KCLS BUDGET FISCAL YEAR 2025

KING COUNTY LIBRARY SYSTEM

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2025 Budget

KING COUNTY LIBRARY SYSTEM

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PART I: OVERVIEW

EXECUTIVE DIRECTOR'S SUMMARY

December, 18 2024

To the King County Library System Board of Trustees,

I am pleased to present the King County Library System's Budget for the Fiscal Year 2025, which includes KCLS' annual Operating Budget and five-year Capital Investment Plan (CIP).

The 2025 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. Building on the work done in 2023 to establish a new five-year plan, the 2025 Budget funds key strategic initiatives and projects which further expand programs and services to support operational improvements. It creates internal efficiencies and enhances experiences for patrons and staff, all developed through diversity, equity and inclusion pillars.

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. In addition, based on a risk assessment, the KCLS Board of Trustees adopted a Financial Reserve Policy in June 2023 that established an Operational Contingency Reserve equal to 15% of operating revenues of the prior fiscal year, and a $5 million Building Reserve. The balances of each Reserve will be reviewed for sufficiency as part of the annual budget process. The reserve policy can be used at the discretion of the Board of Trustees to ensure continuation of services and ability to meet expenses under scenarios of economic distress or unforeseen events.

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 August 2023, the U.S. Bureau of Labor and Statistics showed a 5.4% increase in the cost of goods and services over the past year. The effect of inflation on salaries and healthcare benefits, the hiring of more staff to maintain and expand open library hours, increased fuel costs, increased digital collection costs and escalations in contracted maintenance services have a cumulative impact on the budget.

To address this imbalance, KCLS leadership will begin to consider placing a levy lid lift measure on a future ballot. Due to the aforementioned restrictions from Initiative 747, a levy lid lift has typically been required to maintain operations every eight to 10 years. Voters supported levy lid lift measures in 2002 and 2010, recognizing that the

annual growth limit has not kept pace with inflation. Prudent financial stewardship has allowed KCLS to extend operations beyond the historic range; however, such measures are not sustainable over time. Voter approval of a new levy lid lift would increase revenue and allow KCLS to sustain library operations for several more years as inflation remains higher than the 1% revenue growth cap.

In 2025, total General Fund expenditures are budgeted at $164.6M, reflecting a 7.8% increase over the previous year.

2024 Year-to-Date Progress Toward KPIs

For 2024, KCLS set targets in three Key Performance Indicators (KPIs) that measure progress toward goals in customer satisfaction and service outcomes. In the period January-June 2024, performance exceeded the target in all three metrics.

- Net Promoter Score (NPS) is a method of measuring customer satisfaction used across industries worldwide. KCLS gathers NPS data from patrons as part of post-program surveys, and in a general survey of in-library customer experience. The 2024 target is an overall NPS that is above 80. Through the second quarter of 2024, the compiled NPS was 85.

- *Student Success and Lifelong Learning* was identified as a Service Direction in the KCLS Service Strategy developed in 2023. The target for 2024 is for 80% of program participants to indicate that they learned something new as a result of attending. Through June 2024, 87% noted that they learned something new.

- A focus on *Making Meaningful Connections* was reinforced as a Service Direction in the KCLS Service Strategy developed in 2023. The target is for 70% of program participants to feel more connected to others, the community or the library. In the first two quarters of 2024, 82% of participants reported feeling more connected.

2025 Priorities

For 2025, KCLS will focus on four priority areas:
- Unify internal processes for managing change, data, internal communications, and policies, using an Equity Impact Tool to inform decision-making.
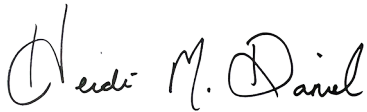
- Elevate customer experiences for our service area communities, centering those most impacted by inequity to amplify the value of the library.

- Reimagine physical and virtual library spaces with an emphasis on accessibility and empowering multilingual communities.

- Enhance staff experience and engagement, fostering communities of belonging and well-being by expanding our trauma-informed approach.

Activities within each priority area will advance KCLS' organizational goals and support the Diversity, Equity and Inclusion (DEI) pillars, utilizing information gained through recent studies of physical and online accessibility; building condition; World Language needs, and input from staff, patrons and community members. Staff will utilize design thinking, co-creation, and universal design strategies to develop and provide core services that are inclusive and welcoming.

Conclusions

The 2025 Budget will support innovation in core services to make KCLS more inclusive and representative of all the communities we serve, as well as adapting to serve modern communities throughout King County. At the same time, improvements in efficiency, effectiveness and organizational culture will ensure that KCLS remains an excellent steward of all our resources—fiscal, capital and people. It is a solid operational plan balanced by a continued focus on prudent fiscal management.

Sincerely,

Heidi Daniel, KCLS Executive Director

LIBRARY DISTRICT OVERVIEW

The King County Library System (KCLS) was founded in 1942 as an independent taxing district and operates under the governance of a seven-member Board of Trustees, in accordance with RCW 27.12.192. Trustees are appointed by the King County Executive and confirmed by the King County Council. The Board is responsible for hiring the Executive Director, approving the Library District's annual operating budget, setting the property tax levy and overseeing the long-range strategic plan. Trustees serve voluntarily and are committed to upholding the Mission, Vision and Values of KCLS.

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 Public Services, and the Directors of Collection Management Services; Communications and Marketing; Equity and Social Impact; Finance and Facilities; Human Resources; Information Technology Services; Library Operations, and Library Outreach, Programs and Services. The Strategy Manager and KCLS Foundation Executive Director are also members of the Leadership Team.

King County Library System Service Area

KCLS is one of the largest library systems in the country and serves nearly 1.6 million residents in rural, suburban and urban King County, and small areas of Pierce and Snohomish counties.

The population within the KCLS service area has grown by 16% since 2010. Nearly half (48%) of the community identifies as Black, Indigenous or People of Color (BIPOC). More than 24% of residents are foreign-born with the largest groups being from India, Mexico, China, Vietnam, Philippines and Korea. About 25% of the overall population is under the age of 20, while about one-third of the total population is 50 or older. Those between 30-39 make up the largest share of the population for any 10-year age group.

Overall, about 31% of the service area population speaks a language other than English as their first language. Among non-U.S. citizens, about 47% have limited English-speaking skills, while 42% speak English very well. Nearly three-fourths of residents over 18 have at least some college, while 27% have attained a high school diploma or less.

Nearly 138,000 households (24% of total) make less than $50,000 a year, and 44% of renter households are cost-burdened, spending more than 30% of their income on rent.

Most households in the service area have access to the internet using a smartphone or tablet, but 4% have no device or computer at all, and 6% do not have internet access.

Organization Chart
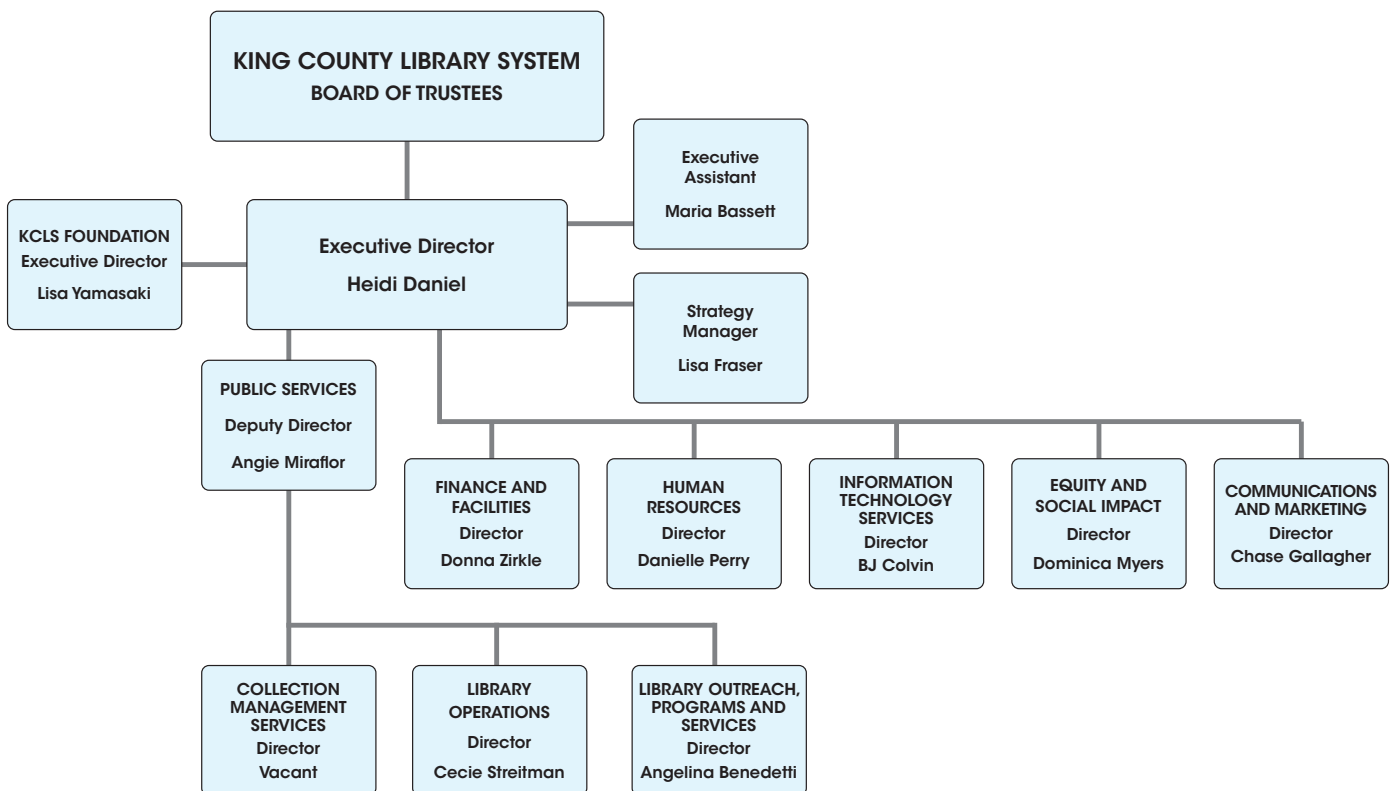
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                    KING COUNTY LIBRARY SYSTEM
                         BOARD OF TRUSTEES
                                |
                                |                    Executive
                                |                    Assistant
                                |                   Maria Bassett
  KCLS FOUNDATION        Executive Director
  Executive Director                                 Strategy
  Lisa Yamasaki          Heidi Daniel                Manager
                                |                    Lisa Fraser
         PUBLIC SERVICES
         Deputy Director
         Angie Miraflor
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FINANCE AND FACILITIES Director Donna Zirkle	**HUMAN RESOURCES** Director Danielle Perry	**INFORMATION TECHNOLOGY SERVICES** Director BJ Colvin	**EQUITY AND SOCIAL IMPACT** Director Dominica Myers	**COMMUNICATIONS AND MARKETING** Director Chase Gallagher

COLLECTION MANAGEMENT SERVICES Director Vacant	**LIBRARY OPERATIONS** Director Cecie Streitman	**LIBRARY OUTREACH, PROGRAMS AND SERVICES** Director Angelina Benedetti

2025 KCLS BOARD OF TRUSTEES

2023-2027 STRATEGIC FRAMEWORK

The King County Library System's (KCLS) Strategic Framework reflects its commitment to public service that enhances lives, forges connections and strengthens communities.

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

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

Values
Knowledge • Intellectual Freedom • Diversity, Equity and Inclusion •
Professional Ethics • Stewardship • Service Mindset

Organizational Goals

Responsive, inspirational service

Communities of inclusion and belonging

Organizational excellence

Strategic communication

DEI Pillars
Centering communities most impacted by systemic inequities.

Systematically apply a DEI lens to internal processes and resources

Co-create and evaluate services with most impacted communities

Adopt a trauma-informed approach to staff well-being

Publicly communicate DEI accountability

Service 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.

Continuing Commitment to Core Services
Customer service through helpful and expert staff; a robust and diverse collection of books and resources; responsive programs and services, and welcoming library spaces.

Shared Organizational Priorities for 2025

Unify internal processes

Elevate customer experiences

Reimagine library spaces

Enhance the staff experience

KCLS.ORG/STRATEGY

SHARED PRIORITIES

UNIFY INTERNAL PROCESSES

Unify internal processes for managing change, data, internal communication and policies, using an Equity Impact Tool to inform decision making.

Intended result	KCLS Goals
KCLS will have a transparent and unified way of making inclusive, responsive decisions. Decision making will lead to implementation. Communication and transparency will improve internally, as will the ability to utilize metrics in telling KCLS' story.	Organizational Excellence and Strategic Communication **DEI Pillars** Systems and Accountability

Initiative	Key Performance Indicators
Develop best practices for communication of essential information to staff across all departments.	Increase in number of staff indicating they have access to the information needed to do their job by five percentile points.
Evaluate use of staff technology tools and implement changes to standards, procedures, guidelines, and support.	Increase in number of staff indicating they have the tools and resources to do their job by five percentile points.
Apply Equity Impact Tool and DEI standards to all policies, procedures, and best practices.	Increase in number of staff who see a clear connection between the work they do and KCLS' Mission, Vision, and Values by five percentile points.

ELEVATE CUSTOMER EXPERIENCES

Elevate customer experiences for our service area communities, centering those most negatively impacted by inequity to amplify the value of the Library.

Intended result	KCLS Goals
Community members utilizing KCLS will experience a welcoming, inclusive environment. Staff will feel they understand the aspirations and expectations of local communities. King County residents will understand KCLS' story and impact, leading to high public perception of KCLS and local community libraries.	Responsive, Inspirational Service and Strategic Communication **DEI Pillars** Co-creation and Accountability

Initiative	Key Performance Indicators
Proactively co-create and evaluate all public-facing services with most-impacted communities at every stage of design and development.	At least 12 new connections with community groups are made.
Create and implement customer service standards that use KCLS' DEI Strategy to inform how staff teams create a welcoming environment.	Increase in patrons who rate KCLS customer service quality as high by four percentage points. Increase in patrons who feel welcome in their community library by three percentage points.
Proactively and clearly communicate KCLS' value and DEI work to create accountability and enhance public perception.	Net Promoter Score is greater than 83. 95% of patrons would recommend KCLS to friends or colleagues.
Improve collection access and offerings based on input from communities.	Increase usage of improved collections by 5%.
Prepare staff to proactively co-create and evaluate all public-facing services with most-impacted communities at every stage of design and development.	Increase in staff understanding what is expected of them in their job by five percentile points.
Co-create and prototype new services in response to identified community needs.	Goals of service prototypes are met.
Create and implement customer service standards that use KCLS' DEI Strategy to inform how staff teams create a welcoming environment.	Increase in the number of patrons who feel welcome in their community library by three percentage points.

SHARED PRIORITIES

REIMAGINE LIBRARY SPACES

Reimagine physical and virtual library spaces with an emphasis on accessibility and empowering multilingual communities.

Intended result	KCLS Goals
Spaces reflect community aspirations and are inspiring community anchors rooted in DEI principles. Patrons feel welcome when interacting with KCLS and can easily use Library services.	Communities of Inclusion and Belonging and Strategic Communication **DEI Pillars** Co-creation

Initiative	Key Performance Indicators
Create a timeline and rollout plan for accessibility standards across physical and virtual spaces that inform all subsequent space planning. Begin implementation of the standards in 2025.	Accessibility Standards rollout plan is completed, shared, and utilized in subsequent planning activities.
Create a project prototype to implement selected accessibility standards, while piloting reimagined collections, computing and public areas. Utilize design thinking and iterative learning to create new standards for subsequent space projects.	One library is updated in 2025 utilizing the standards and methodologies developed in the prototypes.
Develop implementation and funding strategies for Climate Action Plan.	Climate Action Plan implementation and funding strategies are incorporated into 2026 priorities and budget.

ENHANCE STAFF EXPERIENCES

**Enhance staff experience and engagement at KCLS,
fostering communities of belonging and well-being
by expanding our trauma-informed approach.**

Intended result	KCLS Goals
Staff feel supported and understood by leadership.	Organizational Excellence
Staff is involved, empowered and inspired to serve KCLS' communities, and to be advocates for the organization.	**DEI Pillars** Well-being

Initiative	Key Performance Indicators
Develop best practices and frameworks for transparent, multi-directional Internal communication.	Increase in number of staff who indicate that there is good communication across the organization by five percentile points.
Improve recruitment of BIPOC and multilingual staff, including all supporting processes throughout the recruitment cycle.	Increase in the number of employees indicating they feel valued as a member of KCLS staff by five percentile points.
Expand opportunities and support for employees to engage in innovation.	Increase by five percentile points the number of staff who indicate that there are opportunities to contribute to system-wide initiatives. Increase in the number of staff who indicate that KCLS encourages employees to explore better ways of doing things by five percentile points.
Implement standards and practices that reduce the incidence of microaggressions and trauma in staff interactions.	The incidence of microaggressions and trauma among staff is reduced from the level reported in the 2024 DEI Staff Survey.

GENERAL FUND OVERVIEW

KCLS BUDGET REVENUES ($150.6M) BY SOURCE

In 2025, total general fund revenue is projected at $150.6M. 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.

$142.6M

$8.0M $150.6M

● 95% Property Tax

● 5% Other Revenue
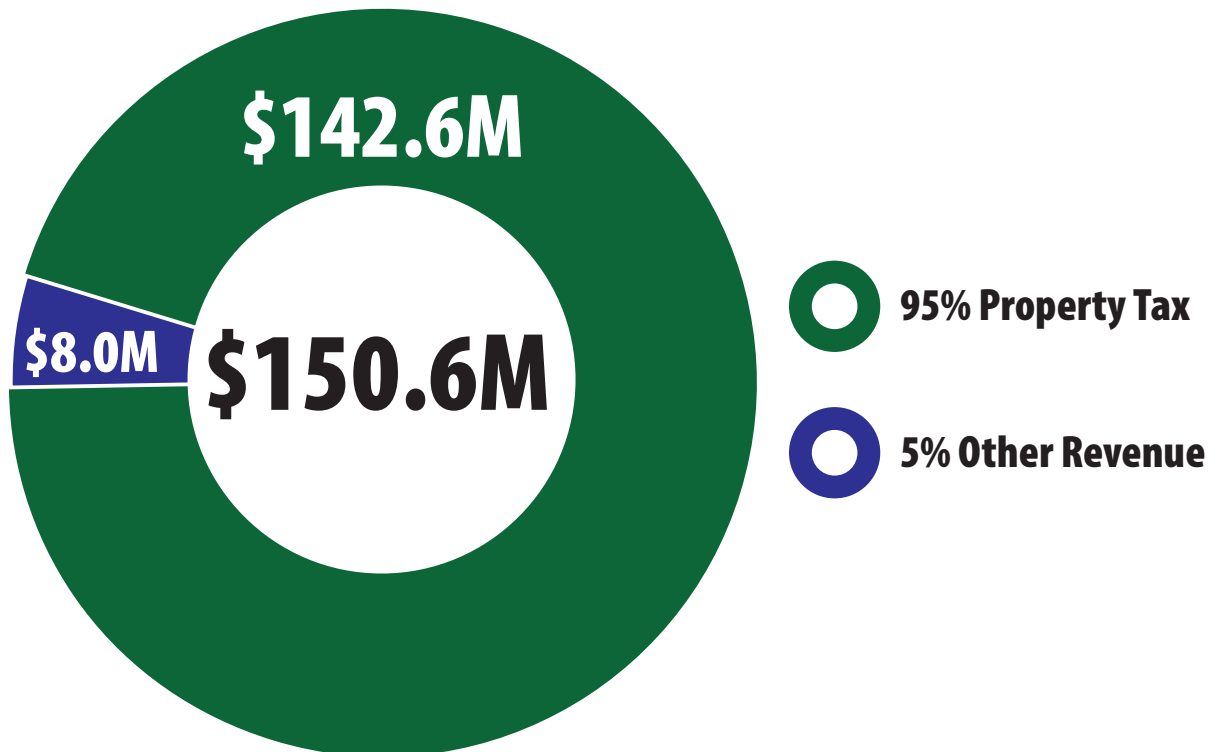
KCLS BUDGET EXPENDITURES ($164.6M) BY CATEGORY

Personnel expenditures account for 61% of total budgeted expenditures, and include salaries and benefits for 1,056 employees, or 842 Full-Time Equivalent (FTE) employees.

Non-personnel expenditures account for 32% of total budgeted expenditures. The 2025 Budget also includes $12.5M in funding for the Finance & Facilities and Technology Capital Investment Plan (CIP) to cover anticipated major expenditures for ongoing maintenance and upkeep of the Library District's capital assets.

$99.6M

$164.6M

$12.5M

$52.5M

61% Personnel

32% Non-Personnel

7% Capital Investment Plan
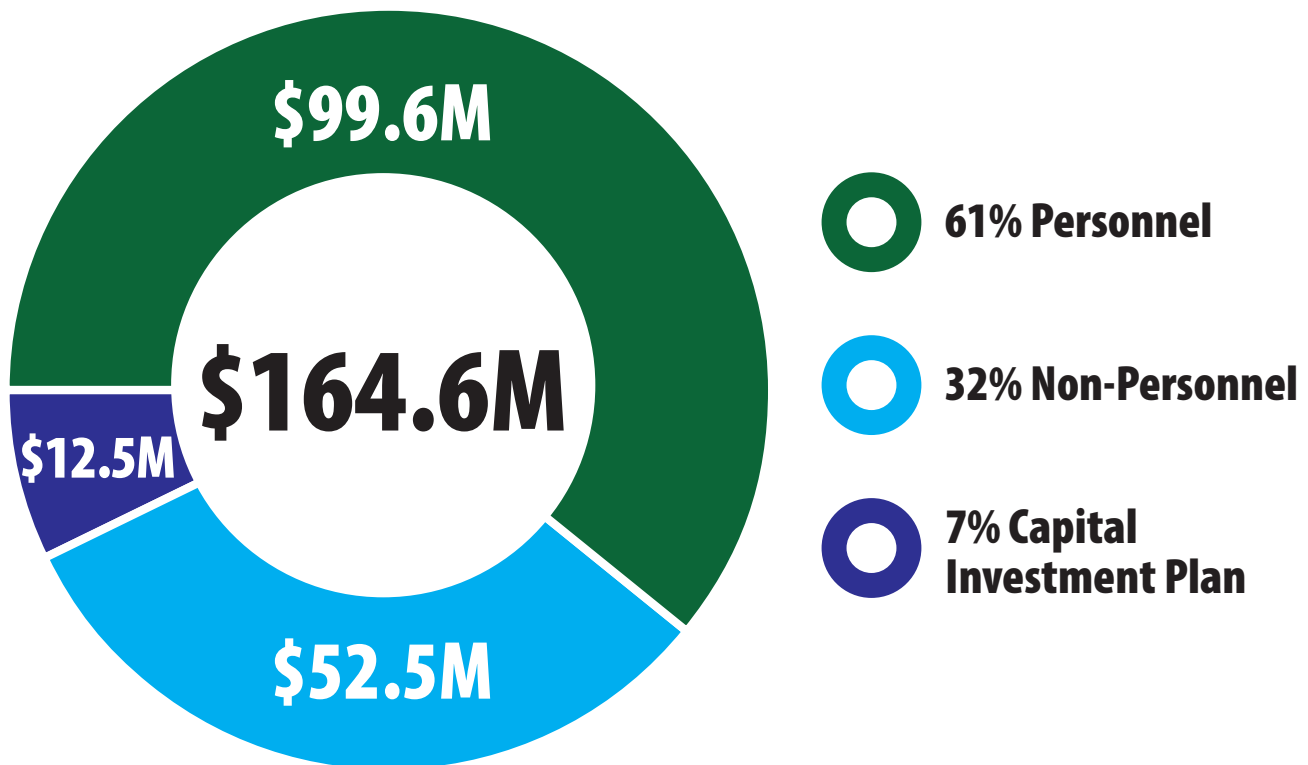
ADMINISTRATION BUDGET BY DEPARTMENT

$24.0M
$0.8M
$50.7M
$1.4M
$3.0M
$3.6M
$5M
$12.9M

- 47% Finance & Facilities
- 26% Information Technology Services
- 10% Human Resources
- 6% Communications and Marketing
- 6% Executive
- 3% Equity and Social Impact
- 2% KCLS Foundation
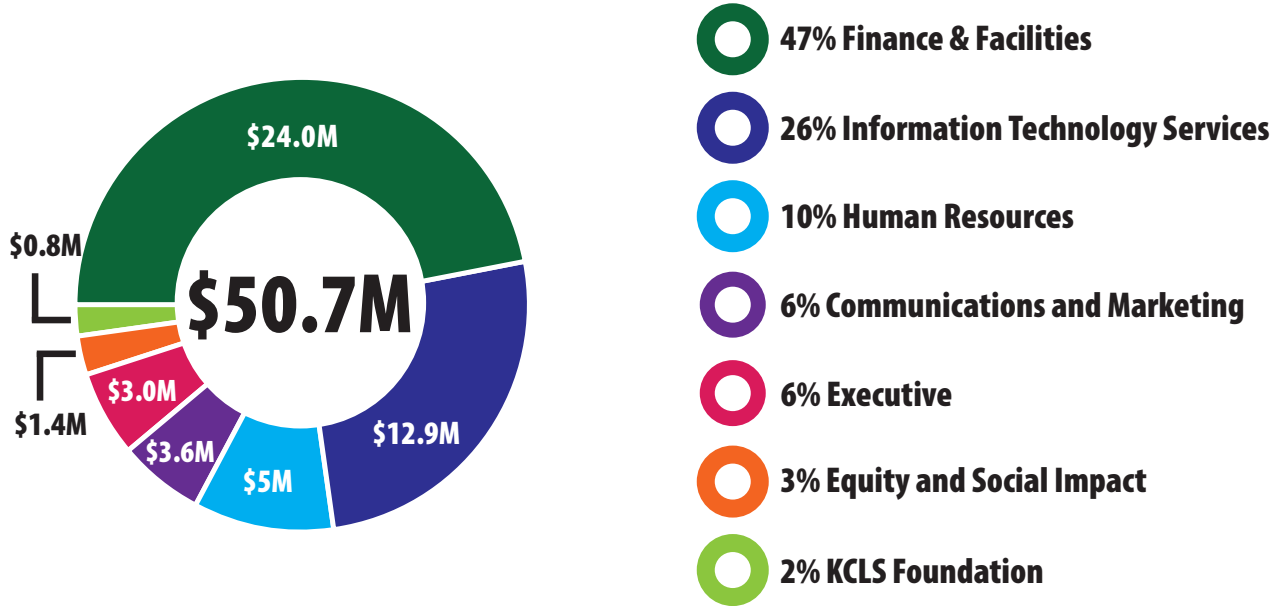
PUBLIC SERVICES BUDGET BY DEPARTMENT

$67.6M
$99.8M
$6.0M
$26.2M

- 68% Library Operations
- 26% Collection Management Services
- 6% Library Outreach, Programs & Services
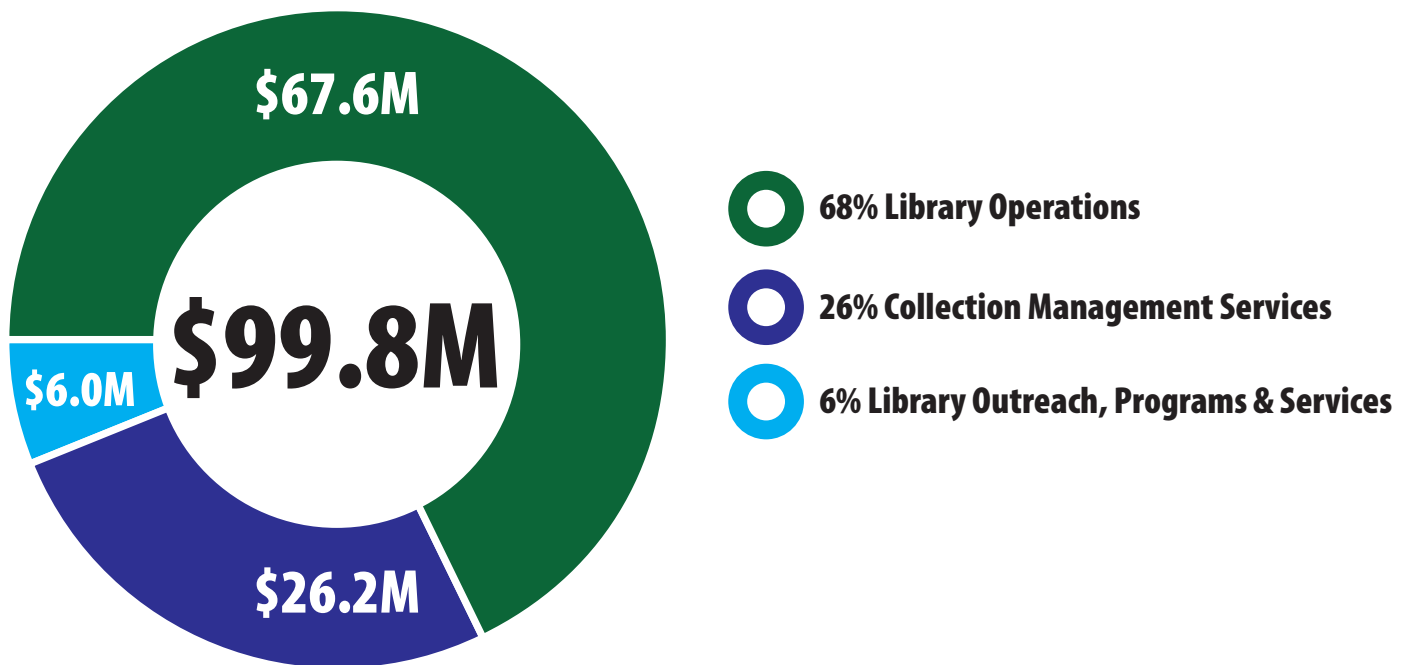
Charts above exclude Capital Investment Plan ($12.5M) and Grant expenditures ($1.6M).

KCLS BUDGETED FULL-TIME EQUIVALENTS

The 2025 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 842 FTEs, and increasing the Capital Investment budget by 9%.

2019	2020	2021	2022	2023	2024	2025
873	867	822	819	815	808	842
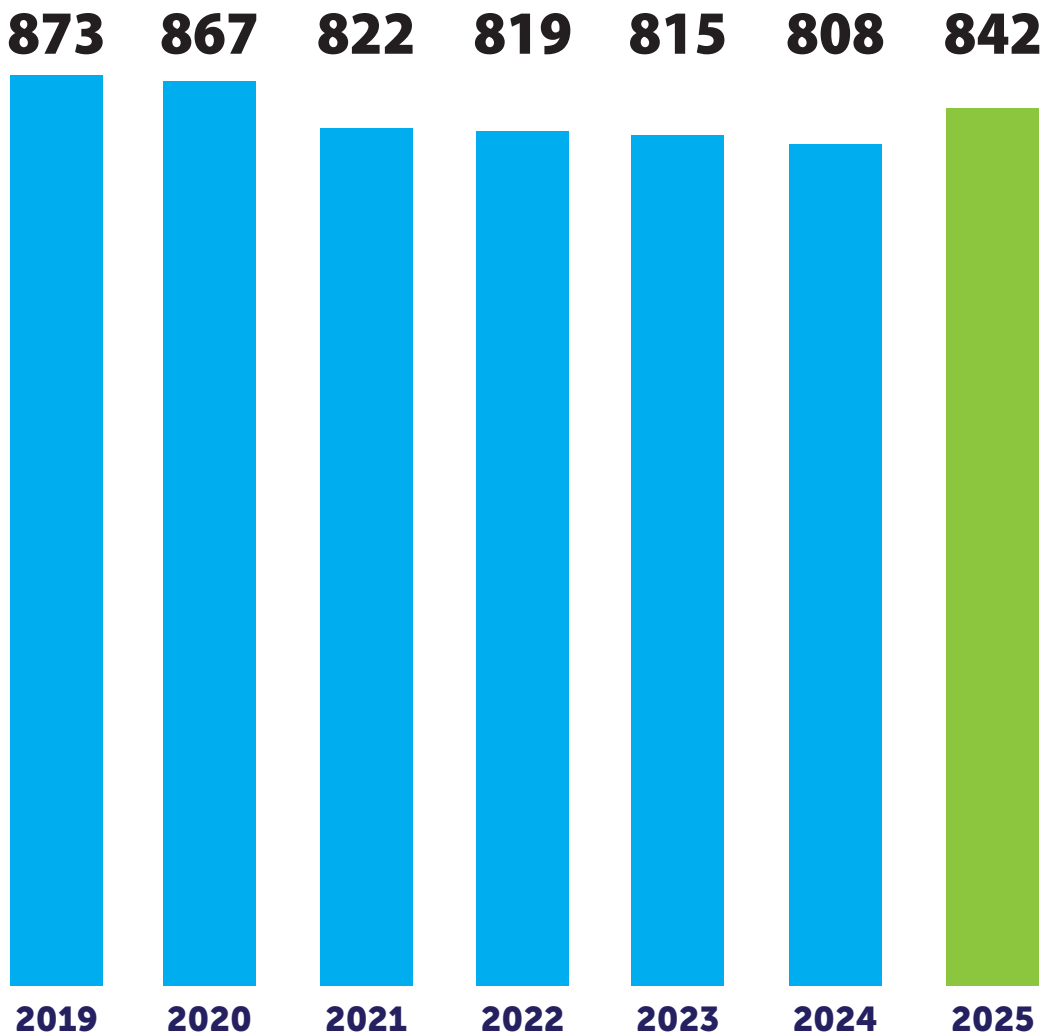
BUDGET PLANNING SCENARIO

The 2025 budget planning scenario provides a comprehensive comparison of financial data, presenting the approved 2024 budget alongside updated forecasts for 2024 and the proposed budget for 2025. This structure allows for an analysis of year-over-year trends, highlighting deviations between the 2024 budget and forecasted year-end performance, and guiding strategic adjustments for the 2025 financial plan.

	2024 Budget (in $1,000's)	% Change	2024 Year-End Forecast* (in $1,000's)	% Change Between 2024 Budget and 2025 Budget	2025 Budget (in $1,000's)
Beginning Fund Balance	$ 139,172		$ 139,172		$ 143,720
Property Tax	$ 139,539	0.0%	$ 139,539	2.2%	$ 142,630
KCLS Foundation/Grants	$ 1,904	-21.1%	$ 1,503	-13.8%	$ 1,642
Erate Reimbursement	$ 1,300	0.0%	$ 1,300	-23.1%	$ 1,000
Damaged Materials	$ -	-	$ 38	-	$ 38
Investment Interest	$ 2,000	171.6%	$ 5,432	80.0%	$ 3,600
Lost Material/ Contracts	$ 633	31.0%	$ 829	-1.7%	$ 622
Miscellaneous Revenues	$ 536	181.8%	$ 1,511	19.7%	$ 642
Timber Revenues/Other Taxes	$ 500	-7.8%	$ 461	-7.8%	$ 461
Total Revenue	$ 146,412	2.9%	$ 150,613	2.9%	$ 150,635
Personnel Expense					
Salaries	67,151	-6.7%	62,675	7.0%	71,822
Benefits	25,166	-11.7%	22,222	10.3%	27,765
Sub-total Personnel	$ 92,317	-8.0%	$ 84,897	7.9%	$ 99,587
Expenses-Other					
Library Material	15,419	0.0%	15,419	3.0%	15,882
Repairs and Maintenance	13,859	0.0%	13,860	13.4%	15,710
Insurance/Lease/Utilities/Communications	7,823	0.4%	7,853	10.5%	8,644
Professional Services	5,302	-0.3%	5,285	2.7%	5,448
Supplies	2,959	0.6%	2,976	-2.6%	2,882
Capital FFE/Intergov./Reserve/MISC/TransOut	1,677	-5.4%	1,587	6.2%	1,781
Travel/Advertise/Staff Dev.	1,831	-69.7%	554	15.6%	2,117
Sub-total Non-personnel	$ 48,870	-2.7%	$ 47,534	7.4%	$ 52,464
Capital Investment Plan					
Facilities CIP	7,812	29.9%	10,148	1.9%	7,957
ITS CIP	3,690	0.8%	3,721	24.0%	4,577
Sub-total CIP	$ 11,502	20.6%	$ 13,869	9.0%	$ 12,534
Total Expenses	$ 152,690	-4.2%	$ 146,300	7.8%	$ 164,585
Total Surplus/(Deficit)	$ (6,278)		$ 4,313		$ (13,950)
Transfers In/ Transfers Out from Other Funds			$ 235		
Ending Fund Balance	$ 132,894		$ 143,720		$ 129,770

*Estimated Forecast based on the actual revenue and expenditure as of 09/30/2024

GENERAL FUND SUMMARY • REVENUES

	Actual 2023	Budget 2024	Budget 2025	Variance $	Variance %
Revenue					
Taxes					
Property Taxes	134,287,022	139,538,504	142,630,317	3,091,813	2.2%
Sale of Tax Titled Property	1,588				
Private Timber Tax	104,122	40,000	96,681	56,681	141.7%
Leasehold Excise Tax	412,168	308,000	363,899	55,899	18.1%
Grants					
Grant Revenues	1,403,529	1,903,914	1,641,854	(262,060)	-13.8%
Intergovernmental Revenues					
State Shared Revenues	21,935	73,000		(73,000)	-100.0%
Interlocal Pay & In-Lieu Taxes	12,009				
Intergovernmental Services Revenues	661,391	774,500	565,383	(209,117)	-27.0%
Charges Goods and Services	314,708	360,700	679,473	318,773	88.4%
Fines	63,072				
Interest and other Earnings	6,935,160	2,000,000	3,600,000	1,600,000	80.0%
Lost Materials	61,574	113,000	57,453	(55,547)	-49.2%
Other Financing Sources	10,179				
Other Miscellaneous Revenues	1,146,814	1,300,000	1,000,000	(300,000)	-23.1%
Revenue Total	**145,435,273**	**146,411,618**	**150,635,060**	**4,223,442**	**2.9%**

GENERAL FUND SUMMARY • EXPENSES

	Actual 2023	Budget 2024	Budget 2025	Variance $	Variance %
Library Operation					
Salaries	56,439,265	67,150,803	71,822,373	4,671,570	7.0%
Personnel Benefits	20,205,881	25,166,061	27,765,268	2,599,207	10.3%
Supplies	2,629,928	2,990,878	2,881,645	(109,233)	-3.7%
Staff Development	579,513	1,143,957	1,307,650	163,693	14.3%
Professional Services	4,520,505	5,270,906	5,448,484	177,578	3.4%
Communications	1,056,832	1,056,088	1,507,233	451,145	42.7%
Travel	81,607	184,209	152,802	(31,407)	-17.0%
Advertising	502,519	503,000	656,625	153,625	30.5%
Operating Leases	2,914,049	3,180,686	3,406,598	225,912	7.1%
Insurance	968,957	1,140,080	1,200,882	60,802	5.3%
Utilities	2,352,982	2,445,807	2,529,480	83,673	3.4%
Repair and Maintenance	13,350,943	13,858,545	15,709,539	1,850,994	13.4%
Reserves		1,200,000	1,200,000		0.0%
Miscellaneous	535,022	373,710	413,010	39,300	10.5%
Intergovernmental Services	114,206	103,730	168,400	64,670	62.3%
Library Materials	14,377,959	15,418,634	15,881,740	463,106	3.0%
Total Operations	**120,630,167**	**141,187,095**	**152,051,729**	**10,864,634**	**7.7%**
CIP					
Facilities CIP	2,887,330	7,812,000	7,957,000	145,000	1.9%
ITS CIP	1,983,295	3,690,453	4,576,801	886,348	24.0%
Total CIP	**4,870,625**	**11,502,453**	**12,533,801**	**1,031,348**	**9.0%**
Total Expenses	**125,500,792**	**152,689,548**	**164,585,530**	**11,895,982**	**7.8%**

ECONOMIC OUTLOOK

While property tax, which accounts for 95% 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 2.57% (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 2.2% in 2025.

Considering all revenue sources, KCLS estimates a 2.9% increase for the 2025 Budget period.

NEW CONSTRUCTION FORECAST

King County New Construction Forecast
In billions $, with Actuals and Forecast bars
Source: KC DOA, King County OEFA

Year	Value
2014	$3.4
2015	$5.0
2016	$6.1
2017	$8.4
2018	$9.8
2019	$11.6
2020	$11.0
2021	$10.6
2022	$10.2
2023	$10.4
2024	$11.5
2025	$10.1
2026	$10.4
2027	$10.8
2028	$11.0
2029	$11.3
2030	$11.6
2031	$11.8
2032	$12.1
2033	$12.5
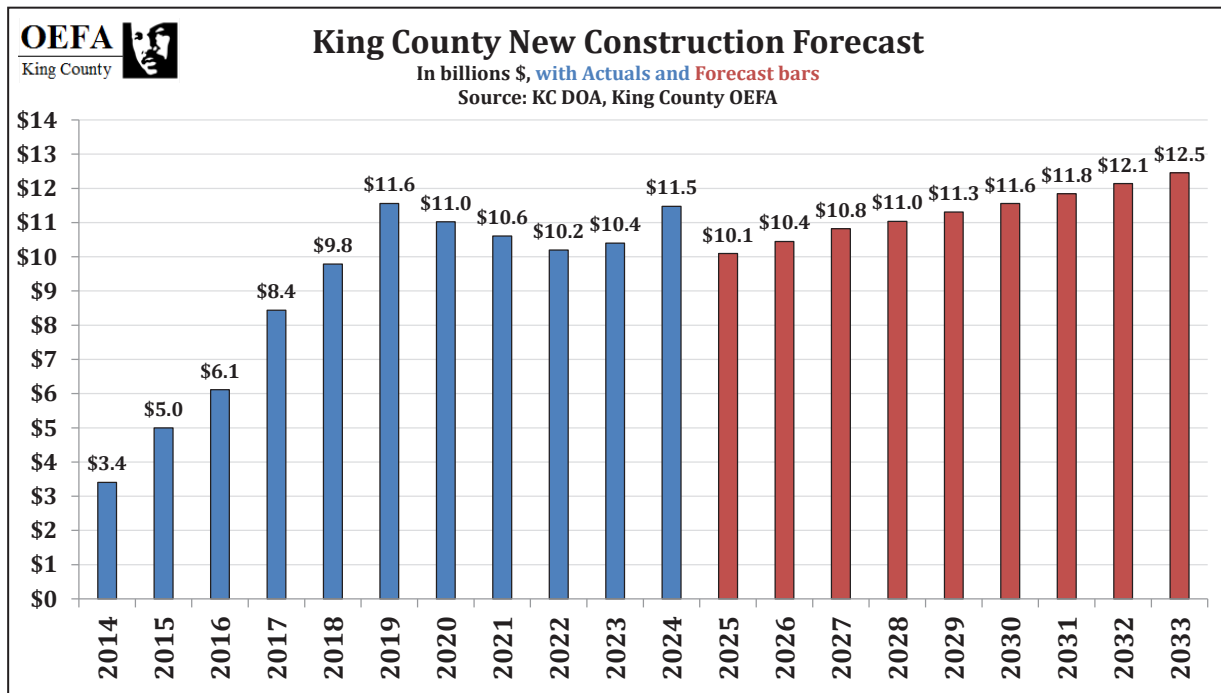
LONG-RANGE FINANCIAL PLANNING

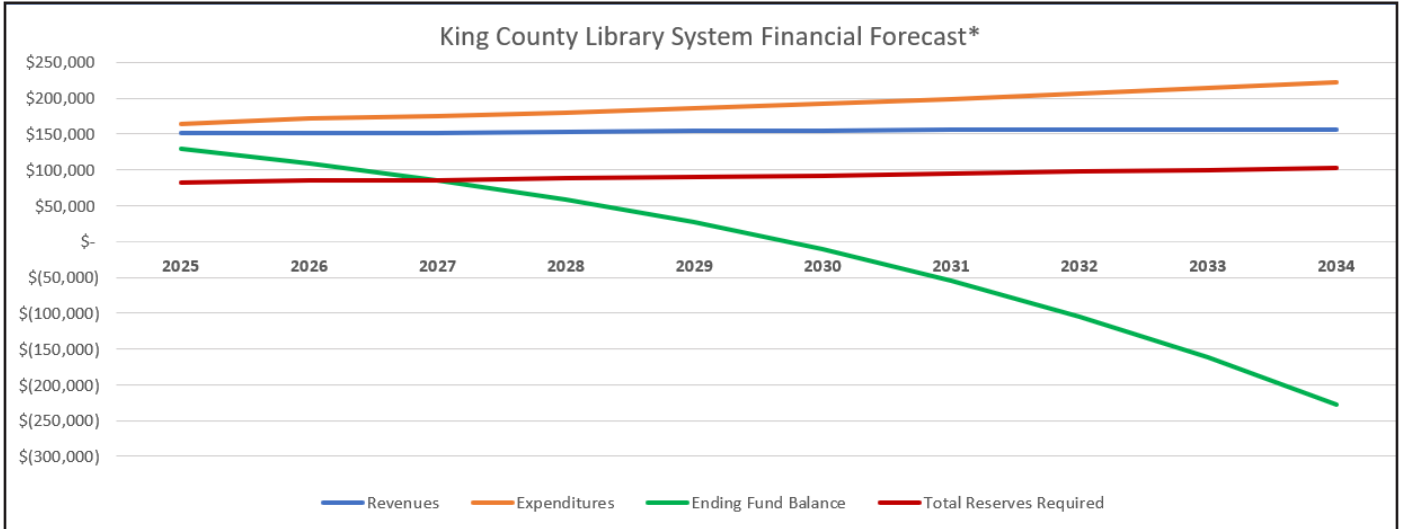Maintaining a sufficient fund balance is essential to KCLS' long-range financial planning. Since KCLS receives property tax revenue from the county treasurer only twice per year, in April and October, it is necessary to maintain a stable cash flow throughout the year. To ensure financial stability and the ability to cover operational expenses through April of the following year, KCLS must maintain a minimum Ending Fund Balance (EFB) equivalent to 120 days of operating expenditures. This policy safeguards KCLS' fiscal health at the end of each fiscal year (refer to Appendix: Policies and Glossary– General Fund Balance Policy). Additionally, KCLS' policy mandates maintaining an Operating Reserve of 15% of operating revenue and a Building Reserve of $5 million.

Given projections, there is growing concern about KCLS' long-term financial sustainability. Operating expenses are projected to rise more rapidly than annual revenue, creating a serious risk to KCLS' financial stability. This imbalance could exhaust total reserves by the 2026-2027 fiscal year. Without a strategy to boost revenue growth, KCLS may face a funding gap that could expose both its financial health and operational capacity over time, as shown in Chart 1.

In Chart 2, expenditures are expected to significantly outpace revenue over the next five years. This trend impacts KCLS' projected Ending Fund Balance (blue bar), which will fall short of the targeted minimum Ending Fund Balance (red line).

Chart 1
Projected Impact of Revenue and Expenditure Trends on Total Reserves

King County Library System Financial Forecast*

Legend: Revenues — Expenditures — Ending Fund Balance — Total Reserves Required

Chart 2
Projected Ending Fund Balance versus Target Minimum Fund Balance

General Fund Balance, Minimum Fund Balance Trend*

	2024	2025	2026	2027	2028	2029
Total Reserves Required	$75,582	$82,454	$84,931	$85,870	$87,907	$89,682
Ending Fund Balance	$143,720	$129,770	$108,399	$85,413	$58,093	$26,899

Legend: Ending Fund Balance — Total Reserves Required
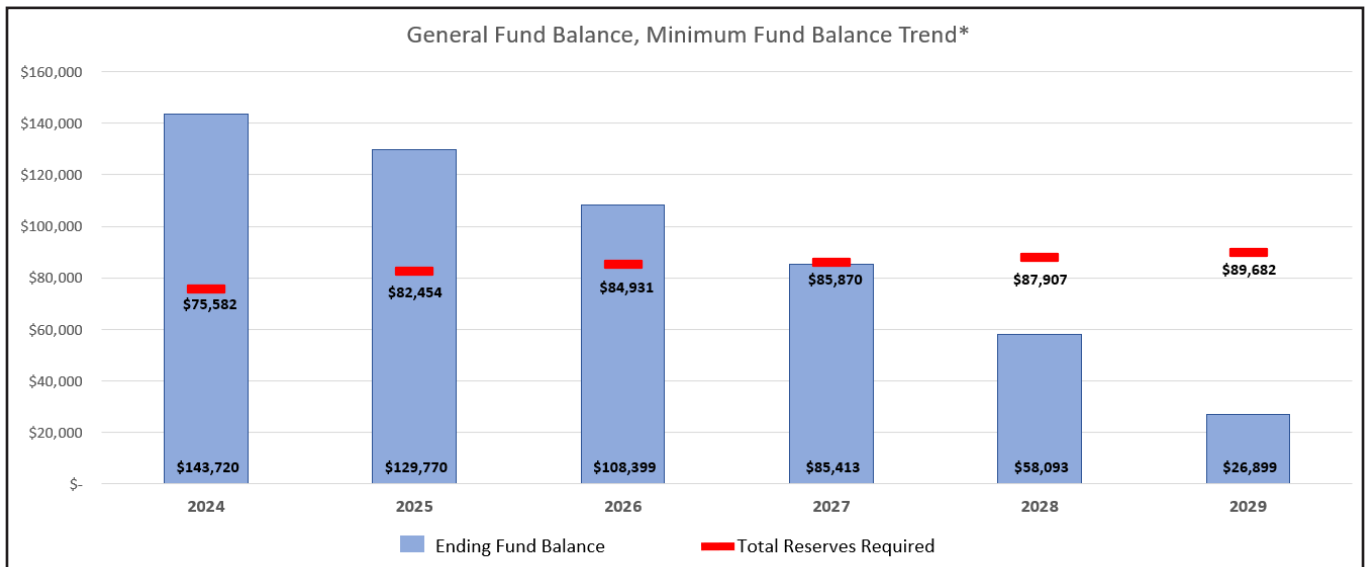
In $1,000's

PART II

**DEPARTMENT OVERVIEWS
KEY PERFORMANCE INDICATORS (KPIs)
BUDGET BY DEPARTMENT**

DEPARTMENT OVERVIEWS
EXECUTIVE

Executive Director, Heidi Daniel

The King County Library System Executive Director oversees KCLS' annual operating budgets and keeps the KCLS Board of Trustees apprised of the Library System's financial and operational status. The Executive Director is responsible for the overall strategic direction and leadership of the the Library System, ensuring 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. The Executive budget includes the Deputy Director for Public Services and the Strategy Department.

Activities by Priority Area	Key Performance Indicators
Unify Internal Processes	
Coordinate, create and maintain departmental and organizational dashboards to ensure consistency, and fully utilize subject matter expertise and data tools.	Staff use departmental, regional and organizational dashboards for decision making.
Produce procedures, guidelines, training and support materials for tools and methods used by KCLS staff for data gathering.	Staff understand and use tools and a unified process for gathering data.
Create process for documenting and updating policies and standard operating procedures (SOPs) using Equity Impact Tool.	All KCLS policies and standard operating procedures are up to date and reviewed for equity, legality and relevance.
Elevate Customer Experience	
Develop a customer service model that integrates KCLS' values, providing consistent standards while allowing flexibility for staff to meet local patrons' needs.	Customer service model and related staff training plan are complete.
Enhance Staff Experience	
Develop a structure to encourage and support staff innovation locally and System-wide.	Customer service model and related staff training plan are complete.
Create a project management framework and staff support system for pilot projects/prototypes.	By the end of 2025, 100% of pilot projects/protypes use the framework and supports. Framework results in defined definitions of success for each pilot.
Reimagine Spaces	
Review and develop steps for implementation of KCLS' Climate Action Plan. Share information with communities and other stakeholders. Develop a strategy and begin seeking funding.	Climate Action Plan and related strategies are shared with community stakeholders. Funding strategy is outlined.
Department Operational Priorities	
Develop and share a standardized decision making model for the KCLS Leadership Team (KLT).	Staff understand the process for decision making used by the KLT.
Deliver four sessions of training for supervisors in KCLS' change-management framework.	95% of supervisors are using content from the change-management framework.

2025 DEPARTMENT EXPENSES

	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$157,169	$276,717	$328,341	$51,624	18.7%
Salaries	$678,012	$1,020,368	$1,163,790	$143,422	14.1%
SALARIES/BENEFITS TOTAL	**$835,182**	**$1,297,085**	**$1,492,130**	**$195,045**	**15.0%**
PERSONNEL EXPENSES TOTAL	**$835,182**	**$1,297,085**	**$1,492,130**	**$195,045**	**15.0%**
Non-Personnel Expenses					
Intergov./Reserve/Misc./TransOut					
Miscellaneous	$24,283	$25,100	$27,310	$2,210	8.8%
Reserve	–	$1,200,000	$1,200,000	$0	0.0%
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	**$24,283**	**$1,225,100**	**$1,227,310**	**$2,210**	**0.2%**
Professional Services					
Professional Services	$27,632	$200,000	$200,000	$0	0.0%
PROFESSIONAL SERVICES TOTAL	**$27,632**	**$200,000**	**$200,000**	**$0**	**0.0%**
Supplies					
Supplies	$526	$12,400	$13,680	$1,280	10.3%
SUPPLIES TOTAL	**$526**	**$12,400**	**$13,680**	**$1,280**	**10.3%**
Travel/Advertising/Staff Development					
Staff Development	$5,436	$92,000	$68,550	-$23,450	-25.5%
Travel	$1,213	$6,000	$6,000	$0	0.0%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$6,650**	**$98,000**	**$74,550**	**-$23,450**	**-23.9%**
NON-PERSONNEL EXPENSES TOTAL	**$59,091**	**$1,535,500**	**$1,515,540**	**-$19,960**	**-1.3%**
Total Expenses	$894,272	$2,832,585	$3,007,670	$175,085	6.2%

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Executive				
Position	7	8	1	14%
FTE	7	8	1	14%

COLLECTION MANAGEMENT SERVICES

Director, (Vacant)

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 goals of removing barriers and providing a collection that reflects local communities. CMS is committed to supporting KCLS' values of inclusion and belonging by offering diverse materials.

Activities by Priority Area	Key Performance Indicators
Elevate Customer Experience	
Create and implement a methodology to evaluate barriers to access and use of physical materials collections in libraries and develop responsive actions.	The evaluation methodology and review collections at seven libraries are completed. Responses are implemented at four libraries.
Using data from the World Language assessment, implement changes to the collections that increase the number of World Language materials available and reevaluate collection locations at three to four libraries for better access.	World Language holdings increase by 5%. Three to four locations have made changes to collection location and or signage, resulting in higher circulation of the World Language collections.
Enhance Staff Experience	
Develop and implement a framework for staff to engage in person across departments/locations to build and support work relationships and responsibilities.	40% of CMS staff engage in person with another department or community library.
Department Operational Priorities	
Install a new central sorter.	Annual maintenance costs are reduced by 90%. An average of 20 hours per week are reallocated from maintenance to other tasks. Sort accuracy is increased by 90%.

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Collection Managaement Services				
Position	102	103	1	1%
FTE	78	80	2	3%

2025 DEPARTMENT EXPENSES

Collection Management Services	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$1,818,847	$2,122,268	$2,317,835	$195,567	9.2%
Salaries	$4,887,637	$5,512,910	$5,816,742	$303,832	5.5%
PERSONNEL EXPENSES TOTAL	**$6,706,484**	**$7,635,178**	**$8,134,577**	**$499,399**	**6.5%**
Non-Personnel Expenses					
Miscellaneous	$1,695	$10,000	$5,000	-$5,000	-50.0%
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	**$1,695**	**$10,000**	**$5,000**	**-$5,000**	**-50.0%**
Communications	$89,478	$92,220	$99,413	$7,193	7.8%
INSURANCE/LEASE/UTILITIES COMMUNICATIONS - TOTAL	**$89,478**	**$92,220**	**$99,413**	**$7,193**	**7.8%**
Library Material - Non Cap.	$5,970,132	$6,563,000	$7,063,540	$500,540	7.6%
Library Material - Cap.	$8,384,276	$8,855,634	$8,818,200	-$37,434	-0.4%
LIBRARY MATERIAL TOTAL	**$14,354,408**	**$15,418,634**	**$15,881,740**	**$463,106**	**3.0%**
Professional Services	$1,032,619	$1,067,284	$1,086,070	$18,786	1.8%
PROFESSIONAL SERVICES TOTAL	**$1,032,619**	**$1,067,284**	**$1,086,070**	**$18,786**	**1.8%**
Repairs and Maintenance	$296,452	$640,442	$759,237	$118,795	18.5%
REPAIRS AND MAINTENANCE TOTAL	**$296,452**	**$640,442**	**$759,237**	**$118,795**	**18.5%**
Supplies	$124,682	$152,704	$176,400	$23,696	15.5%
SUPPLIES TOTAL	**$124,682**	**$152,704**	**$176,400**	**$23,696**	**15.5%**
Staff Development	$3,763	$8,400	$8,400	$0	0.0%
Travel	$841	$3,500	$3,675	$175	5.0%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$4,604**	**$11,900**	**$12,075**	**$175**	**1.5%**
NON-PERSONNEL EXPENSES TOTAL	**$15,903,938**	**$17,393,184**	**$18,019,935**	**$626,751**	**3.6%**
Total Expenses	$22,610,421	$25,028,362	$26,154,512	$1,126,150	4.5%

COMMUNICATIONS AND MARKETING

Director, Chase Gallagher

The Communications and Marketing (CM) Department manages KCLS' brand and reputation, through crafting and executing strategic internal and external communications. The CM Department works across the organization to manage media outreach and partnerships; public relations and digital communications; graphic design and print production; government relations, public records management, and advertising and promotional materials.

Activities by Priority Area	Key Performance Indicators
Enhance Staff Experience	
Develop executive communications practices and calendar to enhance leadership transparency.	All executive communications follow established procedures and calendar.
Develop internal communications practices and calendar to highlight community-building news from across the Library System.	Internal communications practices and calendar are in place. News is shared using the established systems.
Elevate Customer Experience	
Expand and diversify advertising and PR partnerships to include World Language communities, as well as other impacted communities and those not reached previously by KCLS advertising. Report to the public on the Accessibility Audit, World Language Assessment and work being done with diverse communities. Also communicate the results from these and future assessments to show accountability to King County communities. Begin process of creating a recognizable and cohesive image for KCLS by evaluating signs and graphics at all locations and replacing outdated branding. This will lead to more recognizable, consistent and up-to-date branding.	At least two new relationships/initiatives are created to expand KCLS promotion in World Language media. A new Equity and Social Impact (ESI, formerly DEI) page on the KCLS website houses information about new initiatives, learning and actions that result from the studies. New newsletters and diverse advertising highlight KCLS' work with King County communities. Slogans, brands and graphics that are no longer used are identified and removed from KCLS locations.
Reimagine Spaces	
Review signage and graphics to better serve the changing role of community libraries, in response to the Accessibility Audit and World Language Assessment.	World Language signage is reviewed and new models tried in three to four locations. Graphics Department support, including flyers, displays and evergreen art graphics such as window clings, is provided to community libraries to reflect World Language diversity. New signage and graphic support is provided with Accessibility Audit and equity findings.
Department Operational Priorities	
Increase visibility of KCLS through social media platforms.	Increase followers across platforms by 10%.
Reach audiences through segmented email communications	Attain a message open rate of 15%.
Create one to three large campaigns per year, in addition to Summer Reading.	Advertising budget is spent across major initiatives. KCLS staff and community are aware of one to three major KCLS initiatives.

2025 DEPARTMENT EXPENSES

	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$414,117	$545,561	$685,346	$139,785	25.6%
Salaries	$1,232,889	$1,568,376	$1,874,175	$305,799	19.5%
SALARIES/BENEFITS TOTAL	**$1,647,006**	**$2,113,937**	**$2,559,521**	**$445,584**	**21.1%**
PERSONNEL EXPENSES TOTAL	**$1,647,006**	**$2,113,937**	**$2,559,521**	**$445,584**	**21.1%**
Non-Personnel Expenses					
Intergov./Reserve/Misc./TransOut					
Miscellaneous	$1,360	$2,400	$3,800	$1,400	58.3%
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	**$1,360**	**$2,400**	**$3,800**	**$1,400**	**58.3%**
Professional Services					
Professional Services	$116,333	$158,160	$150,000	-$8,160	-5.2%
PROFESSIONAL SERVICES TOTAL	**$116,333**	**$158,160**	**$150,000**	**-$8,160**	**-5.2%**
Supplies					
Supplies	$145,464	$203,197	$189,054	-$14,143	-7.0%
SUPPLIES TOTAL	**$145,464**	**$203,197**	**$189,054**	**-$14,143**	**-7.0%**
Travel/Advertising/Staff Development					
Staff Development	$3,130	$25,407	$25,400	-$7	-0.0%
Travel	$942	$3,588	$4,500	$912	25.4%
Advertising	$409,839	$435,000	$600,000	$165,000	37.9%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$413,911**	**$463,995**	**$629,900**	**$165,905**	**35.8%**
NON-PERSONNEL EXPENSES TOTAL	**$677,068**	**$827,752**	**$972,754**	**$145,002**	**17.5%**
Total Expenses	$2,324,074	$2,941,689	$3,532,275	$590,586	20.1%

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Communications and Marketing				
Position	17	20	3	18%
FTE	15	18	3	19%

EQUITY AND SOCIAL IMPACT

Director, Dominica Myers

The Equity and Social Impact (ESI) Department is responsible for developing and strengthening a holistic diversity, equity and inclusion strategy that embodies KCLS' Mission, Vision and Values by embedding a shared organizational vision of equity and trauma-informed service to communities most impacted by systemic inequities.

Activities by Priority Area	Key Performance Indicators
Elevate Customer Experience	
Conduct ongoing and diversified listening opportunities and feedback loops with BIPOC, LGBTQ+, disability and World Language communities.	At least four listening opportunities are held.
Implement an Equity and Social Impact Advisory Council of patrons from the most impacted communities.	The Equity and Social Impact Advisory Council meets six times.
Enhance Staff Experience	
Implement Employee Resource Networks (ERNs) to support communities of belonging among staff.	Up to five Employee Resource Network groups are available to staff.
Department Operational Priorities	
Continue Heritage and Awareness events in response to identified community needs and cultural celebrations.	12 Heritage and Awareness events are held.
Continue Spanish language adult (Plaza Comunitaria) and kindergarten readiness (Fiestas) education programs.	At least 25 students participate in 40 Plaza Comunitaria sessions.
Continue Welcoming Centers and Peers in Libraries services to assist most impacted patrons in identifying culturally appropriate social service supports in select library locations.	Welcoming Ambassadors make 1,500 in-depth, personalized connections with community members.
Continue Día events in libraries supporting National Children's Day/Book Day activities that celebrate literacy and reading in heritage languages.	350 community members attend Dia events.

2025 DEPARTMENT EXPENSES

Equity and Social Impact	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$198,794	$256,838	$328,014	$71,176	27.7%
Salaries	$601,771	$700,855	$951,263	$250,408	35.7%
PERSONNEL EXPENSES TOTAL	**$800,565**	**$957,693**	**$1,279,277**	**$321,584**	**33.6%**
Non-Personnel Expenses					
Professional Services	$91,505	$117,863	$126,280	$8,417	7.1%
PROFESSIONAL SERVICES TOTAL	**$91,505**	**$117,863**	**$126,280**	**$8,417**	**7.1%**
Supplies	$2,817	$7,000	$7,140	$140	2.0%
SUPPLIES TOTAL	**$2,817**	**$7,000**	**$7,140**	**$140**	**2.0%**
Staff Development	$3,941	$11,000	$11,000	$0	0.0%
Travel	$517	$3,000	$5,000	$2,000	66.7%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$4,458**	**$14,000**	**$16,000**	**$2,000**	**14.3%**
NON-PERSONNEL EXPENSES TOTAL	**$98,780**	**$138,863**	**$149,420**	**$10,557**	**7.6%**
Total Expenses	$899,344	$1,096,556	$1,428,697	$332,141	30.3%

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Equity and Social Impact				
Position	7	9	2	29%
FTE	7	9	2	29%

FINANCE AND FACILITIES

Director, Donna Zirkle

Finance and Facilities is a trusted partner in providing transparency, accountability and strategic financial planning that support the fiscal sustainability of the King County Library System. The department supports leadership in organizational financial planning and provides independent financial analysis on assorted opportunities and projects. It leads annual operating and capital budget planning, and develops long-range financial plans and forecasts. This oversight includes building and grounds maintenance for 50 libraries and two administrative buildings; repair and preventive maintenance; capital leases (buildings and vehicles); building space remodeling and renovation and fleet vehicle management.

Activities by Priority Area	Key Performance Indicators
Reimagine Spaces	
Establish a Master Building Plan to strategically overlay initiatives aimed at preserving KCLS' investment in facilities, improving accessibility and addressing Climate Action Plan recommendations.	Master Building Plan is in place.
Engage in interior design consultation to reimagine changing needs for space usage and intentional design refresh beginning in 2026.	Renovation plans are complete for two to three library locations in 2026 .
Increase quiet meeting and study spaces for patron use in the libraries.	Meeting pods are installed at 15% of KCLS locations (seven libraries).
Adopt accessibility and universal design principles for planned carpet replacements.	Carpet is replaced at four library locations with materials that meet accessibility criteria.
In conjunction with design consultant, communities and findings from the accessibility audit, develop design standards for KCLS future remodels.	Design standards reflecting co-creation values and accessibility audit recommendations are in place and available for use in the renovation plans for two to three libraries in 2026.
Department Operational Priorities	
Manage a rolling 10-year calendar of scheduled facility upkeep to avoid long-term deterioration of assets, including upgrades to meet the accessibility audit findings.	Year-over-year unplanned repairs are reduced.
Lead annual operating and capital budget planning and develop long-range financial plans for continued sustainability.	An adequate fund balance is maintained to ensure continued operations.

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Finance and Facilities				
Position	34	36	2	6%
FTE	33	36	3	9%

2025 DEPARTMENT EXPENSES

Finance and Facilities	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$941,623	$1,082,356	$1,237,680	$155,324	14.4%
Salaries	$2,604,533	$3,113,080	$3,414,213	$301,133	9.7%
PERSONNEL EXPENSES TOTAL	**$3,546,157**	**$4,195,436**	**$4,651,893**	**$456,457**	**10.9%**
Non-Personnel Expenses					
Intergovernmental	$114,206	$103,730	$168,400	$64,670	62.3%
Miscellaneous	**$494,529**	$324,010	$365,400	$41,390	12.8%
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	**$608,735**	**$427,740**	**$533,800**	**$106,060**	**24.8%**
Insurance	$968,957	$1,140,080	$1,200,881	$60,801	5.3%
Operating Lease	$2,450,214	$2,673,931	$2,964,843	$290,912	10.9%
Utilities	$2,352,982	$2,445,807	$2,529,482	$83,675	3.4%
INSURANCE/LEASE/UTILITIES COMMUNICATIONS - TOTAL	**$5,772,152**	**$6,259,818**	**$6,695,206**	**$435,388**	**7.0%**
Professional Services	$368,279	$263,000	$501,309	$238,309	90.6%
PROFESSIONAL SERVICES TOTAL	**$368,279**	**$263,000**	**$501,309**	**$238,309**	**90.6%**
Repairs and Maintenance	$10,844,398	$10,030,380	$10,788,227	$757,847	7.6%
REPAIRS AND MAINTENANCE TOTAL	**$10,844,398**	**$10,030,380**	**$10,788,227**	**$757,847**	**7.6%**
Supplies	$630,406	$720,367	$687,253	-$33,114	-4.6%
SUPPLIES TOTAL	**$630,406**	**$720,367**	**$687,253**	**-$33,114**	**-4.6%**
Staff Development	$24,167	$71,000	$100,100	$29,100	41.0%
Travel	$2,899	$7,500	$7,500	$0	0.0%
Advertising	$15,815	$6,500	$6,500	$0	0.0%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$42,881**	**$85,000**	**$114,100**	**$29,100**	**34.2%**
NON-PERSONNEL EXPENSES TOTAL	**$18,306,890**	**$17,786,305**	**$19,319,895**	**$1,533,590**	**8.6%**
Total Expenses	$21,853,046	$21,981,741	$23,971,788	**$1,990,047**	**9.0%**

HUMAN RESOURCES

Director, Danielle Perry

The Human Resources (HR) Department develops and delivers programs and services that support the employee experience and provides regulatory and strategic guidance to 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 also oversees administration of the Library System's four Collective Bargaining Agreements (CBAs) with the Washington State Council of County and City Employees, AFSCME Council 2 AFL-CIO.

Activities by Priority Area	Key Performance Indicators
Unify Internal Processes	
Review and revise HR policies with a DEI focus, centering most impacted staff and communities. Establish a cadence for future reviews.	Equity Impact review is completed on all HR policies. A review cadence is established.
Enhance Staff Experience	
Develop and implement changes to staff and manager onboarding experience to foster belonging and team integration at KCLS.	Revised onboarding program is in use. More than 50% of new staff report feelings of belonging with their work team and with the organization at their six-month review.
Develop and pilot new models for creating career pathways and development opportunities for staff.	Career pathway information is incorporated into 100% of job classifications. At least one prototype of a new career development model is developed.
Elevate Customer Experience	
Establish learning support for staff on KCLS policies and procedures related to patron accessibility and accommodations.	70% of staff who complete patron accessibility and accommodation training achieve 80% on a post-training test.
Department Operational Priorities	
Identify and reduce barriers to employee use of accommodations.	70% of staff who request accommodation report that the process was easy to follow.
Replace automated external defibrillators (AEDs) for emergency medical response readiness.	All AEDs are replaced.
Design and host StaffCon 2025 as an all-staff learning and connection activity.	90% of staff indicate they learned something new. 90% of staff report connecting with others. 75% of staff report feelings of belonging within the organization. 75% of staff feel motivated to do their best work.
Conduct safety and compliance audit by classification.	Safety and compliance audit is completed. Workplan is developed to address findings. An audit cadence is established.

2025 DEPARTMENT EXPENSES

	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$577,993	$735,177	$809,425	$74,248	10.1%
Salaries	$1,746,924	$2,098,377	$2,485,037	$386,660	18.4%
SALARIES/BENEFITS TOTAL	**$2,324,916**	**$2,833,554**	**$3,294,462**	**$460,908**	**16.3%**
PERSONNEL EXPENSES TOTAL	**$2,324,916**	**$2,833,554**	**$3,294,462**	**$460,908**	**16.3%**
Non-Personnel Expenses					
Intergov./Reserve/Misc./TransOut					
Miscellaneous	$2,275	$5,700	$5,000	-$700	-12.3%
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	**$2,275**	**$5,700**	**$5,000**	**-$700**	**-12.3%**
Professional Services					
Professional Services	$588,272	$475,000	$484,800	$9,800	2.1%
PROFESSIONAL SERVICES TOTAL	**$588,272**	**$475,000**	**$484,800**	**$9,800**	**2.1%**
Supplies					
Supplies	$156,130	$244,200	$278,420	$34,220	14.0%
SUPPLIES TOTAL	**$156,130**	**$244,200**	**$278,420**	**$34,220**	**14.0%**
Travel/Advertising/Staff Development					
Staff Development	$452,591	$749,700	$910,500	$160,800	21.4%
Travel	$23,419	$61,400	$26,400	-$35,000	-57.0%
Advertising	$30,067	$51,000	$37,000	-$14,000	-27.5%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$506,076**	**$862,100**	**$973,900**	**$111,800**	**13.0%**
NON-PERSONNEL EXPENSES TOTAL	**$1,252,754**	**$1,587,000**	**$1,742,120**	**$155,120**	**9.8%**
Total Expenses	$3,577,670	$4,420,554	$5,036,582	$616,028	13.9%

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Human Resources				
Position	23	24	1	4%
FTE	23	24	1	4%

INFORMATION TECHNOLOGY SERVICES

Director, BJ Colvin

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; cybersecurity; website development; audio/visual equipment; systems analysis and 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.

Activities by Priority Area	Key Performance Indicators
Reimagining Spaces	
Conduct a needs analysis with patrons to reimagine patron computing. Develop a computing plan and build out a prototype at one library.	Patron computing plan is complete. Prototype using the plan is operational at one library.
Unify Internal Processes	
Centralize documentation of toolset standards and procedures using a documentation tool that reduces barriers for producing and accessing documentation.	Centralized documentation repository is operational. Standardized toolset utilization procedures are developed for at least five core systems.
Department Operational Priorities	
Evaluate current network infrastructure and unify processes. Establish a long-term networking plan that allows for future expansion and ease of maintenance.	Long-term networking plan is established. A 99.9% system uptime is maintained.
Complete the Access Control Project.	All sites are operational and using the new access control system.
Implement the final cybersecurity verticals.	KCLS has finalized implementation of all cybersecurity verticals and cross vertical automation.

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Information Technology Services				
Position	36	35	-1	3%
FTE	36	35	-1	3%

2025 DEPARTMENT EXPENSES

	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$939,661	$1,367,245	$1,447,038	$79,793	5.8%
Salaries	$2,911,624	$3,936,114	$4,145,446	$209,332	5.3%
SALARIES/BENEFITS TOTAL	**$3,851,286**	**$5,303,359**	**$5,592,483**	**$289,124**	**5.5%**
PERSONNEL EXPENSES TOTAL	**$3,851,286**	**$5,303,359**	**$5,592,483**	**$289,124**	**5.5%**
Non-Personnel Expenses					
Insurance/Lease/Utilities/Communications					
Communications	$967,355	$963,668	$1,258,100	$294,432	30.6%
Operating Lease	$463,836	$506,755	$441,755	-$65,000	-12.8%
INSURANCE/LEASE/UTILITIES/COMMUNICATIONS TOTAL	**$1,431,191**	**$1,470,423**	**$1,699,855**	**$229,432**	**15.6%**
Professional Services					
Professional Services	$1,084,469	$661,200	$778,000	$116,800	17.7%
PROFESSIONAL SERVICES TOTAL	**$1,084,469**	**$661,200**	**$778,000**	**$116,800**	**17.7%**
Repairs and Maintenance					
Repairs and Maintenance	$2,227,926	$3,187,722	$4,162,075	$974,353	30.6%
REPAIRS AND MAINTENANCE TOTAL	**$2,227,926**	**$3,187,722**	**$4,162,075**	**$974,353**	**30.6%**
Supplies					
Supplies	$462,304	$430,666	$472,626	$41,960	9.7%
SUPPLIES TOTAL	**$462,304**	**$430,666**	**$472,626**	**$41,960**	**9.7%**
Travel/Advertising/Staff Development					
Staff Development	$67,679	$149,450	$143,200	-$6,250	-4.2%
Travel	$2,771	$6,000	$6,500	$500	8.3%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$70,450**	**$155,450**	**$149,700**	**-$5,750**	**-3.7%**
NON-PERSONNEL EXPENSES TOTAL	**$5,276,339**	**$5,905,461**	**$7,262,256**	**$1,356,795**	**23.0%**
Total Expenses	$9,127,624	$11,208,820	$12,854,739	$1,645,919	14.7%

LIBRARY OPERATIONS

Director, Cecie Streitman

The Library Operations Department is responsible for the day-to-day operations at all KCLS community libraries. This department works closely with the Regional Managers to ensure that libraries function efficiently and effectively to deliver services to patrons. Operations oversees community library operating hours, staffing and library workflow procedures. Operations works in partnership with all KCLS administrative departments, particularly the Facilities Department, to make sure that buildings are safe, accessible and well-maintained. Along with Human Resources, Operations also works to ensure 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, Library Assistant and Library Pages who report to them.

Activities by Priority Area	Key Performance Indicators
Elevate Customer Experience	
Evaluate opportunities for additional hours using new staffing model information.	Staffing analysis for extra hours is complete; any additional hours that can be managed are implemented.
Enhance Staff Experience	
Identify community needs for BIPOC and multilingual staff, as part of implementing hiring strategies that reflect our communities. Fully implement the Operational Staffing Support (OSS) program. Through a competitive process, select two Library Pages and two Library Technical Assistants to be trained for advancement. Formalize procedures for crisis intervention debriefing, and for supporting staff well-being after critical incidents.	At least two community conversations are conducted by Regional Managers and LISMs in highly diverse areas to understand needs and inform HR on recruiting practices. Selected staff are trained and available to work in out-of-class assignments. Procedures are completed. Staff and managers consistently follow procedures after critical incidents.
Department Operational Priorities	
Create a structured staff support system for new Operations initiatives, resources and tools, so that staff have a dedicated point person who will provide information and support for (Operations) initiatives, special projects and tools.	Recruit and hire a Project Specialist/Public Services.

2025 DEPARTMENT EXPENSES

Library Operations	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$13,658,234	$17,155,841	$18,946,680	$1,790,839	10.4%
Salaries	$37,234,544	$44,041,129	$47,243,898	$3,202,769	7.3%
Substitute Salaries	–	$805,000	$455,000	-$350,000	-43.5%
PERSONNEL EXPENSES TOTAL	**$50,892,778**	**$62,001,970**	**$66,645,578**	**$4,643,608**	**7.5%**
Non-Personnel Expenses					
Miscellaneous	$133	$500	$500	$0	0.0%
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	**$133**	**$500**	**$500**	**$0**	**0.0%**
Communications	$0	$200	$200	$0	0.0%
	$0	**$200**	**$200**	**$0**	**0.0%**
Professional Services	$385,236	$620,000	$645,000	$25,000	4.0%
PROFESSIONAL SERVICES TOTAL	**$385,236**	**$620,000**	**$645,000**	**$25,000**	**4.0%**
Supplies	$215,758	$310,501	$363,148	$52,647	17.0%
SUPPLIES TOTAL	**$215,758**	**$310,501**	**$363,148**	**$52,647**	**17.0%**
Staff Development	$10,624	$20,000	$25,000	$5,000	25.0%
Travel	$41,259	$70,800	$78,000	$7,200	10.2%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$51,882**	**$90,800**	**$103,000**	**$12,200**	**13.4%**
NON-PERSONNEL EXPENSES TOTAL	**$653,010**	**$1,022,001**	**$1,111,848**	**$89,847**	**8.8%**
Total Expenses	$51,545,788	$63,023,971	$67,757,426	$4,733,455	7.5%

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Library Operations				
Position	740	770	30	4%
FTE	562	585	23	4%

LIBRARY OUTREACH, PROGRAMS AND SERVICES

Director, Angelina Benedetti

The Library Outreach, Programs and Services (LOPS) Department consists of Adult and Community Services; Youth and Family Services, and Mobile Services. LOPS provides system support for community partnerships, volunteers and Friends of the Libraries.

The Adult and Community Services Department includes services for adults, older adults and adult learners, and Information Services, including Ask KCLS. Ask KCLS provides information and resources to patrons connecting with the Library System by email and phone.

The Youth and Family Services Department includes services for early learners, children, teens and families. The library at the Judge Patricia H. Clark Children and Family Justice Center (CCFJC) is also managed by this department. Youth and Family Services supports Study Zone, an in-person and online service that offers homework help to students in grades K to 12.

Mobile Services provides outreach to patrons who are not able to access a community library. Mobile Services include home visits; Library2Go! with outreach to youth, families and childcare providers, and the Traveling Library Center, which provides service to older adults and adults with disabilities.

Activities by Priority Area	Key Performance Indicators
Unify Internal Processes	
Evaluate departmental communications based on system best practices.	Communications from LOPS staff align with system best practices.
Update programming policies for librarian specialties utilizing Equity Impact tool.	Equity Impact review is completed on all programming policies.
Elevate Customer Experience	
Implement processes and training for staff, conducting an equity review when developing and revising services and programs.	100% of new or revised programs/services have an equity review as part of the development process.
Implement guidelines, training and other supports for staff to engage in co-creation with community members and organizations when creating or revising programs and services.	By the end of 2025, 100% of staff who develop and provide services have reached out to a community group or organization to learn more about their needs.
Explore and respond to the need for adult literacy services (includes ELL and native English, digital, financial and information literacy).	Recommendations for adult literacy services are complete. At least two new adult literacy programs are prototyped.
Create programs to connect people and combat loneliness. Focus on discussion groups, book groups and programming co-created with and targeted to most impacted communities.	In each region, at least one new recurring program is offered that is designed around increasing connection and decreasing loneliness.
Reimagine Spaces	
Develop a prototype for play and imagination centers in library children's areas.	A prototype play and imagination center will be in use in at least one library, providing iterative learning for future installations.
Department Operational Priorities	
Shift apportionment of library program budgets based on equity analysis.	Program budgets meet equity criteria.
Determine system and local-level librarian service standards. Analyze capacity in the Librarian classification, understand community needs for types of services. Set clear expectations that individual Librarians can align their work to.	Librarian classification resources are allocated according to identified needs and KCLS expectations.
Develop and deliver training for Librarians and Public Services Assistants in referring patrons to services in the community.	Librarians and PSAs feel confident in referring patrons to services in the community.
Develop and implement supports that increase staff confidence in working with LanguageLine.	Staff feel confident using Language Line to communicate with patrons. Increase LanguageLine usage by 15%.

2025 DEPARTMENT EXPENSES

Library Outreach, Programs and Services	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$1,283,450	$1,470,771	$1,470,671	-$100	0.0%
Salaries	$3,595,719	$3,744,279	$3,656,870	-$87,409	-2.3%
Substitute Salaries	–	–	$9,000	$9,000	–
PERSONNEL EXPENSES TOTAL	**$4,879,169**	**$5,215,050**	**$5,136,541**	**-$78,509**	**-1.5%**
Non-Personnel Expenses					
Miscellaneous	$10,746	$6,000	$6,000	$0	0.0%
INTERGOV./RESERVE/MISC./TRANSOUT TOTAL	**$10,746**	**$6,000**	**$6,000**	**$0**	**0.0%**
Professional Services	$544,006	$731,000	$737,000	$6,000	0.8%
PROFESSIONAL SERVICES TOTAL	**$544,006**	**$731,000**	**$737,000**	**$6,000**	**0.8%**
Supplies	$94,153	$106,635	$93,075	-$13,560	-12.7%
SUPPLIES TOTAL	**$94,153**	**$106,635**	**$93,075**	**-$13,560**	**-12.7%**
Staff Development	$8,183	$17,000	$15,500	-$1,500	-8.8%
Travel	$6,964	$6,000	$4,000	-$2,000	-33.3%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$15,147**	**$23,000**	**$19,500**	**-$3,500**	**-15.2%**
NON-PERSONNEL EXPENSES TOTAL	**$664,052**	**$866,635**	**$855,575**	**-$11,060**	**-1.3%**
Total Expenses	$5,543,221	$6,081,685	$5,992,116	-$89,569	-1.5%

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
Library Outreach, Programs and Services				
Position	46	45	-1	-2%
FTE	42	41	-1	-2%

KING COUNTY LIBRARY SYSTEM FOUNDATION

Executive Director, Lisa Yamasaki

The King County Library System Foundation's (KCLSF) mission is to provide support beyond public funding for initiatives and resources that enable KCLS to better serve the needs of our communities through advocacy, fundraising and grant-making.

The KCLS Foundation has awarded $1,641,854 in grants to King County Library System for 2025. This includes a $160,377 disbursement of a multi-year award from the Mellon Foundation that will enable KCLS to create Memory Labs at the Bellevue and Federal Way Makerspaces. The KCLS Foundation has also allocated funds for potential Agility Grants in 2025 which, if awarded, will be spent within the year.

Funding Priorities:

- Accessibility and Inclusion
- Community Services and Outreach
- Library Innovation
- Literacy and Learning

2025 DEPARTMENT EXPENSES

KCLS Foundation	ACTUALS	2024 BUDGET	2025 BUDGET		
	FY2023	FY2024	FY2025	Variance 2025-2024	Percent
Personnel Expenses					
Salaries/Benefits					
Benefits	$131,476	$153,289	$194,239	$40,950	26.7%
Salaries	$597,220	$485,959	$606,939	$120,980	24.9%
PERSONNEL EXPENSES TOTAL	**$728,696**	**$639,248**	**$801,178**	**$161,930**	**25.3%**
Non-Personnel Expenses					
Professional Services	$24,466	$24,000	$0	-$24,000	-100.0%
PROFESSIONAL SERVICES TOTAL	**$24,466**	**$24,000**	**$0**	**-$24,000**	**-100.0%**
Supplies	$102	$1,849	$2,041	$192	10.4%
SUPPLIES TOTAL	**$102**	**$1,849**	**$2,041**	**$192**	**10.4%**
Travel	$781	$2,121	$2,227	$106	5.0%
TRAVEL/ADVERTISING/STAFF DEVELOPMENT TOTAL	**$781**	**$2,121**	**$2,227**	**$106**	**5.0%**
NON-PERSONNEL EXPENSES TOTAL	**$25,348**	**$27,970**	**$4,269**	**-$23,701**	**-84.7%**
Total Expenses	$754,045	$667,218	$805,447	$138,229	20.7%

KCLS BUDGETED FULL-TIME EQUIVALENTS

Department	FY 2024	FY 2025	Variance FY 2024-FY 2025	Percent
KCLS Foundation				
Position	5	6	1	20%
FTE	5	6	1	20%

2025 KCLS FOUNDATION GRANT SUMMARIES

Connecting Older Adults Online: Digital Literacy, the Arts, and Authors (Year 2) | $33,500

The Older Adult programming takes a holistic approach to providing learning opportunities that build digital literacy skills necessary in today's world, as well as arts and humanities activities that nurture emotional well-being. These programs include digital literacy classes, arts classes and an author series focused on topics relevant to aging adults.

Digital Connectivity: Laptop and Hotspot Provisions | $149,520

KCLS provides digital connectivity to patrons who lack access to the internet and computer technology. We remove barriers by providing laptops and hotspots to community partners for use by patrons. This program provides 400 hotspots and 350 laptops, serving approximately 4,000 patrons yearly.

FAFSA Programs | $20,225

This three-year grant will provide assistance for the FAFSA and WAFSA application process to students and families for whom English is not their primary language. All students who plan to attend college must complete one or both forms in order to be eligible to receive financial aid.

Grant Portal 2.0 | $34,592

Funding will be used to purchase a grant-management application that will enable KCLS staff to better manage KCLS Foundation grant-funded programs, including improved measurement, monitoring and assessment of program impacts.

Leadership Development Funds for the Futurist Program | $20,000

Leadership development funds are being granted to the Board of Trustees and KCLS Leadership Team to work with a Visioning consultant on strategy for future growth and sustainability of KCLS.

Modern Public Library Services Platform Research | $10,125

Funding from this grant will allow KCLS to partner with the Equinox Open Library Initiative to conduct a research project on the use of metadata management in public libraries (the data that helps patrons find and retrieve resources). The knowledge gained by library staff through this project will result in a more user-friendly platform for our patrons. The total grant award was $40,500, $10,125 of which will be carried over and spent in 2025.

OTTER and Sasquatch Awards | $95,975

KCLS librarians work with teachers to provide classrooms with books selected by the Washington Library Association to develop or strengthen a love of reading for all students. Students enjoy engaging books and activities, and have a chance to vote on their favorite books. The OTTER Awards focus on readers in grades 1-3, while the Sasquatch Awards focus on readers in grades 4-6. The programs serve approximately 25,000 students during the school year.

Peers in Libraries | $403,500

Peers in Libraries connects trauma-informed Peer Navigators with patrons who may face barriers to having their basic needs met and/or who are experiencing housing insecurity, are impacted by addiction, have mental health concerns and/or who are living with HIV/AIDS. Peers connect patrons with library and community resources.

Raising a Reader | $18,000

Raising a Reader provides family engagement and early literacy programming to families and caregivers with children newborn to age 5. Curating books customized to local needs, KCLS partners with agencies and programs that prioritize families facing barriers to library access and who are most impacted by systemic oppression. This award-winning program helps adults set up their children for success by creating shared reading routines, fostering social emotional learning, and building reading skills students need to thrive in school and beyond.

Study Zone (Year 2) | $108,000

Study Zone is a volunteer-led tutoring program aimed at supporting K-12 learning in a consistent and positive environment. Students receive homework help, reading assistance and learn math skills through programs such as Math Club and Reading Buddies. English language learners can practice English conversation with their peers through the Talk Time program, and get homework help from multilingual tutors.

Summer Reading | $350,000

Summer Reading cultivates literacy and lifelong learning, providing opportunities for patrons to grow skills and connect with their communities through reading and a range of programs. Activities include reading challenges for all ages, encouraging patrons to track minutes read with prizes rewarded for meeting goals. Summer Reading serves approximately 25,000 children and adults annually.

Supportive Services for Unhoused Patrons | $74,000

KCLS provides resources and programming to unhoused patrons at tent cities, shelters, day centers, treatment clinics, food banks, subsidized housing and library resource fairs. Services include book and magazine distribution, hotspot and laptop lending, themed activity kits, and early literacy programs. This program serves approximately 15,000 people a year.

The Welcoming Center (Year 2) | $87,800

The Welcoming Centers located at Bellevue, Kent, Federal Way 320th, Auburn, Tukwila and Redmond Libraries are points of connection for immigrants, refugees and new arrivals. Patrons can obtain information about basic services, education, employment, health, mental health, immigration and legal resources, library resources, and social and/or religious connections. Welcoming Centers offer assistance in multiple languages.

Writers of Color | $76,240

Writers of Color is an online speaker series featuring local, high-profile BIPOC authors and moderated by King County BIPOC leaders. This program is expanding in 2025 to feature two in-person events in February during Black History Month.

GRANT AWARDED BY EXTERNAL FUNDER FOR 2025

Mellon Foundation Memory Lab Grant | $160,377

The King County Library System Foundation was awarded a five-year $800,000 grant from the Mellon Foundation. This grant will enable KCLS to create two Memory Labs, one each at the Bellevue and Federal Way Makerspaces. KCLS will work with community partners to gather, amplify, and preserve the stories of patrons who have been impacted by systemic inequities, and language, and cultural barriers. The project will focus on two key audiences: Asian Americans and their descendants who were displaced from their homes and farms in the Bellevue area during World War II, and immigrants and refugees who now call King County home. This grant award spans multiple years. While the full award amount is included here, the salary and benefits for the person hired to support this grant are reported under the Operations budget.

PART III

FIVE-YEAR CAPITAL INVESTMENT PLAN (CIP)

2025–2029

The five-year Capital Investment Plan (CIP) is the long-range plan for acquiring new physical assets, replacing major systems, and remodeling or reinventing current locations to protect and maintain the longevity of major assets to support the ongoing goals of KCLS. The plan sets forth each project or other contemplated expenditures, and specifies the full resources estimated to be available to finance the project. KCLS' Board of Trustees appropriates the projects scheduled for year one of the five-year 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 is 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 PLAN 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 Plan (CIP) is divided into 2 sections:

Information Technology Services (ITS) CIP budget

Facilities Management Services (FMS) CIP budget

CAPITAL INVESTMENT PLAN	FY2025	FY2026	FY2027	FY2028	FY2029
ITS-CIP	$4,576,801	$2,771,685	$3,185,115	$3,120,704	$2,927,500
FMS-CIP	$7,957,000	$10,613,917	$6,022,000	$5,395,000	$3,840,000
TOTAL CAPITAL INVESTMENT PLAN	$12,533,801	$13,385,602	$9,207,115	$8,515,704	$6,767,500

KCLS CAPITAL INVESTMENT PLAN INFORMATION TECHNOLOGY SERVICES

2025–2029

The information Technology Services CIP budget for 2025 covers computer replacements, network improvements and other technology system, equipment upgrades and technology, equipment innovation across the System.

CAPITAL INVESTMENT PLAN	FY2025	FY2026	FY2027	FY2028	FY2029
ITS-CIP					
JDE Tool Upgrade	150,000	60,000	175,000	85,000	-
Network Improvement	669,000	612,000	850,000	638,000	672,000
Patron Technology Refreshment	982,650	873,660	829,565	1,055,975	1,123,000
Patron Programming	227,500	222,500	250,000	265,000	282,500
Staff Technology Refreshment	484,650	440,525	511,550	484,729	482,000
Staff Laptop Replacement	210,000	262,000	265,000	272,000	-
Disaster and Recovery	58,000	61,000	64,000	70,000	68,000
Branch Security	1,645,001	240,000	240,000	250,000	300,000
Reimagining Spaces	150,000	-	-	-	-
TOTAL ITS-CIP	**$4,576,801**	**$2,771,685**	**$3,185,115**	**$3,120,704**	**$2,927,500**

KCLS CAPITAL INVESTMENT PLAN
FINANCE AND FACILITIES

2025–2029

In 2025, Finance and Facilities will focus on three major areas: Replacement of the central automated material sorter located in Preston; interior FF&E (furniture, fixtures and equipment) including improved accessibility to library locations; and energy consumption. Furniture and carpet will be replaced, and accessibility will be addressed through automated door systems and emergency egress path upgrades. Energy consumption will be decreased through upgrades to wireless utility metering, advanced lighting controls, and GEO loop improvements.

CAPITAL INVESTMENT PLAN	FY2025	FY2026	FY2027	FY2028	FY2029
FMS-CIP					
AMH Management System	4,624,000	-	-	-	-
GEO Loop/Boiler Heat Radiant Improvements	500,000	-	-	-	-
Electric, Gas Meter Upgrades	483,000	-	-	-	-
BO Carpet Replacement	350,000	-	-	-	-
Mobile Services Vehicle Replacement	285,000				
Blueridge Lighting Panels	260,000	-	-	-	-
MV Soft Seating, Tables, Chairs	246,000	-	-	-	-
AU Carpet Replacement	242,000	-	-	-	-
Children Chair Refurbish	225,000	225,000	-	-	-
AU Soft Seating, Tables, Chairs	222,000	-	-	-	-
MV Carpet	175,000	-	-	-	-
Egress improvements	150,000	150,000	150,000	150,000	150,000
VV Carpet Replacement	105,000	-	-	-	-
Vehicle Replacement	90,000	90,000	90,000	90,000	90,000
AMH Replacement at remaining sites	-	4,215,000	-	-	-
SC HVAC RTU Upgrade	-	750,000	-	-	-
DM Interior Updates	-	600,000	-	-	-
AU HVAC Upgrade	-	500,000	-	-	-
MI Interior Updates	-	493,917	-	-	-
AP Interior Updates	-	450,000	-	-	-
WL HVAC RTU Upgrade	-	450,000	-	-	-
Blueridge Lighting Panel Install		415,000			
FR Soft Seating, Tables, Chairs	-	285,000	-	-	-
CO Carpet Replacement	-	274,000	-	-	-
SA Carpet Replacement	-	237,000	-	-	-
CO Soft Seating, Tables, Chairs	-	222,000	-	-	-
BO Soft Seating, Tables, Chairs	-	222,000	-	-	-
KL Soft Seating, Tables, Chairs	-	222,000	-	-	-
FW320 Carpet Replacement	-	215,000	-	-	-
FR Carpet Replacement	-	198,000	-	-	-
LF Soft Seating, Tables, Chairs	-	159,000	-	-	-
CR Carpet Replacement	-	141,000	-	-	-
BD Carpet Replacement	-	100,000	-	-	-

CAPITAL INVESTMENT PLAN	FY2025	FY2026	FY2027	FY2028	FY2029
BE 1st & 2nd Floors Restrooms	-	-	600,000	-	-
RE Restrooms remodels	-	-	575,000	-	-
FW Carpet replacement (entire site)	-	-	533,000	-	-
SA Soft seating, tables, chairs	-	-	494,000	-	-
IS Restrooms remodels	-	-	400,000	-	-
CO Restrooms remodels	-	-	380,000	-	-
RE Carpet Replacement	-	-	325,000	-	-
RE Remodel 3 Meeting rooms	-	-	300,000	-	-
SC Floors 1-3 Space Reconfigurations	-	-	250,000	-	-
KM Soft seating, tables, chairs	-	-	250,000	-	-
NW Carpet Replacement	-	-	250,000	-	-
SN Carpet Replacement	-	-	200,000	-	-
DU Soft seating, tables, chairs	-	-	200,000	-	-
BU Fire Alarm System Updates	-	-	150,000	-	-
CO Fire Alarm System and Panel Updates	-	-	150,000	-	-
RB Fire Alarm System and Panel Updates	-	-	150,000	-	-
CO Parking Lot Reseal	-	-	125,000	-	-
CA Soft seating, tables, chairs	-	-	125,000	-	-
BD Soft seating, tables, chairs	-	-	125,000	-	-
BP Roof Overlay	-	-	100,000	-	-
LH Children's seating	-	-	100,000	-	-
SC Elevator Modernizations	-	-	-	900,000	-
KT Replace Rooftop units	-	-	-	550,000	-
CO Lighting Upgrades	-	-	-	550,000	-
AU Roof Replacement	-	-	-	500,000	-
CO HVAC Upgrade	-	-	-	500,000	-
TU HVAC Upgrade	-	-	-	450,000	-
VV Roof Replacement	-	-	-	300,000	-
WL Restrooms remodels	-	-	-	300,000	-
NB Restrooms remodels	-	-	-	300,000	-
TU Carpet Replacement	-	-	-	250,000	-
RH Carpet Replacement	-	-	-	230,000	-
WM Roof Replacement	-	-	-	200,000	-
Fire Alarm Upgrades	-	-	-	125,000	-
BU Building Efficiencies Improvements	-	-	-	-	1,000,000
FW Building Efficiencies Improvements	-	-	-	-	900,000
BU Elevator Replacement	-	-	-	-	650,000
DM HVAC Upgrades	-	-	-	-	600,000
MV HVAC Upgrades	-	-	-	-	450,000
TOTAL FMS-CIP	**$7,957,000**	**$10,613,917**	**$6,022,000**	**$5,395,000**	**$3,840,000**

Appendix I: REVENUE AND EXPENSE DEFINITIONS

Revenue Definitions

Contracts: Revenue from the 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 and Fees: Revenue obtained from fines for overdue library materials. Revenue obtained from fines for overdue library materials, or fees assessed for damage to Library property. (KCLS no longer charges fines for overdue materials as of May 2023).

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.

Note: Certain prior year balances have been reclassified to conform to the current year presentation. Such reclassifications did not affect total revenues or expenditures.

Appendix II: POLICIES AND GLOSSARY

GENERAL FUND BALANCE POLICY

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 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 PLAN POLICIES

A number of important policy considerations are the basis for the Capital Investment Plan (CIP). 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 Plan, 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 managers[1] 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.

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[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 stakeholders[1].

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 Pre-design 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.

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[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 te 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.

KCLS RESERVE POLICY

Adopted June 28, 2023

Section I. Introduction
Purpose and Overview

This Reserves Policy (this "Policy") for the King County Rural Library System ("KCLS") is established to properly classify the reserved cash and investments in KCLS' Governmental Funds (the "Reserves", described herein), document the allowable uses for the Reserves, and specify how the Reserves will be managed. Reserves are limited in use to such designated purposes, and any transfers and disbursements of Reserves must comply with all restrictions placed on the Reserves described herein. Reserve Balances are available to address unexpected expenditures or revenue shortfalls.

This Policy includes direction regarding the levels of the Reserves consistent with KCLS' mission and the strategic focus of the KCLS Board of Trustees (the "Board of Trustees"). Adherence to the Policy is essential to ensure that KCLS maintains a sound financial position and adequate contingency funding.

Section II. Scope
A sound Reserves Policy is an important element to protect KCLS from unexpected financial stress. Under Washington State Law (RCW 27.12.210), the Board of Trustees has exclusive control of KCLS' finances and is authorized to undertake all actions necessary for the orderly and efficient management and control of KCLS. The establishment of reserves requirements are critical elements of comprehensive fiscal planning and represent tools routinely used to address anticipated and unanticipated economic circumstances. Events that could cause financial stress to KLCS include:

- Economic uncertainties, including recessions in the local, state or national economy;
- Inflation-related cost increases (construction, energy, fleet, benefits, salary); and
- Local emergencies and natural disasters, such as earthquakes or public health crises.

The scope of this Policy is intended to allow the Board of Trustees to authorize withdrawal from the Reserves for the following purposes:

- Significant anticipated or unanticipated operating or capital expenditures;
- Uninsured losses;
- Capital assets and infrastructure repair and replacement;
- Vehicle and equipment failure;
- Unemployment compensation;
- Extraordinary increases in costs of employee benefits;
- Levy expenditures; and
- Other unforeseen events.

The Board of Trustees recognizes the importance of setting policy to guide and direct the administration of financial reserves and Reserves requirements. The scope of this policy is to appropriately provide for the following:

- Enhancement of the sound fiscal condition of KCLS so that it may continuously deliver on its mission and commitments to the communities served;
- Improvement of KCLS' financial flexibility and capability to adapt to change and to permit orderly adjustments to unanticipated events;
- Establishment of expectations for KCLS financial reserve reporting, review and evaluation.

Section III. Reserve Guidelines

KCLS shall maintain Reserves that are made up of two major components, Operational Reserves and Capital Investment and Maintenance.

The balance of each Reserve will be reviewed for sufficiency as part of the annual budget process. Additions and withdrawals from this fund must be authorized by the Board of Trustees, and may be considered at any Board of Trustees meeting.

Operational Reserves

Operation Contingency Reserve

Established for extraordinary expenditures related to the ongoing operations of KCLS. Any remaining balance of the Operation Contingency Reserve shall be used to mitigate other extraordinary expenditures related to the ongoing operations of KCLS.

- KCLS shall maintain a minimum Operation Contingency Reserve Balance equal to 15% of operating revenues of the prior fiscal year.

Capital Reserves

Building Reserve

Established for building construction, equipment, or maintenance that is essential towards providing a safe and comfortable library facility for patrons and employees or safeguards library assets from further damage or loss. This reserve may be utilized to fund projects, such as building repairs, building and grounds improvements, and furniture and fixtures, and other similar expenditures, as approved by the Board of Trustees.

- KCLS shall maintain a Building Reserve Balance of $5 million.

Section IV. Roles and Responsibilities

The Board of Trustees has responsibilities as follows:

- Approve and oversee the implementation of this Reserves Policy;
- Approve budgets sufficient to maintain the balance in the Reserves at the levels required by this Policy;
- Authorize withdrawals made from the Reserves;
- Authorize replenishment of reserves after they are used for dedicated purposes;
- Provide oversight for a review and updates made to this Policy; and
- Consider such changes to the required Reserve balances or this Policy as may be recommended by the Finance and Facilities Director, typically in conjunction with the review and adoption of KCLS' annual budget; however, changes may be considered at any Board of Trustees meeting.

The Finance and Facilities Director has responsibilities as follows:

- Manage withdrawals, transfers, and deposits related to the Reserves;
- Prepare and provide annual reports of the Reserve balances to the Board of Trustees; and
- Make recommendations to the Board of Trustees regarding proposed changes to the required Reserve balance or this Policy as may seem necessary or appropriate from time to time.

Section V. Replenishment

If year-end Reserve balances drop below their established thresholds, the Board of Trustees will develop a replenishment plan to make the Reserves reach their minimum thresholds as established in this policy.

Section VI. Other Policies

Policy Review

The Board of Trustees shall review and update the Reserves Policy, as necessary–but not less than once every four years.

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.

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

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 Plan Budget: A plan for the proposed acquisition and replacement of long-term assets. A capital investment plan 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.

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 Fees: Revenue obtained from fines for overdue library materials, or fees assessed for damage to Library property. (KCLS no longer charges fines for overdue materials as of May 2023).

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: The net position of government fund's assets and liabilities.

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.

Appendix III: CAPITAL INVESTMENT PLAN ABBREVIATIONS

AMH	Automated Materials Handling		**RH**	Renton Highlands
AP	Algona-Pacific		**RTU**	Rooftop unit
AU	Auburn		**SA**	Sammamish
BD	Black Diamond		**SC**	KCLS Service Center
BE	Bellevue		**SN**	Snoqualmie
BO	Bothell		**TU**	Tukwila
BP	Boulevard Park		**VV**	Valley View
BU	Burien		**WL**	Woodinville
CA	Carnation		**WM**	Woodmont
CIP	Capital Investment Plan			
CO	Covington			
CR	Library Connection @ Crossroads			
DM	Des Moines			
DU	Duvall			
FR	Fairwood			
FW	Federal Way			
HVAC	Heating, ventilation, and air conditioning			
IS	Issaquah			
JDE	JD Edwards Enterprise Resource Planning (ERP) System			
KL	Kirkland			
KM	Kenmore			
KT	Kent			
LF	Lake Forest Park			
LH	Lake Hills			
MI	Mercer Island			
MV	Maple Valley			
NB	North Bend			
NW	Newport Way			
PR	Preston			
RB	Richmond Beach			
RE	Renton			

Appendix IV: 2025 PRIORITIES, INITIATIVES AND ACTIVITIES

Priority Area	Initiative	Initiative KPIs	Source of Data
Unify Internal Processes	**Apply equity impact tool and DEI standards to all policies, procedures, and best practices**	Increase in the number of staff who see a clear connection between the work they do and the KCLS Mission, Vision, and Values by five percentile points	Employee Engagement Survey Fall 2025
	Develop best practices for communication of essential information to staff across all departments	Increase in number of staff indicating that they have access to the information they need to do their job by five percentile points	Employee Engagement Survey Fall 2025
	Evaluate use of staff technology tools and implement changes to standards, procedures, guidelines, and support	Increase in the number of staff indicating that they have the tools and resources to do their job well by five percentile points	Employee Engagement Survey Fall 2025

Activity	Activity KPIs	Strategic Goal	DEI Pillar	Budgeted Department
Create process for documenting and updating policies and standard operating procedures (SOPs) using Equity Impact Tool	All KCLS policies and standard operating procedures are up to date and reviewed for equity, legality and relevance	Organizational Excellence	Systems	Executive
Review and revise HR policies with a DEI focus, centering most-impacted staff and communities. Establish a cadence for future reviews	Equity Impact review has been completed on all HR policies A review cadence has been established	Organizational Excellence	Systems	Human Resources
Update Programming policies for Librarian specialties utilizing Equity Impact Tool	Equity Impact review has been completed on all Programming policies	Organizational Excellence	Systems	LOPS
Coordinate, create and maintain departmental and organizational dashboards to ensure consistency and fully utilize subject matter expertise and data tools	Staff use departmental, regional, and organizational dashboards for decision-making	Strategic Communication	Accountability	Executive
Evaluate departmental communications based on system best practices	Communications from LOPS staff align with system best practices	Strategic Communication	Accountability	LOPS
Produce procedures, guidelines, training, and support materials for tools and methods used by KCLS staff for data-gathering	Staff understand and use a unified process and tools for data-gathering	Organizational Excellence	Systems	Executive
Centralize documentation of toolset standards and procedures using a documentation tool that reduces barriers for producing and accessing documentation	Centralized documentation repository is operational. Standardized toolset utilization procedures developed for at least five core systems	Organizational Excellence	Systems	ITS

Priority Area	Initiative	Initiative KPIs	Source of Data
Reimagine Spaces	**Create a project prototype to implement selected accessibility standards while piloting reimagined collections, computing, and public areas. Utilize design thinking and iterative learning to create new standards for subsequent space projects**	One library is updated in 2025 utilizing the standards and methodologies developed in the prototypes.	Project Plan for completed prototype
	Create a timeline and rollout plan for accessibility standards across physical and virtual spaces that inform all subsequent space planning. Begin implementation of the standards in 2025	Accessibility standards rollout plan is completed, shared and utilized in subsequent planning activities	Project Plan for rollout
	Develop implementation and funding strategies for Climate Action Plan	Climate Action Plan implementation and funding strategies are incorporated into 2026 priorities and budget	Delivery of implementation and funding strategies

Activity	Activity KPIs	Strategic Goal	DEI Pillar	Budgeted Department
Review signage and graphics to better serve the changing role of Community Libraries, informed by the Accessibility Audit and World Language Assessment	World Language signage is reviewed and new models tried in 3-4 locations Graphic support including flyers, evergreen art graphics such as window clings and display support is provided to Community Libraries to reflect world language diversity New signage and graphic support is provided with Accessibility Audit findings and equity	Strategic Communication	Co-creation	Communications and Marketing
Increase quiet meeting and study spaces for patron use within the libraries	Meeting Pods are installed at 15% of KCLS locations (7 libraries)	Communities of Inclusion and Belonging	Co-creation	Finance and Facilities
Conduct a needs analysis with patrons to reimagine patron computing Develop a computing plan and build out a prototype at one library	Patron computing plan is complete. Prototype using the plan is operational at one library	Communities of Inclusion and Belonging	Co-creation	ITS
Develop a prototype for play and imagination centers in library children's areas	A prototype play and imagination center will be in use in at least one library, providing iterative learning for future installations	Communities of Inclusion and Belonging	Co-creation	LOPS
Establish a Master Building Plan to strategically overlay initiatives of preserving KCLS' investment in facilities, improving accessibility, and addressing Climate Action Plan recommendations	Master Building Plan is in place	Communities of Inclusion and Belonging	Co-creation	Finance and Facilities
Engage in interior design consultation to reimagine changing needs for space usage and intentional design refresh beginning in 2026	Renovation plans for two to three library locations in 2026 are complete	Communities of Inclusion and Belonging	Co-creation	Finance and Facilities
Adopt accessibility and universal design principles for planned carpet replacements	Replace carpet at four library locations with materials meeting accessibility criteria	Communities of Inclusion and Belonging		Finance and Facilities
In conjunction with design consultant, communities and using findings from the accessibility audit, develop design standards for KCLS future remodels	Design standards reflecting co-creation values and accessibility audit recommendations are in place and available for use in the renovation plans for two to three libraries in 2026	Communities of Inclusion and Belonging	Co-creation	Finance and Facilities
Review and develop steps for implementation of Climate Action Plan. Share information with communities and other stakeholders. Develop a strategy for and begin seeking funding	Climate Action Plan and related strategies are shared with community stakeholders Funding strategy is outlined	Strategic Communication	Co-creation	Executive

Priority Area	Initiative	Initiative KPIs	Source of Data
Enhance Staff Experience	**Develop best practices and frameworks for transparent, multi-directional Internal communication**	Increase in number of staff who indicate that there is good communication across the organization by five percentile points	Employee Engagement Survey Fall 2025
	Expand opportunities and supports for employees to engage in innovation	Increase in number of staff who indicate that there are opportunities to contribute to system-wide initiatives by five percentile points	Employee Engagement Survey Fall 2025
		Increase in number of staff who indicate that KCLS encourages employees to explore better ways of doing things by five percentile points	
	Implement standards and practices that reduce the incidence of microaggressions and trauma in staff interactions	The incidence of microaggressions and trauma among staff is reduced from level reported in the 2024 DEI Staff Survey	Employee Engagement Survey Fall 2025
	Improve recruitment of BIPOC and multilingual staff, including all supporting processes throughout the recruitment cycle	Increase in number of employees indicating they feel valued as a member of KCLS staff by five percentile points	Employee Engagement Survey Fall 2025

Activity	Activity KPIs	Strategic Goal	DEI Pillar	Budgeted Department
Develop and implement a framework for staff to engage in person across departments/locations to build and support work relationships and responsibilities	40% of CMS staff engage in person with another department or community library	Organizational Excellence	Well-being	CMS
Develop executive communications practices and calendar to build transparency in leadership	All executive communications follow established procedures and calendar	Organizational Excellence	Well-being	Communications and Marketing
Develop internal communications practices and calendar to highlight community-building news from across the system	Internal communications practices and calendar are in place News is being shared using the established systems	Organizational Excellence	Well-being	Communications and Marketing
Develop a structure to encourage and support staff innovation locally and at the System level	At least 30 staff take part in activities or projects that prototype or pilot new ideas	Organizational Excellence	Well-being	Executive
Create a project management framework and staff support system for pilot projects/prototypes	By the end of 2025 100% of pilot projects/protypes use the framework and supports. Framework results in defined definitions of success for each pilot	Organizational Excellence	Well-being	Executive
Implement Employee Resource Networks (ERN's) to support internal communities of belonging among staff.	Up to five Employee Resource Network groups will be available to staff	Organizational Excellence	Well-being	Equity and Social Impact
Formalize procedures for crisis intervention debrief and staff well-being supports after critical incidents	Procedures are completeStaff and managers consistently follow procedures after critical incidents	Organizational Excellence	Well-being	Library Operations
Develop and pilot new models for creating career pathways and development opportunities for staff	Incorporation of career pathway information into 100% of job classifications Develop at least one prototype of a new career development model	Organizational Excellence	Well-being	Human Resources
Identify community needs for BIPOC and multilingual staff, as part of implementing hiring strategies that reflect our communities	At least two community conversations have been conducted by Regional Managers and LISMs in highly diverse areas to understand needs and inform HR on recruiting practices	Organizational Excellence	Well-being	Library Operations
Fully implement the Operational Staffing Support (OSS) program. Through a competitive process, select two Library Pages and two Library Technical Assistants to be trained to work "up" out-of-class	Selected staff are trained and available to work in out-of-class assignments	Organizational Excellence	Well-being	Library Operations
Develop and implement changes to staff and manager onboarding experience to foster belonging at KCLS and with work teams.	Revised onboarding program is in use More than 50% of new staff report feelings of belonging with their work team and with the organization at their 6-month review	Organizational Excellence	Well-being	Human Resources

Priority Area	Initiative	Initiative KPIs	Source of Data
Elevate Customer Experience	**Proactively and clearly communicate KCLS values and DEI work to create accountability and enhance public perception**	Net Promoter Score > 83; Patrons would recommend KCLS to friends or family 95% positive	Patron Feedback Survey (ongoing) and/or annual Customer Satisfaction Survey
	Improve collection access and offerings based on input from communities	Increase usage of improved collections by 5%	Data on usage from KCLS systems
	Develop a cohesive marketing theme that heightens awareness of KCLS' brand and story	Maintain the number of patrons with a positive view of the job KCLS is doing overall at 95%	Patron Feedback Survey (ongoing) and/or annual Customer Satisfaction Survey
	Proactively co-create and evaluate all public-facing services with most-impacted communities at every stage of design and development	At least 12 new connections with community groups are made	Reported from sessions and/or meetings

Activity	Activity KPIs	Strategic Goal	DEI Pillar	Budgeted Department
Expand and diversify advertising and PR partnerships to include world language communities as well as other impacted communities and those previously not reached by KCLS advertising	At least 2 new relationships/ initiatives are created to expand KCLS promotion in world language media	Strategic Communication	Accountability	Communications and Marketing
Report out on the Accessibility Audit, World Language Assessment, and KCLS work with diverse communities to the general public Additionally, communicate the work that results from these and future assessments to show accountability to King County communities	A new DEI page on the KCLS website houses information about new initiatives, learning, and actions that result from the studies. New newsletters and diverse advertising highlight KCLS work with King County communities	Strategic Communication	Accountability	Communications and Marketing
Create and implement a methodology to evaluate barriers to access and use of physical materials collections in libraries, and develop a set of responsive actions	Complete the evaluation methodology and review collections at seven libraries Implement responses at four libraries	Responsive, Inspirational Service	Co-creation	CMS
Using data from the World Language assessment, implement changes to the collections that increase the number of World Language materials available and reevaluate collection location at 3-4 libraries for better access	World Language holdings will increase by 5%. 3-4 locations will have made changes to collection location and or signage, resulting in higher circulation of the World Language collections	Responsive, Inspirational Service	Co-creation	CMS
Begin process of creating a recognizable and cohesive image for KCLS by evaluating signs and graphics at all locations and replacing outdated branding. This will lead to more recognizable, consistent and up to date branding in KCLS locations	Slogans, brands, graphics that are no longer used have been identified and removed from KCLS locations	Responsive, Inspirational Service	Co-creation	Communications and Marketing
Conduct ongoing and diversified listening opportunities and feedback loops with BIPOC, LGBTQ+, Disability, and World Language communities	At least four listening opportunities will be held	Responsive, Inspirational Service	Co-creation	Equity and Social Impact
Implement an Equity and Social Impact Advisory Council of patrons from most impacted communities	Equity and Social Impact Advisory Council will meet six times	Responsive, Inspirational Service	Co-creation	Equity and Social Impact

Priority Area	Initiative	Initiative KPIs	Source of Data
Elevate Customer Experience	**Prepare staff to proactively co-create and evaluate all public-facing services with most-impacted communities at every stage of design and development**	Increase in staff understanding what is expected of them in their job by five percentile points	Employee Engagement Survey Fall 2025
	Co-create and prototype new services in response to identified community needs	Goals of service prototypes are met	Data on usage from KCLS systems and feedback from patrons
	Create and implement operations and customer service standards that use KCLS' DEI Strategy to inform how staff teams create a welcoming environment	Patrons rate KCLS service as high (95%) Patrons feel welcome in their community library (95%)	Patron Feedback Survey and other feedback mechanisms

Activity	Activity KPIs	Strategic Goal	DEI Pillar	Budgeted Department
Establish learning supports for staff on the topic of KCLS policies and procedures related to patron accessibility and accommodations	70% of staff who complete patron accessibility and accommodation training achieve 80% on a training post-test.	Responsive, Inspirational Service	Co-creation	Human Resources
Implement processes and training for staff in conducting an equity review when developing and revising services and programs	100% of new or revised programs/services have an equity review as part of the development process	Responsive, Inspirational Service	Co-creation	Human Resources
Implement guidelines, training, and other supports for staff to engage in co-creation with community members and organizations when creating or revising programs and services	By the end of 2025, 100% of staff who develop and provide services have reached out to a community group or organization to learn more about their needs	Responsive, Inspirational Service	Co-creation	LOPS
Explore and respond to need for adult literacy services (includes ELL and native English, digital, financial and information literacy)	Recommendations for adult literacy services are complete At least two new adult literacy programs are prototyped.	Responsive, Inspirational Service	Co-creation	LOPS
Create programs to connect people and combat loneliness. Focus on discussion groups, book groups and programming co-created with and targeted to most impacted communities	In each region, at least one new recurring program is offered that is designed around increasing connection and decreasing loneliness	Responsive, Inspirational Service	Co-creation	LOPS
Develop a customer service model that integrates KCLS' values, providing consistent standards while allowing flexibility for staff to meet local patron needs.	Customer service model and related staff training plan are complete	Responsive, Inspirational Service	Systems	Executive
Evaluate opportunities for additional hours using new staffing model information	Staffing analysis for extra hours is complete; Any additional hours that can be managed are implemented	Responsive, Inspirational Service	Systems	Library Operations

	Activity	Activity KPIs	Strategic Goal	DEI Pillar	Budgeted Department
Department Operational Priorities	Install a new central sorter	Reduce annual maintenance costs by 90% Reallocate average of 20 hours per week from maintenance to other tasksIncrease sort accuracy by 90%	Organizational Excellence	Systems	CMS
	Increase visibility of KCLS through social media platforms	Increase followers across platforms by 10%	Strategic Communication	Accountability	Communications and Marketing
	Reach audiences through segmented email communications	Attain message open rate of 15%	Strategic Communication	Accountability	Communications and Marketing
	Create 1-3 large campaigns per year in addition to summer reading	Advertising budget is spent across major initiatives. KCLS staff and community have awareness of 1-3 major initiates that KCLS does	Strategic Communication	Accountability	Communications and Marketing
	Continue Heritage and Awareness events in response to identified community needs and cultural celebrations	Twelve Heritage and Awareness events held	Responsive, Inspirational Service	Co-Creation	Equity and Social Impact
	Continue Spanish language Adult (Plaza Comunitaria) and Kindergarten readiness (Fiestas) education programs.	At least 25 active students participating in 40 Plaza Comunitaria sessions At least 450 attendees participating in four Fiestas series in four regions	Communities of Inclusion and Belonging	Co-Creation	Equity and Social Impact
	Continue Welcoming Centers and Peers in Libraries services to assist most impacted patrons in identifying culturally appropriate social service supports in select library locations.	Welcoming Ambassadors will make 1,500 in-depth, personalized connections with community members Peers will make 420 contacts with community members	Communities of Inclusion and Belonging	Co-Creation	Equity and Social Impact
	Continue Día events in libraries supporting a national Children's Day/Book Day activities celebrating literacy and reading in heritage languages	350 community members will attend Dia events	Communities of Inclusion and Belonging	Co-Creation	Equity and Social Impact
	Develop and share a standardized decision-making model for KCLS Leadership Team (KLT)	Staff understand the process for decision-making used by the KLT	Organizational Excellence	Systems	Executive
	Deliver four sessions of training for supervisors in KCLS' change management framework	95% of supervisors are using content from the change management framework	Organizational Excellence	Systems	Executive
	Manage a rolling 10-year calendar of scheduled facility upkeep to avoid long-term deterioration of assets, including upgrades to meet the accessibility audit findings.	Reduce year-over-year unplanned repairs	Organizational Excellence	Systems	Finance and Facilities
	Lead annual operating and capital budget planning and develop long-range financial plans for continued sustainability		Organizational Excellence	Systems	Finance and Facilities

Activity	Activity KPIs	Strategic Goal	DEI Pillar	Budgeted Department
Identify and reduce barriers to employee use of accommodations.	70% of staff who request accommodation report that the process was easy to follow	Organizational Excellence	Well-Being	Human Resources
Replace AEDs for emergency medical response readiness	All AEDs replaced. Adoption of AED inventory management structure	Organizational Excellence	Well-Being	Human Resources
Design and host StaffCon 2025 as an all-staff learning and connection activity	90% of staff indicate they learned something new. 90% of staff report connecting with others. 75% of staff report feelings of belonging with the organization. 75% of staff feel motivated to do their best work	Organizational Excellence	Well-Being	Human Resources
Conduct safety and compliance audit by classification. Establish a cadence for future audits	Safety and compliance audit is completed. Workplan is developed to address findings. An audit cadence has been established	Organizational Excellence	Well-Being	Human Resources
Evaluate current network infrastructure and unify processes. Establish a long-term networking plan that allows for future expansion and ease of maintenance	Long term networking plan is established Maintain a 99.9% system uptime	Organizational Excellence	Systems	ITS
Complete the Access Control Project	All sites are operational and using the new access control system	Organizational Excellence	Systems	ITS
Implement the final cybersecurity verticals	KCLS has finalized implementation of all cybersecurity verticals and cross vertical automation	Organizational Excellence	Systems	ITS
Create a structured staff support system for new Operations initiatives, resources and tools, so that staff have a dedicated point person who will provide information and support for (Operations) initiatives, special projects and tools.	Recruit and hire a Project Specialist: Public Services	Organizational Excellence	Systems	Library Operations
Shift apportionment of library program budgets based on equity analysis	Program budgets meet equity criteria	Organizational Excellence	Systems	LOPS
Determine system and local-level librarian service standards - analyze capacity in the Librarian classification, understand community needs for types of services, and set clear expectations that individual Librarians can align their work to	Librarian classification resources are allocated according to identified needs and KCLS expectations	Organizational Excellence	Co-Creation	LOPS
Develop and deliver training for Librarians and Public Services Assistants in referring patrons to services in the community	Librarians and PSAs feel confident in referring patrons to services in the community	Organizational Excellence	Co-Creation	LOPS
Develop and implement supports that increase staff confidence in working with LanguageLine	Staff feel confident using Language Line to communicate with patrons Increase LanguageLine usage by 15%	Organizational Excellence	Co-Creation	LOPS

Appendix V: BUDGET PROCESS AND CALENDAR

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

During the budget process 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 approved by the KCLS Board of Trustees in December.

Basis of Budgeting

The King County Library System (KCLS) uses the modified accrual basis for both accounting and budgetary purposes. Revenues are recognized as soon as they are both measurable and available. The Library District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recognized in the period in which governments normally liquidate the related liability rather than when that liability is first incurred.

KCLS is entrusted by the public to be good stewards of public funds and resources. Budgeting and accounting are fundamental to effective financial management practices. The annual budget is KCLS' operating and capital plan for services and programs that will commit resources to our communities over the ensuing year. Accounting involves recording, tracking and reporting all financial transactions of the organization, thereby allowing for the monitoring of financial health, and making adjustments to ensure financial stability.

2024	Task
Friday, June 7	Department Directors provide departmental descriptions.
Friday, June 7	OpenGov Trainings for Directors and Management Team
Monday, June 10	Budget kick-off presentation to KLT
Monday, June 10	Weekly Budget Team "office hours" avaliable for all departments
Monday, June 10	KLT Session to Discuss orgainzation and departmental KPI's
Tuesday, June 11	Review current personnel, non-personnel and CIP budget
Monday, June 17	Executive Director's letter, strategic content due. Communications starts layout and final edits on narrative content
Tuesday, June 18	Grants funding priorities and forecast
Wednesday, June 26	Budget activities and KPIs
Monday, July 8	Department directors discussion with Executive Director and Deputy Director
Wednesday, July 17	Budget Revision: post updates from All departments
Monday, August 12	2025 Preliminary Budget Summary review with KLT
Monday, August 19	Budget deliberations
Thursday, September 5	Submit financial Budget Book material to Communications
Thursday, September 12	Finalize the Budget, Budget Balancing & JDE Upload, Prepare Organization Chart and FTE by Department
Friday, October 18	Preliminary Budget Book review and revise
Friday, October 25	Publish Preliminary Budget Book
Wednesday, October 30	Preliminary Budget presentation to Board of Trustees
Friday, November 15	November Leadership Quarterly presentation
Wednesday, November 20	Public Budget Hearings at Board of Trustees meeting
Wednesday, December 18	Final Budget is approved by the Board
Thursday, December 19	Post Final Budget document on www.kcls.org

Appendix VI: FUND DESCRIPTIONS AND FUND STRUCTURE

The government financial reporting model, promulgated by the Governmental Accounting Standards Boards, uses fund accounting to comply with legal restrictions on the use of public resources. Three broad categories of fund types exist: governmental funds, proprietary funds and fiduciary funds. Governmental funds typically account for tax-supported activities. Proprietary funds generally account for a government's business-type activities. Fiduciary funds are used to account for resources that are held by the government as a trustee or agent for parties external to the government and that cannot be used to support the government's own programs.

Conforming to generally accepted accounting principles (GAAP), governmental funds use the modified accrual basis of accounting, and proprietary funds use the full accrual basis of accounting.

The King County Library System (KCLS) only budgets for the General Fund within the Governmental Fund type. KCLS does not use the proprietary and fiduciary fund types.

Appendix VII: DEBT

Outstanding Long-Term Debt

The Library District has historically issued long term debt, payable from taxes, for the purpose of financing capital projects for the construction of libraries, as well as associated furniture, fixtures, and library collections. In September of 2004, the voters of the Library District approved $172M in general obligation bonds to finance library capital projects needed over the next 10 years throughout the Library District. In 2012, the Library District issued unlimited general obligation refunding bonds related to these series to take advantage of lower market interest rates. This is the only outstanding issue the Library District held as of December 31, 2023.

Outstanding Debt of Library District
as of December 31, 2023

Outstanding Unlimited Tax General Obligation Debt	Original Par Amount	Par Amount Outstanding	Final Maturity
Rural Library UTGO 2012 Refunding	$49,665,000	$15,670,000	12/1/2024
Total Unlimited Tax General Obligation Bonds	**$49,665,000**	**$15,670,000**	

The annual debt service to maturity for the outstanding bonds are as follows:

Year Ending December 31	Principal	Interest	Total
2024	$15,670,000	$626,800	$16,296,800
Total	**$15,670,000**	**$626,800**	**$16,296,800**

Legal Debt Limit

The Library District is authorized by RCW 27.12.222 to incur indebtedness as follows:

- The issuance of nonvoter approved limited tax general obligation bonds (LTGO Bonds) for any purpose, not to exceed an aggregate amount of 0.1% of the total assessed value of the taxable property within the Library District. Debt is payable from the Library District's regular tax levy.

- To incur general obligation indebtedness more than 0.1%, the library district must receive approval from the voters ("unlimited tax general obligation bonds"). The issuance of voter approved unlimited tax general obligation bonds (UTGO Bonds), for capital purposes only, must not exceed an aggregate amount of 0.5% of the total assessed value of the taxable property within the Library District. The debt service is secured by excess tax levies, levied solely for the purpose of paying debt payments.

- The combination of limited or unlimited tax general obligation debt may not exceed 0.5% of the total assessed value of taxable property within the Library District.

Debt Capacity

Calculation of Limitation of Indebtedness	as of October 10,2024	Remaining Debt Capacity
Total Taxable Property Value (2023 Tax Year)	$ 563,113,070,656	
0.5% General purpose limit is allocated between:	$ 2,815,565,353	
Up to 0.1% debt without a vote (*RCW 27.12.222*)	$ 563,113,071	
Less: Outstanding Debt (non-voted)	$ –	
Less: Excess Debt Without a Vote	$ –	
Add: Available Assets	$ –	
Equals remaining debt capacity with a vote		$ 563,113,071
Up to 0.5% debt with a vote (*RCW 27.12.222*)	$ 2,815,565,353	
Less: Outstanding Debt (voted)	$ 15,670,000	
Add: Available Assets	$ 10,906,395	
Equals remaining debt capacity with a vote		$2,810,801,748

On January 1, 2025, the Library District will have no outstanding general obligation bonds and have its entire debt capacity available for future financing needs.

Bond Rating

The Library District was assigned a rating of "AA", an outlook of for this rating as stable, by Standard & Poor's Rating Services pursuant to its unlimited-tax general obligation refunding bonds, series 2012 in October of 2012.