS' technology infrastructure. This includes data networks; telephone and email systems; hardware and software; IT security; website development; audio/visual equipment, systems analysis, and business application development. The ITS Department ensures that KCLS' technology infrastructure and assets are comprehensive, responsive to public and staff needs and provide an excellent user experience.

CHANGES FROM 2022

The ITS budget will increase partially due to the transfer of four staff members from Library Outreach Public Services (LOPS) to ITS, including their associated business-unit cost allocations.

Expenditures for 2023 largely represent a maintenance budget for ITS to continue providing critical and non-discretionary services, including KCLS' main application systems and network and server infrastructure. A level of service similar to pre-pandemic years is expected for technology refreshment, maintenance, and printing-related expenses at all 50 library locations. Additionally, ITS will cover most of the expenditures related to Online Library Services.

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$4,188,841
Insurance/Lease/Utilities/Communications	\$1,512,355
Professional Services	\$916,700
Repairs and Maintenance	\$2,704,733
Supplies	\$769,506
Travel/Advertising/Staff Development	\$157,870
TOTAL	\$10,250,005

INFORMATION TECHNOLOGY SERVICES

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$909,434	\$1,050,839	\$1,068,212
Salaries	\$2,799,527	\$3,027,111	\$3,120,628
SALARIES/BENEFITS TOTAL	\$3,708,962	\$4,077,950	\$4,188,841
Capital - FFE/Improvement/Software			
Capital - FFE/Improvement/Software	\$293,470	\$232,000	\$0
Network upgrade	\$365,277	\$90,000	\$0
PC Replacement	\$429,667	\$894,600	\$0
Green Project	\$8,291	\$0	\$0
IT infrastructure	\$3,345	\$202,000	\$0
CAPITAL - FFE/IMPROVEMENT/SOFTWARE TOTAL	\$1,100,049	\$1,418,600	\$0
Insurance/Lease/Utilities/Communications			
Communications	\$1,031,445	\$1,052,410	\$1,065,600
Operating Lease	\$452,511	\$415,000	\$446,755
INSURANCE/LEASE/UTILITIES/COMMUNICATIONS TOTAL	\$1,483,956	\$1,467,410	\$1,512,355
Professional Services			
Professional Services	\$777,755	\$418,600	\$916,700
PROFESSIONAL SERVICES TOTAL	\$777,755	\$418,600	\$916,700
Repairs and Maintenance			
Repairs and Maintenance	\$1,741,349	\$1,559,000	\$2,704,733
REPAIRS AND MAINTENANCE TOTAL	\$1,741,349	\$1,559,000	\$2,704,733
Supplies			
Supplies	\$347,911	\$657,300	\$769,506
SUPPLIES TOTAL	\$347,911	\$657,300	\$769,506
Travel/Advertising/Staff Development			
Staff Development	\$12,632	\$75,980	\$151,370
Travel	\$2,807	\$7,900	\$6,500
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$15,438	\$83,880	\$157,870
TOTAL	\$9,175,420	\$9,682,740	\$10,250,005

KING COUNTY LIBRARY SYSTEM FOUNDATION

The King County Library System Foundation’s (KCLSF) purpose is to help the Library System inspire and empower everyone in our community, providing support beyond public funding for initiatives and resources that enable KCLS to better serve community needs. KCLSF has three primary functions: advocacy, fundraising and grant making. KCLSF financial support has historically taken four main forms:

- Piloting and sustaining programs that meet key community needs, especially for people in underserved or vulnerable populations.
- Funding critical services, for which the library cannot use public funds.
- Capital improvements or construction of public libraries in some of King County’s most diverse, underserved communities.
- Advocacy for KCLS libraries in support of levy lift campaigns.

Over the past several years, KCLSF funding has accounted for more than 60% of KCLS’ social impact program costs, and has helped to pilot new services, programs and resources that have eventually been included in KCLS’ budget.

CHANGES FROM 2022

- A reduction in staff expenses due to the reorganization of the Grant Writer position, which has moved to the KCLS Strategy team.
- Other expenses (including travel, supplies and professional services) will increase primarily due to inflationary adjustments.

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$652,470
Professional Services	\$18,648
Supplies	\$1,761
Travel/Advertising/Staff Development	\$2,020
TOTAL	\$674,899

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits			
Benefits	\$155,959	\$196,900	\$166,735
Salaries	\$488,860	\$547,100	\$485,735
SALARIES/BENEFITS TOTAL	\$644,819	\$744,000	\$652,470
Professional Services			
Professional Services	\$22,608	\$18,000	\$18,648
PROFESSIONAL SERVICES TOTAL	\$22,608	\$18,000	\$18,648
Supplies			
Supplies	\$83	\$1,700	\$1,761
SUPPLIES TOTAL	\$83	\$1,700	\$1,761
Travel/Advertising/Staff Development			
Travel	\$204	\$1,950	\$2,020
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	\$204	\$1,950	\$2,020
TOTAL	\$667,714	\$765,650	\$674,899

KCLS FOUNDATION GRANT SUMMARIES 2023

Expanding Services to People Experiencing Homelessness | \$18,000

This funding will provide program supplies for continued services to people experiencing housing insecurity. A full-time staff member currently provides library materials, hotspots/laptops, activity kits and assistance to approximately 50 tent cities, shelters, day centers and clinics throughout King County. In 2023, KCLS plans to continue existing services, potentially expanding to new locations depending on staff capacity.

The Welcoming Center: Facilitating connections and creating communities of belonging among immigrants, refugees and new arrivals | \$50,000

King County's large and diverse immigrant population contributes to the social and economic vibrancy of our community. According to a 2019 news report (The Seattle Times), the number of foreign-born residents in some south and east King County cities is around 40% or higher. Organizations serving immigrants and refugees strive to ensure that recent arrivals are adapting to their new home, an increasingly difficult task during the pandemic. The Welcoming Center is a point of connection, offering a suite of wrap-around services while demonstrating that all libraries are places of belonging. Working with south and east King County partners as well as Welcoming Ambassadors selected for their cultural, linguistic and community knowledge, the Welcoming Center provides and/or will develop the following:

- Ask an Ambassador: individualized assistance and connections to resources.
- Adult Education: ESL, Talk Time (English conversation practice), U.S. Citizenship Preparation, Tutoring and High School Completion in Spanish
- Immigration Legal Clinics: consultations with attorneys on immigration matters • In-Language Programming: programs in dual and first languages.
- Family and Literacy Programming: multicultural celebrations and early literacy programs.
- Collection Usage: World Language and other materials supporting the needs of a culturally and linguistically diverse population.
- Library Usage: information and access to library resources online and in-building.

Pandemic Response for Older Adults | \$60,000

Older adults have been the most heavily impacted age group due to COVID-19, and will likely be among the last to return to in-person library activities as caution and variants abound. For 2022 and 2023, funding supports important initiatives that promote communities of inclusion and belonging in our senior population by:

- Continuing robust online and in-person programs to provide opportunities for social interaction, creative expression and intergenerational opportunities for lifelong learning.
- Replicating successful "activity director day" and caregiver trainings, connecting senior centers, senior living staff and family caregivers with library resources.
- Offering giveaways to promote access to KCLS' resources provided at health fairs and senior centers including art kits, books such as My iPad for Seniors and magnets with Ask KCLS' phone number. Giveaways are especially critical for reaching people who are not online and are not aware of or connected to library resources.
- Providing translation of at least one senior outreach brochure into multiple languages.
- Hosting four to six author/speaker events (Pioneers in Aging) to address issues such as grief, dementia, ageism and thriving in later life.

Peers in Libraries | \$177,000

The Peers in Libraries project serves patrons who are experiencing housing instability or difficulties getting their basic needs met. Peers connect them with the services, support and resources needed to move toward stability and improved health. Active participants in community meetings, Peers build relationships with community partners for resources and referrals. They may provide outreach services to KCLS partners in the city of their assigned library. Funding will maintain the existing 1.0 FTE Peer position at the Bellevue Library, and add a 1.0 FTE Peer position in south King County.

Data Engineer | \$163,128

Funding continues through 2023 for a full-time Data Engineer position. The position focuses on expansion of the KCLS data warehouse, with the goals of: onboarding all KCLS data sources for which there is a use case; onboarding relevant external datasets, documenting processes and best practices; testing and validating data, and ensuring the data is available for staff use for reporting and analytics.

Supporting Grade Level Reading: OTTER and Sasquatch Award | \$99,000

Supporting Grade Level Reading, more commonly called the OTTER/Sasquatch program, provides books to children throughout King County by partnering with their schools. Children get to read as many books as they like and vote on their favorite book for the year. In addition to reading the books, children receive a journal for taking notes on each book plus access to author videos. KCLS children's librarians also partner with schools to create programming focused on the OTTER/ Sasquatch books and build relationships.

Lean Library Project | \$42,900

Collection Management Services (CMS) is focused on continual process improvement that enables higher levels of service and customer satisfaction. With the proliferation of online ordering, people have become accustomed to receiving requested items in a matter of days. CMS plans to hire a consultant, John Huber, to conduct a Lean Library Study to help improve services.

Youth-Led Participatory Action Research | \$26,000

Expanding on the 2022 Foundation TAB (Teen Advisory Board) Mini Grants projects, groups of teens across KCLS will engage in Youth Participatory Action Research (YPAR) with librarians and community partners. These projects enable teens to leverage their lived experience to identify issues impacting their communities, and to identify resources and community members and/or groups to help address those issues, whether through a library program or service or through connecting with community partners. YPAR represents a new direction for public libraries, but is grounded in familiar information literacy concepts, such as understanding how information is created, accessed and shared. It focuses on the abilities and mindset necessary to locate, evaluate, use and create information sources ethically and effectively.

Raising A Reader | \$12,000

Raising A Reader (RAR) is a nationally recognized parent engagement and book delivery program, which is built upon research showing that children's literacy increases when parents and children are engaged in a regular book-sharing routine and when children read high-interest books that are developmentally appropriate and reflect diverse representation. Through our partnerships with other agencies that connect directly with high priority audiences, Raising A Reader helps families develop, practice and maintain home literacy routines. Families are connected with their local library and maintain the habit of borrowing and sharing books. Our Raising A Reader partners prioritize audiences that often experience systemic barriers to access, including low-income families.

Patron Engagement Data, Measurement and Experimentation Enablement | \$36,300

KCLS will further its position as a leader in patron engagement and library data science by helping to fund BiblioCommons' shared patron data model and measurement system for public libraries. Being a founding partner will help us inform and shape the requirements for this product to align with KCLS' strategic needs and goals. KCLS will immediately benefit from this project, as BiblioCommons will use the data model to improve patron engagement through their suite of products. The Library System will also benefit from accessing raw data from patron usage of these products for our internal data tools. All partner libraries, including KCLS, will be able to use the shared data tools and reports to better understand, experiment with, and compare patron engagement efforts. Finally, all public libraries and patrons will benefit from published research on patron engagement drivers and measurements.

All Ages Summer Reading Program 2023 | \$356,000

The Summer Reading Program (SRP) encourages patrons to read and learn outside the school year, offering the library an avenue to deepen relationships with all ages. For youths, research shows that reading skills grow when they have affirming experiences in reading, yet barriers to reading increase when students are out of school. The Library System is uniquely positioned to support youths through reading and learning activities, along with incentives that promote staff-patron interaction. For many children, especially low-income and children of color, access to books is the main barrier to reading engagement. However, this engagement increases when young people choose books for themselves, based on their own interests, or when they own books in addition to borrowing. Research also shows that kids who are chronically hungry have difficulty learning. Books given away during outreach to partner sites, as well as meals provided at libraries, support reading and learning development. Leisure reading offers significant benefits for adults as well, including reduced stress, greater empathy and slower cognitive decline. Offering SRP incentives encourages adults to create more time in their lives to read. Additionally, research shows that modeling reading is one of the most important things that caregivers can do to encourage children to read. Finally, offering events and services that are open to all ages builds community across age groups and provides libraries an opportunity to connect with adult patrons.

Community Creators | \$14,500

The Community Creators project builds opportunities for people to influence library services and impact their communities. Community Creators aims to amplify community voices through close, responsive, and transparent collaboration with librarian partners. Each year, we invite communities to share their ideas for connection-focused library programs and services. Local librarians select one or more ideas, then partner with the creators (aka Community Creators) to bring their ideas to life. We use participatory engagement to celebrate our partners as experts of their experiences, idea, and visions for a connected world.

Ready, Set, Kindergarten! (formerly Preschool Play Club) | \$51,510

Ready, Set, Kindergarten! provides children and their caregivers early learning experiences through everyday tools, methods and activities in a participatory environment that also seeks to build relationships among the families attending. The program is designed to build on families' strengths and celebrate their child's transition to kindergarten.

Writers of Color Author Series | \$60,280

Writers of Color Author Series grant funds a series of online programs featuring high-profile BIPOC (Black, Indigenous and other People of Color) authors. A BIPOC community leader from King County moderates each event. The goal of the series is for adult readers from across King County to see themselves and their lives reflected in KCLS' author programs. By inviting BIPOC community members to facilitate the conversations, the series centers BIPOC voices, including local BIPOC voices. The series provides a unique chance for King County citizens to see the featured authors for free. Often, when nationally-recognized authors appear in King County, they are hosted by institutions that rely on ticket sales, such as Hugo House or Seattle Arts and Lectures. When possible, events are recorded and shared via the KCLS YouTube channel.

Invest in Yourself-Economic Resilience | \$63,250

KCLS is uniquely poised to provide equitable opportunities for economic resilience in our communities. This project supports economic justice in the areas of small business, jobs, personal finance and the digital skills needed to support all three. Primary elements include developing a small-business recovery and equity consultancy for the Tukwila/SeaTac area and engaging diverse local entrepreneurs and/or business support organizations to advise on, develop and promote equitable library services to serve the needs of businesses and entrepreneurs from underserved backgrounds. Other elements include: Continuing Startup 425 classes to help launch and sustain new small businesses; increasing awareness and utilization of Your Next Job among hard-to-reach and underserved communities by contracting with community-based organizations to provide outreach; enhancing online digital learning and certification in order to help both entrepreneurs and job seekers develop needed skills; supporting public programs that increase patrons' knowledge related to small business, jobs and careers, and financial literacy.

Connect: Wi-Fi Hot Spots and Laptops | \$167,500

Since 2020, KCLS has been providing internet access to those who would not otherwise be able to connect largely under the umbrella of two programs - Services for People Experiencing Homelessness and Digital Navigation. As many as five different grants have funded this work at one time. This grant consolidates these technology needs, facilitating better vendor management, invoicing and payment. The audience for these laptops and hot spots is partner agencies who serve people experiencing housing insecurity, low-income seniors, students and immigrants and refugees.

Expansion of Services to Patrons Experiencing Food Insecurity | \$25,000

This is an expansion of a pilot program with the Issaquah Food Bank. An additional five food bank locations will be selected to receive books for children and teens to give to client families. In addition, each location will be apportioned \$1,000 for library programming for families served by the partner. A librarian will work with the partner to determine the right mix of programs including Story Times, food literacy and community resource navigation as options.

LIBRARY OPERATIONS

The Library Operations Department is responsible for coordinating the day-to-day operations at all KCLS' community libraries. The Department works with library staff to ensure that the libraries function effectively to deliver patron service. This includes oversight of building operating hours, staff schedules and procedures. Operations also works in partnership with the Facilities Department to make sure that the buildings are operating and being maintained, and with the Human Resources Department to guarantee that there is sufficient staff to keep community libraries open.

The Operations staff consists of the Director of Operations, Division Assistant of Operations and the Community Conduct Coordinator. In the libraries, staffing is comprised of nine Regional Managers, their respective Regional Management Teams (which vary in size), as well as the Librarians, Public Services Assistants, Library Technical Assistants and Library Pages who report to them.

CHANGES FROM 2022

- Due to retirements and separations, roughly half of Regional Manager staffing consists of new managers. Some of the budget increases for 2023 are for professional development of the new Regional Management, and continuous development for existing Regional Managers.
- The travel budget will increase, due to the anticipated return to in-person meetings and trainings in 2023, compared 2022.
- The Operations Supplies budget will rise for all regions in anticipation of expanded operating hours.
- A decrease in Professional Services, which is for private security in selected community libraries. While expanded hours might necessitate the need for additional security, the Department does not anticipate requiring the amount budgeted for 2022.

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$59,084,102
Intergov./Reserve/Misc./TransOut	\$1,000
Insurance/Lease/Utilities/Communications	\$200
Professional Services	\$400,000
Supplies	\$335,220
Travel/Advertising/Staff Development	\$90,800
TOTAL	\$59,911,322

Library Operations

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits	\$45,984,551	\$58,546,124	\$59,084,102
Capital - FFE/Improvement/Software	\$1,032,002	\$0	\$0
Intergov./Reserve/Misc./TransOut	\$326	\$320	\$1,000
Insurance/Lease/Utilities/Communications	\$3,567,137	\$200	\$200
Professional Services	\$219,382	\$497,925	\$400,000
Repairs and Maintenance	\$6,246,830	\$0	\$0
Supplies	\$332,571	\$264,955	\$335,220
Travel/Advertising/Staff Development	\$6,017	\$69,830	\$90,800
TOTAL	\$57,388,816	\$59,379,354	\$59,911,322

LIBRARY OUTREACH, PROGRAMS AND SERVICES

Library Outreach, Programs and Services (LOPS) includes Adult and Information Services; Ask KCLS; Youth and Family Services, and Mobile Services.

In coordination with LOPS, Public Services staff develops partnerships with community and other organizations to serve KCLS patrons.

CHANGES FROM 2022

- In response to the pandemic-mandated closures of 2020, the Library System developed robust online programming. The budget continues to support service innovations and platform licenses for online programming; the latter will continue even as in-person programming is re-introduced.
- The LOPS budget will adapt to support recommendations from the DEI Assessment, including an increase in funding for World Language Story Times.
- The KCLS Foundation has funded the Homeless Outreach Support position within Health and Social Services. In 2023, this position will be supported by the LOPS budget.
- The LOPS' Online Library Services (OLS) division will be relocated to other departments. All associated budgets will become part of the ITS, CMS, Community Relations or Adult and Information Services Departments.
- Funding supporting online databases will become part of the CMS (Collection Management Services) budget.
- The Children and Family Justice Center (CFJC) Library will become part of the LOPS Department in 2023.
- The Project Specialist position that supports Study Zone Plus will be increased to 40 hours (full-time).
- A Project Specialist/Public Services position will be created to support a Customer Relations Management (CRM) tool and all KCLS Volunteers.
- Other budgeted projects will be made possible through KCLS Foundation grants.

Budgeted Expenses

	2023 Budget
Salaries/Benefits	\$5,487,879
Intergov./Reserve/Misc./TransOut	\$6,000
Professional Services	\$1,042,030
Supplies	\$711,305
Travel/Advertising/Staff Development	\$33,700
TOTAL	\$7,280,914

Detailed

	2021 Actual	2022 Budget	2023 Budget
Salaries/Benefits	\$5,715,569	\$6,270,023	\$5,487,879
Capital - FFE/Improvement/Software	\$48,956	\$185,720	\$0
Intergov./Reserve/Misc./TransOut	-\$275	\$8,500	\$6,000
Insurance/Lease/Utilities/Communications	\$30,903	\$0	\$0
Library Material	\$462,635	\$500,000	\$0
Professional Services	\$518,787	\$1,005,900	\$1,042,030
Repairs and Maintenance	\$344,740	\$425,000	\$0
Supplies	\$114,987	\$622,723	\$711,305
Travel/Advertising/Staff Development	\$145	\$24,500	\$33,700
TOTAL	\$7,236,447	\$9,042,366	\$7,280,914

FIVE-YEAR CAPITAL INVESTMENT PLAN (CIP)

2023 Annual Budget



The Five-Year Capital Investment Plan (CIP) is a plan for purchasing capital expenditures over a period of five years to meet capital needs arising from the long-term work program. It sets forth each project or other contemplated expenditure and specifies the full resources estimated to be available to finance the project. The Board of Directors appropriates the projects scheduled for the first year of the plan at the same time as the operating budget. The projects scheduled in the next four years of the CIP are included for planning purposes. The information in the prior and future years are intended only to show the complete cost of a project that may be partially undertaken in a year not included in the five-year plan.

DEFINING CAPITAL INVESTMENT PROGRAM EXPENDITURES

For purposes of the CIP a project is generally defined to possess all, some, or one of the following characteristics:

- Exceeds a cost of \$100,000
- Involves
 - Totally new physical construction.
 - Development of a major technology system (technology system is defined as “an integrated set of hardware, software and processes working cohesively to perform a business function”).
 - Reconstruction designed to gradually and systematically replace an existing facility or system on a piecemeal basis.
 - Replacement of a major component of an existing facility or technology system.
 - Acquisition of land or structures.
- Involves KCLS funding in whole or in part, or involves no KCLS funds but is KCLS’ responsibility for implementing, such as a 100% grant-funded project.
 - Eligible costs include
 - Studies/plans that determine the feasibility and/or support the preliminary design of future CIP projects.
 - Pre-design, design, development, right-of-way, construction, inspection, and/or testing.
 - Staff and consultants to deliver the capital project.

The Capital Investment Program (CIP) is divided into 2 sections

Information Technology Services (ITS) CIP budget

Facilities Management Services (FMS) CIP budget.

ITS & FMS CIP

CIP	FY2023	FY2024	FY2025	FY2026	FY2027
Amount					
FMS-CIP	\$4,173,000	\$3,428,000	\$3,118,000	\$3,145,000	\$3,095,000
ITS-CIP	\$2,332,104	\$2,580,705	\$2,188,502	\$1,989,176	\$2,047,748
AMOUNT	\$6,505,104	\$6,008,705	\$5,306,502	\$5,134,176	\$5,142,748

KCLS CAPITAL INVESTMENT PROGRAM FINANCE AND FACILITIES

2023-2027



FINANCE AND FACILITIES

The Finance and Facilities CIP budget covers major maintenance expenditures, such as roof replacement, HVAC upgrades or replacement of Automated Materials Handling equipment. It also includes furniture and carpet replacement, minor interior remodels or construction.

In 2023, Finance and Facilities will focus on HVAC upgrades and roof replacements in multiple libraries based on condition assessments performed in 2021 and Energy Service Company (ESCO) compliance, remodeling various library restrooms, and updating fire alarm panels and LED lighting for compliance with WA State's Climate Commitment Act and the Strategic Climate Action Plan.

CIP EXPENDITURES AND RESOURCES

FMS CIP by Proposal Name

Proposal Name	FY2023	FY2024	FY2025	FY2026	FY2027
Amount					
21117 - 2 Vehicles Replacement	\$87,000	\$90,000	\$94,000	\$0	\$0
22101 - AP Fire Alarm Panel Update	\$95,000	\$0	\$0	\$0	\$0
22102 - AU HVAC Upgrade	\$0	\$456,000	\$0	\$0	\$0
22104 - KT Roof Overlay	\$453,000	\$0	\$0	\$0	\$0
22105 - RE HVAC Upgrade	\$0	\$432,000	\$0	\$0	\$0
22106 - WL Replace Rooftop Units	\$0	\$378,000	\$0	\$0	\$0
23101 - BE ESCO Project	\$1,993,000	\$0	\$0	\$0	\$0
23103 - BO Fire alarm panel update	\$0	\$254,000	\$0	\$0	\$0
23104 - BU Fire Alarm Panel Update	\$246,000	\$0	\$0	\$0	\$0
23105 - EN Restrooms remodels	\$293,000	\$0	\$0	\$0	\$0
23106 - KT Replace Rooftop Units	\$0	\$0	\$351,000	\$0	\$0
23107 - MV Fire Alarm Panel Update	\$124,000	\$0	\$0	\$0	\$0
23108 - RE Remodel 3 Meeting rooms	\$0	\$0	\$0	\$0	\$254,000
23109 - RH Install AMH system & space reconfig	\$0	\$231,000	\$0	\$0	\$0
23112 - SC Space Reconfiguration	\$400,000	\$0	\$0	\$0	\$0
24102 - BO Restrooms remodels	\$200,000	\$0	\$0	\$0	\$0
24103 - CO Carpet replacement (entire site)	\$0	\$254,000	\$0	\$0	\$0
24104 - DM Children's FFE & magazine shelving	\$0	\$0	\$244,000	\$0	\$0
24105 - MV HVAC Upgrade	\$0	\$205,000	\$0	\$0	\$0
24106 - AU Carpet Replacement	\$0	\$0	\$175,000	\$0	\$0
24107 - BE AMH machine replacement	\$0	\$244,000	\$0	\$0	\$0
24108 - BE Gallery Restrooms	\$282,000	\$0	\$0	\$0	\$0
24109 - CA Soft seating, tables, chairs	\$0	\$0	\$0	\$0	\$93,000
24110 - CR Carpet replacement (entire site)	\$0	\$0	\$0	\$153,000	\$0
24111 - DM HVAC Upgrade	\$0	\$254,000	\$0	\$0	\$0
24112 - LH Carpet Replacement (hallways & ramps)	\$0	\$0	\$198,000	\$0	\$0
24113 - MV Soft Seating, tables, chairs	\$0	\$246,000	\$0	\$0	\$0
24114 - SC Computer Room AC unit	\$0	\$130,000	\$0	\$0	\$0
25103 - RE Restrooms remodels	\$0	\$0	\$190,000	\$0	\$0
25104 - SC Parking lot gate replacement	\$0	\$0	\$88,000	\$0	\$0
25105 - BE 1st & 2nd Floors Restrooms	\$0	\$0	\$317,000	\$0	\$0
25106 - AU Soft seating, tables, chairs	\$0	\$0	\$222,000	\$0	\$0
25108 - CO AMH Machine replacement	\$0	\$0	\$254,000	\$0	\$0
25109 - FW Carpet replacement (entire site)	\$0	\$0	\$0	\$0	\$317,000
25110 - IS Restrooms remodels	\$0	\$0	\$274,000	\$0	\$0

FINANCE AND FACILITIES

CIP EXPENDITURES AND RESOURCES

Proposal Name	FY2023	FY2024	FY2025	FY2026	FY2027
25111 - LH Children's seating	\$0	\$0	\$0	\$0	\$83,000
25112 - NB Restrooms remodels	\$0	\$0	\$274,000	\$0	\$0
25113 - RE AMH machine replacement	\$0	\$254,000	\$0	\$0	\$0
25114 - VV HVAC Upgrade	\$0	\$0	\$183,000	\$0	\$0
25115 - WL Restrooms remodels	\$0	\$0	\$254,000	\$0	\$0
26101 - SA Carpet replacement	\$0	\$0	\$0	\$237,000	\$0
26102 - BD Carpet Replacement	\$0	\$0	\$0	\$95,000	\$0
26103 - CO Restrooms remodels	\$0	\$0	\$0	\$0	\$380,000
26104 - SA Soft Seating, tables, chairs	\$0	\$0	\$0	\$0	\$494,000
26105 - SN Carpet Replacement	\$0	\$0	\$0	\$0	\$117,000
26106 - WL Carpet replacement (entire site)	\$0	\$0	\$0	\$274,000	\$0
26107 - BD Soft seating, tables, chairs	\$0	\$0	\$0	\$0	\$93,000
26108 - CO Soft seating, tables, chairs	\$0	\$0	\$0	\$222,000	\$0
26109 - IS HVAC upgrade	\$0	\$0	\$0	\$285,000	\$0
26110 - BO Soft seating, tables, chairs	\$0	\$0	\$0	\$222,000	\$0
26111 - DU Soft seating, tables, chairs	\$0	\$0	\$0	\$0	\$145,000
26112 - FR Carpet Replacement	\$0	\$0	\$0	\$198,000	\$0
26113 - FR Soft seating, tables, chairs	\$0	\$0	\$0	\$285,000	\$0
26114 - KM Soft seating, tables, chairs	\$0	\$0	\$0	\$0	\$231,000
26115 - KL Carpet Replacement	\$0	\$0	\$0	\$198,000	\$0
26116 - KL Soft seating, tables, chairs	\$0	\$0	\$0	\$222,000	\$0
26117 - LF Soft seating, tables, chairs	\$0	\$0	\$0	\$159,000	\$0
26118 - NW Carpet Replacement	\$0	\$0	\$0	\$0	\$231,000
26119 - VV Roof Replacement	\$0	\$0	\$0	\$0	\$231,000
26120 - SC HVAC Upgrade	\$0	\$0	\$0	\$595,000	\$0
27101 - Blank HVAC Project	\$0	\$0	\$0	\$0	\$426,000
AMOUNT	\$4,173,000	\$3,428,000	\$3,118,000	\$3,145,000	\$3,095,000

KCLS CAPITAL INVESTMENT PROGRAM INFORMATION TECHNOLOGY SERVICES

2023-2027



INFORMATION TECHNOLOGY SERVICES

The Information Technology Services CIP budget of \$2.3M covers computer replacements, network improvements and other technology system, equipment upgrades and technology equipment innovation across the System.

CIP EXPENDITURES AND RESOURCES

ITS CIP by Proposal

Proposal Name	FY2023	FY2024	FY2025	FY2026	FY2027
Amount					
22400 - JDE Tool Upgrade	\$52,500	\$65,000	\$150,000	\$60,000	\$175,000
22410 - Network Improvement (ITS Operations 1585)	\$263,530	\$890,180	\$87,400	\$184,900	\$150,000
22500 - Patron Technology Refreshment	\$692,540	\$665,255	\$753,750	\$681,818	\$678,178
22501 - Patron Programming	\$120,000	\$131,760	\$144,672	\$158,849	\$174,416
22550 - Staff Technology Refreshment	\$362,734	\$460,620	\$491,280	\$505,398	\$270,135
22551 - Staff Laptop Replacement	\$283,300	\$268,350	\$272,250	\$286,500	\$297,750
22575 - CTS Infrastructure	\$77,500	\$52,500	\$237,500	\$55,000	\$240,000
22576 - Branch Security	\$130,000	\$12,740	\$13,988	\$15,359	\$16,865
22577 - Badging System	\$350,000	\$34,300	\$37,662	\$41,352	\$45,404
AMOUNT	\$2,332,104	\$2,580,705	\$2,188,502	\$1,989,176	\$2,047,748



GENERAL FUND BALANCE POLICY

1. Section I. Introduction

Purpose and Overview

The Fund Balance Policy for the King County Rural Library District (“KCLS”) is established to address an inherent mismatch in operational cash flow due to timing of receiving revenues versus payment of expenditures. This policy includes direction regarding fund balance consistent with KCLS’ mission and the strategic focus of the KCLS Board of Trustees (“Board of Trustees”). Adherence to the policy is essential to ensure that KCLS maintains a sound financial position and adequate operational funding.

Section II. Scope

Washington State Law (RCW 27.12.210) authorizes the Board of Trustees to undertake all actions necessary for the orderly and efficient management and control of KCLS’ finances. The establishment of fund balance requirements is a critical element of comprehensive fiscal planning. The Board of Trustees recognizes the importance of setting policy to guide and direct the administration of financial fund balance requirements. The scope of this policy is to appropriately guard the sound fiscal condition of KCLS so that it may continuously deliver on its mission and commitments to the communities served.

Section III. Fund Balance Guidelines

Maintaining an adequate fund balance is a vital component of KCLS’ comprehensive financial planning. Establishing a minimum Ending Fund Balance creates a sustainable financial forecast where resources are available at fiscal year-end to meet ongoing operating needs in the coming year. Property taxes are collected and distributed by the county treasurer twice per year—in April and October. Maintaining an adequate fund balance allows KCLS to bridge the operational expenditures that occur in the interim period.

KCLS shall maintain a minimum Ending Fund Balance equal to 120 days of operating expenditures of the prior fiscal year.

Section IV. Roles and Responsibilities

Board of Trustees It is the responsibility of the Board of Trustees to:

Approve and oversee the implementation of this Fund Balance Policy.

Approve budgets sufficient to provide for fund balance levels in compliance with policy levels.

Provide oversight for a review and updates made to this policy.

Finance Director has primary responsibility for management of fund balance for KCLS.

The Finance Director shall be responsible for the following tasks:

Manage withdrawals, transfers, and deposits related to fund balance.

Annual reports of KCLS fund balances levels to the Board, including any proposed changes to policy amounts.

Section V. Other Policies

Reserve and Fund Balance Policy Review

KCLS shall review and update its Fund Balance Policy, as necessary, but not than less than once every four years.

The Library Finance Director or designee shall provide the Board of Trustees with an annual summary of fund balances and recommendations for any proposed changes to fund balance amounts. The Board of Trustees shall typically consider such changes, if any, in conjunction with the review and adoption of the annual KCLS budget; however, changes may be considered at any Board of Trustees meeting.

CAPITAL INVESTMENT PROGRAM POLICIES

A number of important policy considerations are the basis for the Capital Investment Program (CIP) plan. These policies provide guidelines for all financial aspects of the CIP, and ultimately affect the project selection process.

- A. Relationship of Long-Range Plans to the CIP Plan:** To the extent possible, projects included in the CIP are based upon formal long-range plans that have been adopted by the Board. This ensures that KCLS' Capital Investment Program, which is the embodiment of the recommendations of these individual planning studies, is responsive to the officially stated direction of the Board.
- B. Establishing CIP Priorities:** KCLS uses the following basic CIP project prioritization and selection process.
1. Each CIP program area establishes criteria to be used in the prioritization of specific projects submitted for funding. These specific criteria are developed in conjunction with Board priorities.
 2. The Finance Department determines revenue projections available to the CIP and the amount of resources available for new projects for each new five-year plan.
 3. CIP program area managers¹ recommend an expenditure plan to the Finance Department and Executive Director, which includes all capital costs and any applicable maintenance and operations (M&O) and/or required short-term financing costs. Program area managers are responsible for the cost estimates of their proposed programs, including future M&O costs related to the implementation of completed projects.
 4. The Finance Department and Executive Director evaluate the various CIP projects and select those with the highest priority.
 5. Within the available funding, the highest priority projects are then selected and input into the Preliminary CIP.
 6. A Preliminary CIP plan is recommended to the Board by the Executive Director along with the operating budget recommendations.
 7. The Board reviews the Operating and Preliminary CIP Plan, holds a Public Budget Hearing(s), makes desired alterations, and then officially adopts the budget and establishes related appropriations as a part of KCLS' annual budget process.

¹ CIP program area managers are responsible for developing new programs to support the strategic direction of the organization. Creating and managing long-term goals. Developing a budget and operating plan for the program. Developing an evaluation method to assess program strengths and identify areas for improvement.

C. Types of Projects Included in the CIP: The CIP will display, to the maximum extent possible, all major capital projects in which KCLS is involved. While the following criteria may be used as a general guide to distinguish which projects should be included or excluded from the CIP plan, there are always exceptions which require management’s judgment. For purposes of the CIP plan, a project is generally defined to possess all, some, or one of the following characteristics:

1. Exceeds a cost of \$100,000.
2. Involves:
 - a. Totally new physical construction.
 - b. Development of a major technology system (technology system is defined as “an integrated set of hardware, software and processes working cohesively to perform a business function”).
 - c. Reconstruction designed to gradually and systematically replace an existing facility or system on a piecemeal basis.
 - d. Replacement of a major component of an existing facility or technology system.
 - e. Acquisition of land or structures.
3. Involves KCLS funding in whole or in part, or involves no KCLS funds but is KCLS’ responsibility for implementing, such as a 100% grant-funded project.

Eligible costs include:

- a. Studies/plans that determine the feasibility and/or support the preliminary design of future CIP projects.
- b. Pre-design, design, development, right-of-way, construction, inspection, and/or testing.
- c. Staff and consultants to deliver the capital project.

D. Preserve Existing Capital Infrastructure Before Building New Facilities: It is KCLS’ practice to ensure that adequate resources are allocated to preserve KCLS’ existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. This practice addresses the need to protect KCLS’ historical investment in capital facilities and to avoid embarking on a facility enhancement program, which when coupled with the existing facilities requirements, KCLS cannot afford to adequately maintain.

E. New Facilities Should Be of High Quality, Low Maintenance, Least Cost: This practice has guided the development and execution of the CIP plan through an emphasis on lowest life-cycle cost. Projects should only be built if the necessary funding to operate them is provided. Also, priority is given to new facilities that have minimal ongoing maintenance costs so as to limit the impact upon both the CIP and the operating budget.

- F. Public Input for Capital Projects:** KCLS makes a serious commitment to public involvement. Involvement occurs at the long-range plan development stage, during CIP review and adoption, during master planning processes, during design and construction of specific projects, and through public processes associated with library advisory boards. If projects themselves call for an extensive public outreach effort, allowing those most closely effected to influence the design of the projects. While public input is essential to the successful implementation of the CIP, KCLS staff and Board must also remain conscious of the overall effect upon costs when responding to requests of project stakeholders¹.
- G. Basis for Project Appropriations:** During the Board's annual CIP plan review, the Board will appropriate the estimated project costs for the year for all projects in the CIP. Subsequent adjustments to appropriation levels for amendments to the CIP may be made by the Board at any time by a voice vote.
- H. Balanced CIP plan:** The CIP is a balanced five-year plan. This means that for the entire five-year period, revenues will be equal to project expenditures in the plan. It is anticipated that the plan may have more expenditures than revenues in single years of the plan, but this imbalance will be corrected through the use of interim financing as needed. However, over the life of the five-year plan, all planned interim debt will be repaid and all plan expenditures, including interest costs on interim debt will be provided for with identified revenues. Any project funding plan, in which debt is not retired within the current five-year plan, must have specific Board approval.
- I. Scoping and Costing Based on Predesign Study:** It has proven difficult to develop accurate project scopes, cost estimates, and schedules on which no preliminary engineering or public involvement has been done. To address this problem, some projects are initially proposed and funded only for preliminary engineering and planning work. This funding will not provide any monies to develop final plans, specifications, estimates to purchase land, or to construct the projects. However, generally, an estimated amount, sufficient to cover these costs based on a rough preliminary estimate can be earmarked within the program area.
- J. Maintenance and Operating (M&O) Costs:** Proposals for CIP project funding shall include the estimated future M&O cost, to provide full cost disclosure. Such M&O costs anticipated to be incurred in the upcoming year should be included in operating budget proposals for funding consideration.
- K. Applicable Project Charges:** CIP projects should reflect all costs that can be clearly shown to be necessary and applicable. Staff charges to CIP projects will be limited to time spent actually working on those projects and shall include an overhead factor to cover the applicable portion of that person's operating cost.
- L. Required Project Features and Financial Responsibility:** If a proposed project will cause a direct impact on other publicly-owned facilities, i.e. parking structures, an equitable shared and funded cost plan must be coordinated between the affected agencies or program areas.
- M. Predictability of Project Timing, Cost, and Scope:** The predictability of timing and costs of projects is important to specific communities. Once a project has been approved by the Board in the adoption of the budget and CIP, project scheduling is a priority to maintain.

¹ Project Stakeholders are internal staff or affected community members that are involved with the development/implementation of the project.

N. Library Capital Facility Area (LCFA): This policy limits the use of LCFAs to specific instances. Examples of when future LCFAs may be formed are as follows: 1) when a specific community desires to accelerate development of a certain planned improvement; 2) when a specific community desires a higher standard of improvement than KCLS' project contemplates; or 3) when a specific community requests assistance in LCFA formation to fund a new library facility or facility improvement, which may or may not have KCLS funding involved. If KCLS funding is proposed by the project sponsors (community members), they shall so request of the Board (through KCLS Executive Director) in writing before any LCFA promotion activity begins. KCLS Executive Director shall analyze such request within 45 days and report any conclusions and recommendation to the Board for their consideration. The Board shall by motion affirm or deny the recommendation. The Board's affirmative motion to financially participate shall expire in 180 days, unless the project sponsors have submitted a sufficient LCFA petition by that time.

On capital projects whose financing depends in part on an LCFA, interim financing will be issued to support the LCFA's portion of the project budget at the same time or in close proximity to the issuance of the construction contract. The amount of the interim financing shall be the current estimate of the final assessment roll as determined by the administering department.

In the event that the project is 100% LCFA funded, interim financing shall be issued either in phases (i.e., design phase and construction phase) or up front in the amount of the entire estimated final assessment roll, whichever means is estimated to provide the lowest overall cost to the project as determined by the Finance Department.

O. Use of Debt in the CIP: The CIP is viewed as a long-term program that will continually address capital requirements far into the future. As such, the use of long-term debt has been minimized, allowing KCLS to put money into actual projects that benefit KCLS patrons rather than into interest payments to financial institutions. To that end, this policy limits debt to short-term obligations, primarily for cash flow purposes. Debt incurred will be paid back before the end of the current CIP. Finance staff monitors CIP cash flow regularly and utilize fund balances to minimize the amount of borrowing required. Projected financing costs are included within a project in the CIP. There are exceptions to this policy for extraordinary circumstances, where long-term debt may be issued to achieve major KCLS goals that otherwise could not be achieved, or would be delayed an unacceptable amount of time.

P. Finance Director's Authority to Borrow: The Finance Director is authorized to initiate interim and long-term borrowing measures, as they become necessary, as identified in the current CIP plan.

- Q. CIP plan Update and Amendment:** The CIP plan will be updated at least annually as a part of KCLS' annual budget process. The Board may amend the CIP plan at any time if a decision must be made and action must be taken before the next CIP review period. The Board has delegated authority to KCLS Executive Director to administratively approve CIP plan adjustments, except for changes in project scope or changes that total more than 10 percent of a project's adopted CIP budget (unless a 10 percent adjustment is less than \$10,000). The Board has further authorized KCLS Executive Director to administratively approve the acceleration of project schedules so long as they can be accomplished without causing cash flow problems and with the understanding that any controversial issues would be brought before the Board. All project additions or deletions must be approved by the Board.
- R. Formalization of Monetary Agreements:** All agreements between KCLS and other agencies shall be in writing specifying the financial terms of the agreement, the length of the agreement, and the timing of any required payments. Formalization of these agreements will protect KCLS' interests. Program areas shall make every effort to promptly request any reimbursements that are due KCLS. Where revenues from outside jurisdictions are ongoing, these requests shall be made at least quarterly, unless alternative arrangements are approved by KCLS Executive Director.
- S. Projected Grant Revenues:** At the Finance Director's discretion, grant-funded capital expenditures are budgeted prior to the specific grant award. KCLS overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted. With grant-funded capital acquisitions, KCLS will attempt to recover ongoing M&O costs, and replacement costs associated with the acquisition.
- T. Projected Revenues from Future Land Sales:** KCLS recognizes that KCLS-owned land is an asset that can be sold to finance CIP projects with approval from the Board. With this in mind, KCLS shall cautiously allow land sale proceeds to be used as a funding source. The land shall be valued based on an appraisal performed either by Facilities Management Services Department or an outside appraisal company. A conservative value shall be used to provide a cushion for economic shifts. The timing of the proceeds shall be estimated based on the length of time the property is likely to be on the market. However, if the land does not sell in a timely manner or its value turns out to be overestimated, then the program area must either reallocate revenue sources from other projects within its area, find an agreeable replacement funding source, or cease work on the project, if possible.
- U. Land Sale Remnants:** At times, KCLS is left with property remnants following the completion of a project. These remnants represent an asset to KCLS. If the project selling the land remnants is still active, the revenue from the sale shall be receipted as land sale proceeds in the project, therefore serving to partially offset costs. If the project is already completed at the time of the remnant sale, the land sale proceeds will be receipted into the associated fund or General Fund.

GLOSSARY

The following are common terms found in budgets, as well as financial terms found in KCLS' budget document.

Accrual Basis of Accounting: An accounting method that recognizes revenues when earned and expenses when incurred.

Ad Valorem: A basis for levying taxes on property in proportion to its value.

Adopted Budget: The financial plan adopted by a governing body which forms the basis for appropriations.

Allocation: A distribution of funds or limit on expenditures established for an organizational unit or function.

Annual Budget: A budget prepared for a fiscal year.

Appropriations: An authorization made by the governing body that permits officials to incur obligations or expenditures against governmental resources.

Assessed Valuation: An official value placed upon real estate or other property that is established by a government assessor as a basis for levying taxes.

Basis of Budgeting: A basis of accounting used to estimate financing sources and uses in the budget that generally takes one of the three forms: Generally Accepted Accounting Principles (GAAP), cash or modified accrual.

Benchmark: A quantifiable performance level used to assess the extent of which department or program objectives are being achieved.

Benefits: Employer-paid contributions as part of an employee's overall compensation. Examples include health/dental insurance, retirement benefits and employment security benefits.

Bond (Debt Instrument): A written promise to repay a specified debt (called principal or face value) at a specified future date (maturity date) along with periodic interest at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

Budget: A financial plan of operation embodying an estimate of expenditures for a given period, including capital investment expenditures and the proposed means of financing them.

Budget Calendar: A schedule of key dates or milestones that an organization follows in the preparation and adoption of its budget.

Budget Guidelines: Recommendations with respect to revenue, debt, budget, and organization management as they relate to an organization's ongoing ability to provide services, programs and capital investment.

Budget Message: A communication prepared by the organization that articulates the strategies, funding, changes and impacts of the organization's proposed annual budget.

Budget Year: An accounting period over 12 consecutive months for which an annual budget is approved. KCLS' budget year follows the fiscal calendar beginning January 1 and ending December 31.

Capital Investment Program Budget: A plan for the proposed acquisition and replacement of long-term assets. A capital investment program includes a forecast of future needs for new or expanded facilities, proposed locations and a financing plan. The financing plan outlines the costs, revenues and time schedules for each capital investment project.

Capital Outlay: An expenditure category that includes purchases of capital equipment such as furniture, vehicles, large machinery and other capital assets.

Comprehensive Annual Financial Report (CAFR): An official annual financial report prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Consumer Price Index (CPI): A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in cost of living, i.e., economic inflation.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures for which no other budget exists.

Debt Service: Repayment of principal and interest to holders of an organization's debt instruments.

Debt Service Fund: A fund designated for the payment of principal and interest on general obligation bonds and other debt issued by an organization.

Department: A basic organizational unit of government which may be subdivided into divisions, programs, groups or activities.

Encumbrances: Obligations in the form of purchase orders or contracts that are chargeable to an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the appropriation expires at the end of the fiscal year.

Estimated Revenue And Expense: The revenue or expense projected to be received or expended during a specific time period, usually a fiscal year.

Expenditures: Funds spent in accordance with budgeted appropriations on assets, or goods and services obtained.

Fines and Forfeitures: Revenue obtained from fines for overdue library materials, or fees assessed for damage to Library property.

Fiscal Year: A 12-month period designated for recording financial transactions.

Full Faith and Credit: A pledge by the general taxing authority for the repayment of the debt obligation (typically used in reference to bonds).

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: A "Savings Account" which represents accumulated revenues over expenditures.

Full-Time Equivalent (FTE): The ratio of a position in comparison to the amount of time a regular, full-time employee normally works in a year. A full-time employee (1.00 FTE) is paid for 2,080 hours a year. Positions budgeted to work less than full-time are expressed as a percent of full-time. For example, a 0.5 FTE budgeted position will work 1,040 hours.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards and guidelines for financial accounting and reporting that govern the form and content of financial statements.

Governmental Accounting Standards Board (GASB): The authoritative accounting and financial standard-setting body for governmental entities.

General Fund: A fund for the financial operations of the organization, which are not accounted for in any other source. Principal sources of revenue are property taxes, fines and fees, and charges for services. Primary expenditures in the General Fund are salaries and benefits, program services, library materials and supplies.

General Obligation: Bonds for which the full faith and credit of the insuring government are pledged for bonds payment.

Goal: A long-range statement of broad direction, purpose or intent, based on the needs of the community.

Grant: A cash award given for a specified purpose.

Interfund Transfers: Contributions from one fund to another in support of activities of the receiving fund.

Intergovernmental Revenue: Revenues from federal grants, state grants and allocations, including consolidated taxes.

Levy: An imposition of taxes.

Modified Accrual Basis: Used for governmental fund types (general, special revenue, debt service and capital project funds) where revenues and other financial resources are recognized when they become both measurable and available to finance expenditures in the current period when they are incurred.

Office of Economic and Financial Analysis (OEFA): An independent agency of King County that produces economic and revenue forecasts.

Operating Revenues: Funds that the organization receives as income to pay for ongoing operations. Sources of operating revenue include taxes, fees from specific services, grant revenues and earnings from interest.

Public Employment Retirement System (PERS): The retirement system for governmental employees in the State of Washington.

Performance Measure: A quantifiable performance standard used to assess the extent to which program objectives are achieved.

Plan: A list of actions that management expects to take that is a basis for allocating the organization's resources.

Program: A group of related activities to accomplish a major service or core business function for which the organization is responsible.

Program Activity: A broad function or group of similar functions that have a common purpose.

Property Tax: An Ad Valorem Tax on real property, based upon the value of the property.

Resources: Total dollars available for appropriations including estimated revenues, fund transfers and beginning fund balances.

Revenue: Income received by the organization in support of a program or service to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue. (See Operating Revenues.)

Salaries and Wages: Expenditures that include salaries, hourly wages, overtime and special pay expenses.

Services and Charges: Payments and fees made to vendors for services rendered. These may include printing, professional services, travel and training, communications, public utility services, repair/maintenance and insurance premiums.

Special Revenue Funds: Revenues received and used for specific purposes.

Supplies: Expenditures for materials, supplies, contractual services, fees and other services.

Tax: A compulsory charge levied by a government to finance services performed for the common benefit.

Vision: A stated objective that describes an organization's most desirable future state.



BUDGET PROCESS AND CALENDAR

In March of each year, the Finance Department provides the Library Executive Director, Deputy Directors and Finance Director with revenue estimates and KCLS' long-term financial forecast, based on information provided by King County government. This management team constructs a preliminary budget to serve as a starting point for the departmental allocations.

In June, the Finance Director meets with the other department directors to present the Library System's long-term financial forecast, the upcoming year's budget outlook and the budget calendar.

Departmental directors first present their preliminary budgets to their Deputy Director for review in July. In August, they present their updated budgets to the Library Executive Director for more edits and internal approval.

The System's draft budget is then presented to the Library Board of Trustees at its October meeting. In November, a public budget hearing is held during the Board of Trustees monthly meeting and property tax resolutions are approved by the Board and submitted to the King, Snohomish and Pierce County Assessors. The budget is then finalized and adopted by the KCLS Board of Trustees in December.

Date	Task
Tue 5/31	Provide current personnel cost and Position Control files to library departments for verification.
Tue 6/14	2022 Budget Kick-off for KCLS Leadership Team (KLT)
Thu 6/16	Personnel dollar allocations by Business Unit; non-personnel dollar allocations by Business Unit and account; FMS & ITS 5-year Capital Investment Plan
Thu 6/16 - Fri 7/8	Budget liaisons meet with individual departments as needed.
Fri 7/8	All Budget, CIP & Strategic Initiatives Proposals Due
Mon 7/11 - Fri 7/15	Meetings between Directors and Deputy Directors reviewing all budgets.
Thu 7/21	Update budgets after meetings with Deputy Directors.
Thu 8/11	Finance Director presents Budget Summary, KLT discuss & prioritize new program requests.
Mon 8/15 - Fri 8/19	Department Directors present their budgets to Executive Director.
Fri 8/19/22	Foundation Director presents priorities and financial forecast.
Fri 9/2	Finalize department descriptions, 2022 targets, & strategic plans to send to Community Relations (CRM).
Thu 9/8	Finalize the Budget, Budget Balancing & JDE Upload, Prepare Org Chart & FTE by Department
Thu 9/8	Submit Preliminary Budget Book Material to CRM
Fri 9/9 - Thu 10/20	Review departmental narratives, all budget data, design, layout & proofreading.
Fri 10/21	Budget book is reviewed and finalized for printing
Wed 10/26	Preliminary Budget Presentation
Thu 10/27	Post preliminary Budget Narrative on kcls.org/budget
Wed 11/16	Public Budget Hearings
Thu 11/19	Submit KCLS Board of Trustees-approved property tax resolutions to King, Pierce, Snohomish County Assessors.
Wed 12/14	Final Budget is approved
Thu 12/15	Post final Budget document on kcls.org/budget .

GENERAL FUND SUMMARY

REVENUES

	Actual 2021	Budget 2022	Budget 2023	Variance \$	Variance %
Revenue					
Taxes					
Property Taxes	127,447,908	133,138,265	136,444,500	3,306,235	2.5%
Sale of Tax Titled Property	1,151				
Private Timber Tax	55,131	33,000	39,996	6,996	21.2%
Leasehold Excise Tax	306,326	280,000	308,004	28,004	10.0%
Grants					
KCLS - Foundation Grants	480,580	1,275,798	1,422,372	146,574	11.5%
External Grants	26,385	364,480		(364,480)	-100.0%
Intergovernmental Revenues					
State Shared Revenues	112,087	80,000	72,996	(7,004)	-8.8%
Interlocal Pay & In-Lieu Taxes	12,368				
Intergovernmental Services Revenues	632,563	760,376	774,492	14,116	1.9%
Charges Goods and Services	98,004	268,000	360,696	92,696	34.6%
Fines	81,732	132,000	245,004	113,004	85.6%
Interest and other Earnings	(324,780)	500,000	500,004	4	0.0%
Lost Materials	30,075	27,600	113,004	85,404	309.4%
Other Financing Sources	270,092				
Other Miscellaneous Revenues	604,573	460,000	459,996	(4)	0.0%
Revenue Total	129,834,194	137,319,519	140,741,064	3,421,545	2.5%

GENERAL FUND SUMMARY EXPENSES

	Actual 2021	Budget 2022	Budget 2023	Variance \$	Variance %
Revenue	129,834,194	137,319,519	140,741,064	3,421,545	2.5%
Library Operation					
Salaries	51,570,939	62,173,212	62,622,264	449,052	0.7%
Personnel Benefits	19,358,920	24,500,885	25,014,384	513,499	2.1%
Supplies	1,580,659	2,773,445	2,975,244	201,799	7.3%
Staff Development	303,844	949,480	1,144,212	194,732	20.5%
Professional Services	2,765,780	3,950,737	4,748,172	797,435	20.2%
Communications	1,148,006	1,142,610	1,152,804	10,194	0.9%
Travel	40,323	157,580	163,200	5,620	3.6%
Advertising	382,985	443,000	473,496	30,496	6.9%
Operating Leases	2,804,431	2,901,800	2,992,248	90,448	3.1%
Insurance	831,319	965,000	960,000	(5,000)	-0.5%
Utilities	2,146,983	2,311,000	2,383,308	72,308	3.1%
Repair and Maintenance	9,871,091	11,533,788	13,326,468	1,792,680	15.5%
Reserves		3,370,000	1,200,000	(2,170,000)	-64.4%
Miscellaneous	528,586	364,800	371,544	6,924	1.9%
Intergovernmental Services	47,437	95,000	98,496	3,496	3.7%
Library Materials	13,845,263	14,119,814	14,610,120	490,306	3.5%
Facilities CIP	1,566,627	2,929,200	4,173,000	1,243,800	42.5%
ITS CIP	1,149,006	2,638,168	2,332,104	(306,064)	-11.6%
Library Operation Total	109,942,200	137,319,519	140,741,064	3,421,725	2.5%

GENERAL FUND EXPENSES SUMMARY

CAPITAL IMPROVEMENT PLAN

	Actual 2021	Budget 2022	Budget 2023	Variance \$	Variance %
Facilities CIP					
F & E - Vehicles	39,198	84,000	87,000	3,000	3.6%
Furn. & Equip. - Capitalized	95,672	265,700		(265,700)	-100.0%
Improvement - Bldg. Exterior	106,402				
Improvement - Bldg. Interior			369,996	369,996	
Improvement - Bldg. Interior	208,686				
Improvement - Carpet	237,226				
Improvement - Furniture	257,854				
Improvement - HVAC	432,922				
Improvement - Restrooms			775,008	775,008	
Improvement - Roof	139,660				
Imprv - Carpet/Floor Rplcment	49,007				
Imprv - FFE			399,996	399,996	
Imprv - HVAC - Boiler & Chiller		600,000		(600,000)	-100.0%
Imprv - HVAC - Controllers/Sen		237,000	1,992,996	1,755,996	740.9%
Imprv - HVAC - Units Replacement		985,000		(985,000)	-100.0%
Imprv - Roof - Major R&M		433,400	453,000	19,600	4.5%
Imprv Intr - Elevator		39,100		(39,100)	-100.0%
Imprv Intr - Fire Alarm & Panel		150,000	95,004	(54,996)	-36.7%
Imprv Intr - Lighting		135,000		(135,000)	-100.0%
SUB TOTAL	1,566,627	2,929,200	4,173,000	1,243,800	42.5%
ITS CIP					
Attractive Assets	48,956	1,080,320	1,486,080	405,760	37.6%
Furn. & Equip. - Capitalized		482,000	263,532	(218,468)	-45.3%
Improvement - Green	8,291	300,000		(300,000)	-100.0%
Improvement - Infrastructure	3,345	202,000		(202,000)	-100.0%
Improvement - Networks Cap.	365,277	90,000		(90,000)	-100.0%
Improvement - PCs	429,667				
Operating Supplies			300,000	300,000	
Prof. Svs. - General			229,992	229,992	
Salaries		40,000		(40,000)	-100.0%
Software (Capitalized)	293,470	432,000	52,500	(379,500)	-87.8%
Supplies - Program		11,848		(11,848)	-100.0%
SUB TOTAL	1,149,006	2,638,168	2,332,104	(306,064)	-11.6%
Expenses Total	2,715,633	5,567,368	6,505,104	937,736	16.8%

