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library system

2013 Final Budget

December 18, 2012

WHATCOM COUNTY LIBRARY SYSTEM
WHATCOM COUNTY, WASHINGTON

FINAL OPERATING AND CAPITAL EXPENDITURE BUDGET
FISCAL YEAR 2013

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WHATCOM COUNTY LIBRARY SYSTEM
WHATCOM COUNTY, WASHINGTON

FINAL OPERATING AND CAPITAL EXPENDITURE BUDGET
FISCAL YEAR 2013

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2013 Budget Introduction – Director's Message

The budget is the basis for everything we do. Keeping WCLS sustainable requires careful scrutiny of the next several years' projections; keeping revenue and expenditures in balance. WCLS cannot sustain growth but can sustain services with smart planning. That is why so much time and energy went into developing a strategic framework for the next three years. Strategic means that it is responsive to changing factors, those within and outside of our control. A framework means that it is a structure that can and will take shape over time.

2013 is a year of transition, not only with the initiation of the Strategic Framework, but also with a new director leading WCLS. It is an exciting time and WCLS staff and board are ready for change!
Many activities have been identified that support the initiatives of the next three years, the timespan of this energetic plan. However, the realities of the budget require give and take; recognizing the need to let go of some services and practices in order to take on new ones. L3, the WCLS management team developed a baseline matrix of services to help in this difficult process. The harsh reality is that we cannot do it all.

One step that is essential for future flexibility and best use of our most important resource-- our staff is a complete Classification Study and Staffing Review. With over 70 % of the WCLS budget dedicated to salaries and benefits, creative changes that do not cut back on staff or sacrifice good service just make sense. And we know that honoring the terrific work of staff includes fair pay which also results in good retention.

This three year timeline is pivotal and will require focus:

- How can we best staff branches to allow the maximum number of open hours—honoring the "Access" Strategic Initiative identified by the communities involved in targeting our Strategic Framework focus areas?
- What opportunities exist to improve our processes and procedures to ensure adequate investment in "Early Learning" and "Advocacy"—two more Strategic Initiatives? How can we best work with BPL for greater collaboration and efficiencies as we serve all of Whatcom County?
- Where can we do a better job "Building Community" as the community who developed the Strategic Framework envisioned?

Of course, this curiosity for what "might be" is ongoing, and requires taking time to get it right when the time is right to do so. That time is 2013--an exciting new time packed full with fresh possibilities and belief in the future of WCLS.

- Joan Airoldi
  Executive Director

WCLS Services Summary

Service Area

The Whatcom County Library System provides library services in the unincorporated areas of Whatcom County in Washington State, and six annexed cities and towns.

The Library served an estimated population of 122,140 in 2012. In December 2012, 44,519 people had active Whatcom County Library System library cards, a 6.7% increase over the previous year. The Library offers more than 335,000 books, DVDs, audiobooks, and other items. In 2012, people checked out over 1.8 million items and made nearly 940,000 visits to libraries and the bookmobile.

In Washington State, 7 library systems, including Whatcom County Library System, serve populations between 100,001 and 250,000. In 2011, Whatcom County Library System ranked 6th among these libraries in population served, and 5th in total items checked out.

Services

The Library provides services through nine branch libraries, a bookmobile, homebound services, outreach, and its website.

WCLS service hours provide access to a branch seven days a week. Hours are designed so that as much as possible, there is access to library services mornings, afternoons and evenings to meet the needs of the diverse population.

In 2012, Homebound Services served 27 health care facilities and group homes, as well as individuals who are homebound. The bookmobile served 5 communities. Teen Services and Children's Services both partner with schools from 6 Whatcom County school districts to provide annual book talks and programming and programming at elementary, middle, and high schools throughout the county.

All Whatcom County Library System services are available to residents and property owners in the Library's service area, as well as individuals who live in Bellingham and any of the communities with which WCLS holds reciprocal borrowing agreements including Fraser Valley Library System.

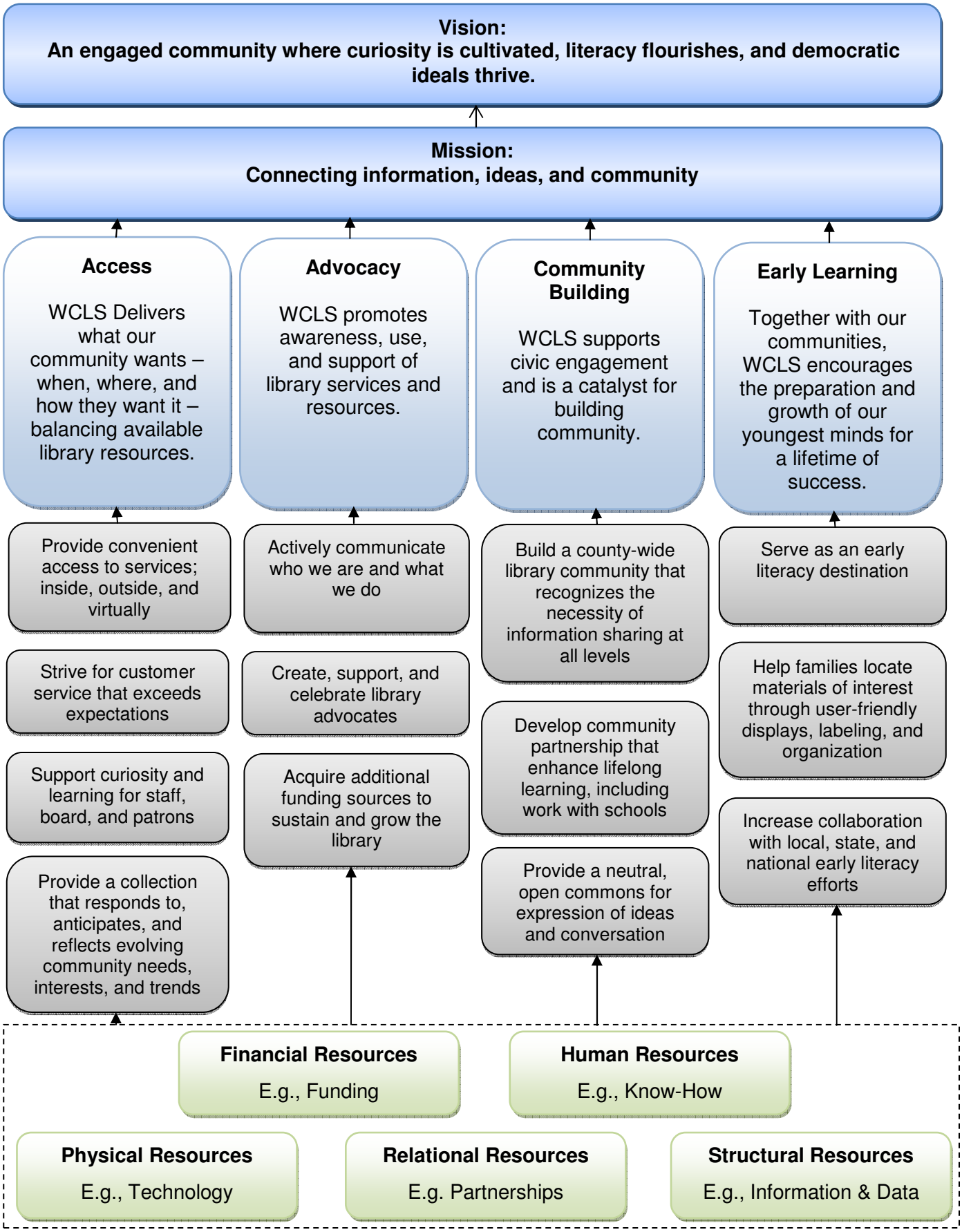
In Whatcom County Library System's branch libraries, people may access:

- Books, movies, music, and more available for checkout
- Free internet access on public library computers or personal laptops and other devices on the Library's Wi-Fi network
- Early Learning programs and support for birth to five; along with programs for children, teens and adults.
- Job and business development assistance
- Materials and programs in world languages including Russian and Spanish
- Public meeting rooms

Online, people may access:

- Downloadable audiobooks and e-books
- Live online reference services
- Credible, reliable information from online resources including newspaper and magazine subscriptions. consumer information, vehicle repair manuals, encyclopedias, and other resources
- Help for writing resumes, career planning, and finding jobs
- Online language learning with courses in Spanish, French, Italian, German, and over 30 other world languages, as well as English courses for speakers of 15 world languages

WCLS Strategic Plan 2013-2015



Library Service Measures

Annual Service Measures - Total

	2008	2009		2010		2011		2012*	
	Total	Total	*Change*	Total	*Change*	Total	*Change*	Total	*Change*
Service Area Population	115,250	116,970	*1.49%*	120,255	*2.81%*	121,030	*0.64%*	122,140	*0.92%*
Library Materials	326,940	296,751	*-9.23%*	299,839	*1.04%*	312,681	*4.28%*	335,411	*7.27%*
Circulation	1,413,569	1,571,889	*11.20%*	1,608,492	*2.33%*	1,811,947	*12.65%*	1,886,016	*4.09%*
Library Visits	807,900	862,017	*6.70%*	875,327	*1.54%*	922,241	*5.36%*	939,205	*1.84%*
Website Visits	-	456,467	*0.00%*	511,620	*0.00%*	545,580	*6.64%*	584,565	*7.15%*
Branch Open Hours Per Week	371	371	*0.00%*	371	*0.00%*	380	*2.59%*	382	*0.43%*
Registered Borrowers	38,137	39,624	*3.90%*	40,673	*2.65%*	41,696	*2.52%*	44,519	*6.77%*

*2012 annual totals estimated as of November 30, 2012 based on available relevant data and year-to date trends.

Annual Service Measures – Per Capita

	2008	2009		2010		2011		2012*	
	Total	Total	*Change*	Total	*Change*	Total	*Change*	Total	*Change*
Circulation Per Capita	12.27	13.44	*9.56%*	13.38	*-0.47%*	14.97	*11.93%*	15.44	*3.14%*
Facility Visits Per Capita	7.01	7.37	*5.13%*	7.28	*-1.23%*	7.62	*4.68%*	7.69	*0.91%*
Website Visits Per Capita	-	3.90	*0.00%*	4.25	*9.02%*	4.51	*5.95%*	4.79	*6.17%*
% Population with Active Library Card	33.09%	33.88%	*2.37%*	33.82%	*-0.16%*	34.45%	*1.86%*	36.45%	*5.80%*

*2012 annual totals estimated as of November 30, 2012 based on available relevant data and year-to date trends.

Major Fund Balance Summary
January 1, 2013

	General Fund	Capital Fund	Total Governmental Funds
Unassigned Beginning Fund Balance	$ 3,276,732	$ -	$ 3,276,732
Assigned Beginning Fund Balance - Capital	-	553,465	553,465
Assigned Ending Fund Balance - Capital Transfer	358,424	-	358,424
Committed Beginning Fund Balance - Planned Capital Improvement	-	554,805	554,805
Committed Beginning Fund Balance - Cash Flow	2,414,919	-	2,414,919
Committed Beginning Fund Balance - Emergency	-	436,000	436,000
Total Estimated Beginning Fund Balance	***6,050,075***	***1,544,270***	***7,594,345***
Total Revenues & Other Financing Sources	7,871,940	387,424	8,259,364
Total Expenditures & Other Financing Uses	7,603,182	824,775	8,427,957
Total Revenues Net of Total Expenditures	***268,758***	***(437,351)***	***(168,593)***
Unassigned Ending Fund Balance	3,758,374	-	3,758,374
Assigned Ending Fund Balance - Capital	-	644,919	644,919
Assigned Ending Fund Balance - Capital Transfer	145,540	-	145,540
Committed Ending Fund Balance - Cash Flow	2,414,919	-	2,414,919
Committed Ending Fund Balance - Planned Capital Improvement	-	26,000	26,000
Committed Ending Fund Balance - Emergency	-	436,000	436,000
Total Estimated Ending Fund Balance	***$ 6,318,833***	***$ 1,106,919***	***$ 7,425,752***

2013 General Fund Budget Summary

Budget Number	Description	2010 Actual	2011 Actual	2012 Budgeted	2013 Budgeted	2013 % Change
308.0000	***Estimated Beginning Fund Balance***	***$ 3,109,618***	***$ 4,096,673***	***$ 5,327,427***	***$ 6,050,075***	***13.56%***
310.0000	Total Taxes	7,200,159	7,612,795	7,684,365	7,595,300	-1.16%
330.0000	Total Intergovernmental Revenues	187,488	220,477	273,523	108,500	-60.33%
340.0000	Total Charges for Goods and Services	18,670	22,801	23,867	23,250	-2.59%
350.0000	Total Fines and Forfeitures	62,649	62,734	65,000	75,000	15.38%
360.0000	Total Miscellaneous Revenues	126,960	97,504	78,506	69,890	-10.97%
	Total Operating Revenues	**7,595,926**	**8,016,311**	**8,125,261**	**7,871,940**	**-3.12%**
390.0000	***Total Other Financing Sources***	***-***	***400***	***-***	***-***	***0.00%***
	Total General Fund Revenues	**7,595,926**	**8,016,711**	**8,125,261**	**7,871,940**	**-3.12%**
572.1000	Total Salaries and Wages	3,431,277	3,558,290	3,749,307	3,908,904	4.26%
572.2000	Total Personnel Benefits	1,072,669	1,160,973	1,246,946	1,355,848	8.73%
572.3000	Total Supplies	1,018,926	1,041,713	1,039,457	1,146,275	10.28%
572.4000	Total Services	556,935	502,860	679,009	684,900	0.87%
572.5000	Total Intergovernmental Services	153,695	140,862	144,681	148,831	2.87%
	Total Operating Expenditures	**6,233,502**	**6,404,698**	**6,859,400**	**7,244,758**	**5.62%**
596.0000	Total Other Financing Uses	375,369	381,259	543,213	358,424	-34.02%
	Total General Fund Expenditures	**$ 6,608,871**	**$ 6,785,957**	**$ 7,402,613**	**$ 7,603,182**	**2.71%**
	Revenues in Excess / (Deficit) of Expenditures	***987,055***	***1,230,754***	***722,648***	***268,758***	
508.0000	***Estimated Ending Fund Balance***	***$ 4,096,673***	***$ 5,327,427***	***$ 6,050,075***	***$ 6,318,833***	***4.44%***

2013 General Fund Revenues

Budget Number	Description	2010 Actual	2011 Actual	2012 Budgeted	2013 Budgeted	2013 % Change
311.1000	Real and Personal Property Taxes	$ 7,149,501	$ 7,531,475	$ 7,579,550	$ 7,553,300	-0.35%
311.3000	Sale of Tax Title Property	49	72	-	-	0.00%
312.1000	Forest Excise Tax	31,864	62,691	98,060	35,000	-64.31%
317.2000	Leasehold Excise Tax	19,202	19,004	7,000	7,000	0.00%
319.8300	Refund Intererst	(457)	(447)	(245)	-	-100.00%
310.0000	***Total Taxes***	***7,200,159***	***7,612,795***	***7,684,365***	***7,595,300***	***-1.16%***
33X.XXXX	LSTA State Library Grants	80,780	25,000	14,624	-	-100.00%
335.0232	DNR Other Trust Revenue	593	564	599	500	-16.53%
335.0233	DNR Timber Trust Revenue	106,115	178,913	250,300	100,000	-60.05%
338.7200	Intergovernmental Library Services	-	16,000	8,000	8,000	0.00%
330.0000	***Total Intergovernmental Revenues***	***187,488***	***220,477***	***273,523***	***108,500***	***-60.33%***
341.6000	Printing and Duplication Services	18,147	22,176	23,500	23,000	-2.13%
347.2000	Library Use Fees	523	625	367	250	-31.88%
340.0000	***Total Charges for Goods and Services***	***18,670***	***22,801***	***23,867***	***23,250***	***-2.59%***
359.7000	Library Fines	62,649	62,734	65,000	75,000	15.38%
350.0000	***Total Fines and Forfeitures***	***62,649***	***62,734***	***65,000***	***75,000***	***15.38%***
361.1100	Investment Interest	42,710	37,227	29,111	30,000	3.05%
361.9000	Other Interest Earnings	1,431	858	425	1,000	135.29%
362.4000	Space and Facility Rental (ST)	20	40	40	40	0.00%
362.5000	Space and Facility Rental (LT)(FBL)	1,117	2,353	2,000	2,000	0.00%
367.1000	Contributions and Donations	12,278	2,672	1,475	1,000	-32.20%
369.1000	Sale of Discards	308	-	100	100	0.00%
369.8100	Overage/Underage	40	23	-	-	0.00%
369.9001	Other Miscellaneous	39,580	32,409	20,000	15,000	-25.00%
369.9002	Lost/Damaged Materials	18,050	20,893	20,750	20,750	0.00%
369.9003	NSF Fee Recoveries	(164)	(21)	(45)	-	-100.00%
369.9004	Card Replacement Fees	6	3	22	-	-100.00%
369.9005	E-Rate Reimbursement	6,856	240	-	-	0.00%
369.9012	COBRA Reimbursement	4,728	807	4,628	-	-100.00%
360.0000	***Total Miscellaneous Revenues***	***126,960***	***97,504***	***78,506***	***69,890***	***-10.97%***
	Total Operating Revenues	**$ 7,595,926**	**$ 8,016,311**	**$ 8,125,261**	**$ 7,871,940**	**-3.12%**
395.1000	Proceeds From Sale of Capital Assets	-	400	-	-	0.00%
390.0000	***Total Other Financing Sources***	***-***	***400***	***-***	***-***	***0.00%***
	Total General Fund Revenues	**$ 7,595,926**	**$ 8,016,711**	**$ 8,125,261**	**$ 7,871,940**	**-3.12%**

Taxes: Taxes on real and personal property represent the primary revenue source for the library system and support the District's continued operations.

Based on the most recent information provided to the District by the County Assessor, a decrease of assessed valuation of the value of existing property of approximately 1.42% is expected to be offset by the value of newly constructed property resulting in a 2013 assessed valuation consistent with that of 2012. The impact of this has been factored in to 2012 budgeted property tax collections. Given this scenario, the District anticipates that its levy rate will remain at the statutory maximum of $.50 per $1,000 of assessed valuation. The impact of any changes in these assumptions due to updates in assessed valuations prior to the certification of the County Assessor will result in adjustments to 2012 budgeted revenues based on the impact on collectability. The budgeted 2012 revenues from real and personal property taxes as presented also includes an allowance for uncollected taxes levied for 2012.

Other sources of tax revenue are the private harvest timber tax and the leasehold excise tax. When timber is harvested from private lands, the person or business who owns the timber at the time of the harvest pays a harvest tax. The leasehold excise tax is a tax paid by persons or businesses that use or lease publicly owned property. These sources are budgeted at levels consistent with historical trends.

Revenue from the sale of tax title property is not budgeted but recorded in mid-year budget adjustments. The same holds true for the debiting of property tax refund interest.

Intergovernmental Revenue: Sources of intergovernmental revenue include grant revenues received from state and federal sources, revenues resulting from the sale of timber and other products from state forest lands that are managed by the Department of Natural Resources, and library services rendered for other governmental entities.

In 2012, WCLS has been awarded one Library Services and Technology Act (LSTA) grants that will carry over into the 2013 fiscal year; these indirect federal grants are distributed by the State of Washington. Because the grant funds are provided on a reimbursement basis, no amount has been budgeted for 2013, but actual funds received will be recorded through mid-year budget adjustments.

Historically, revenues from the sale of timber and other products from state forest lands have fluctuated dramatically from year to year as the rate of harvest and pricing in Whatcom County is impacted by various market forces including the variations in the housing market. Based on the volume and the current net value under contract through December 2013, 2013 timber revenues have been budgeted at nearly 40% of the 2012 budgeted amount. Due the variability in the distribution of these revenues, WCLS will budget to reserve these and other similar shared revenues for transfer to the Capital Fund.

WCLS currently contracts with the Whatcom County Sherriff's Office to provide library services to the Whatcom County Jail. $8,000 is budgeted for revenues related to this contract for 2013.

Charges for Goods & Services: Sources of revenues from charges for goods and services include printing and photocopy fees and library use fees.

All of WCLS' branches provide printers and photocopiers for public use. The 2013 budgeted amount is consistent with the 2012 budgeted amount as these revenues are estimated to be collected at similar rates to prior years.

Library use fee revenues are generated from the sale of library cards to non-residents. Patrons who are not residents of the library district, and who are not covered by a reciprocal borrowing agreement with another library system, can check out materials from any of WCLS' branches by obtaining a non-

resident card. Due to irregular collection trends, the amount budgeted for 2013 has been reduced to $250.

Library Fines: These revenues are derived from fines on overdue materials. In an effort to remove barriers that prevent library use and to create a consistent library experience for all library users in Whatcom County, in 2013, both WCLS and the Bellingham Public Library will be eliminating fines for children on children's materials, and aligning fine rates for adults. The impact of the elimination of children's fines on children's materials is expected to be offset by the impact of the increase of the adult fine rate, with an additional 15% in total fine collections anticipated for 2013.

Miscellaneous Revenues: This source of revenue includes investment interest, junk sales of assets, donations, room rentals, other miscellaneous revenue, COBRA reimbursements, library card replacement fees, and E-Rate reimbursements.

On a monthly basis, WCLS invests any substantial amounts of excess cash available after calculating immediate expenditure needs. WCLS participates in the Whatcom County Investment Pool program administered by the Whatcom County Treasurer. The program is a stable investment pool with various taxing district participants. Given a decrease in the investment pool's return on investment due to the current economic environment, the amount budgeted for 2013 is $30,000.

No major changes are anticipated for forest board land interest, room rentals, miscellaneous rents and leases, contributions and donations, sale of discards, and revenue from lost/damaged library materials.

Other miscellaneous revenues come from continuing education grants administered by the Washington State Library, reimbursement for custodial services provided to the City of Blaine, reimbursements from BPL for distributing patron notices, and other miscellaneous cash receipts. This category also includes reimbursements from other library systems that participate in the consortium agreement for the license of downloadable media.

COBRA reimbursements are from separated employees or those who lose health insurance coverage because of reduced work hours; federal law allows these employees to purchase group health insurance coverage for themselves and their families for limited periods of time. Due to the nature of COBRA revenues, no amount will be budgeted for 2013, but the budget will be supplemented throughout the 2013 fiscal year to reflect actual collections.

Other Financing Sources: This source of non-operating revenue includes proceeds from sale of capital assets and transfers in from the Capital Fund. No revenues are budgeted from these sources in 2013.

2013 General Fund Expenditures

Budget Number	Description	2010 Actual	2011 Actual	2012 Budgeted	2013 Budgeted	2013 % Change
572.1000	Salaries and Wages	$ 3,431,277	$ 3,558,290	$ 3,749,307	$ 3,908,904	4.26%
572.2000	Personnel Benefits	1,072,669	1,160,973	1,246,946	1,355,848	8.73%
572.10-20	***Total Salaries, Wages, & Benefits***	***4,503,946***	***4,719,263***	***4,996,253***	***5,264,752***	***5.37%***
572.3031	Office and Operating Supplies	89,698	70,688	70,676	72,000	1.87%
572.3032	Fuel Consumed	13,384	20,346	22,500	24,000	6.67%
572.3034	Collection Materials	818,836	844,733	848,000	940,775	10.94%
572.3035	Small Tools and Minor Equipment	97,008	105,946	98,281	109,500	11.42%
572.3000	***Total Supplies***	***1,018,926***	***1,041,713***	***1,039,457***	***1,146,275***	***10.28%***
572.4041	Professional Services	136,330	132,477	221,797	236,750	6.74%
572.4042	Communication	96,627	102,782	117,512	115,900	-1.37%
572.4043	Travel	15,054	11,145	17,850	17,850	0.00%
572.4044	Advertising	3,396	649	6,700	7,700	14.93%
572.4045	Operating Rentals and Leases	16,871	18,006	18,700	20,750	10.96%
572.4046	Insurance	24,064	22,210	26,900	29,400	9.29%
572.4047	Utility Services	111,294	100,481	125,000	119,250	-4.60%
572.4048	Repairs and Maintenance	113,941	77,334	99,700	98,250	-1.45%
572.4049	Miscellaneous	39,358	37,776	44,850	39,050	-12.93%
572.4000	***Total Services***	***556,935***	***502,860***	***679,009***	***684,900***	***0.87%***
572.5051	Intergovernmental Professional Services	153,695	140,862	144,681	148,831	2.87%
572.5000	***Total Intergovernmental Services***	***153,695***	***140,862***	***144,681***	***148,831***	***2.87%***
	Total Operating Expenditures	**$ 6,233,502**	**$ 6,404,698**	**$ 6,859,400**	**$ 7,244,758**	**5.62%**
597.0000	Transfers-Out To Capital Fund	375,369	381,259	543,213	358,424	-34.02%
596.0000	***Total Other Financing Uses***	***375,369***	***381,259***	***543,213***	***358,424***	***-34.02%***
	Total Fund Expenditures	**$ 6,608,871**	**$ 6,785,957**	**$ 7,402,613**	**$ 7,603,182**	**2.71%**
	Revenues in Excess / (Deficit) of Expenditures	***987,055***	***1,230,754***	***722,648***	***268,758***	
	Total System-Wide Staffing (FTE)	*86.75*	*88.77*	*92.57*	*94.44*	*2.02%*

Salaries and Benefits: For the 2013 budget, WCLS continues to carefully evaluate staffing levels, and to allocate staff to best maintain current service levels while balancing current and future budgetary constraints.

A Cost of Living Adjustment (COLA) of .6% has been included in staff salaries and wages based on the results of Interest-Based Bargaining union negotiations. Based on the salary structure established by the compensation study conducted by the Singer Group, proficiency increases for 2013 are budgeted at 3% or 1% depending where an employee's salary falls on the 2013 salary scale.

Benefit costs include employer contributions for employees who are in the State of Washington retirement system (PERS), contributions into the Social Security system, medical and dental premiums, workers' compensation (L&I), and unemployment compensation.

Retirement contributions are based on rates as determined by the State of Washington Department of Retirement Systems. The current employer contribution is 7.25% of gross wages. The rate is budgeted to increase to 9.19% in July of 2013.

The employer contribution for Social Security is budgeted at 7.65% of gross wages and salaries. This rate is set by the Social Security Administration.

The medical and dental premium costs are shared by the employer and employees who are eligible to participate in the medical and dental plans. Based on rate information from the District's benefit providers, the District anticipates a 5.9% in the employer contribution for medical premiums and no change in the employer contribution for dental premiums.

Based on preliminary 2013 rate information and anticipated changes in WCLS' experience factor, a 27% increase is budgeted for workers' compensation rates. These rates are set by the State of Washington Department of Labor and Industries.

WCLS is on a reimbursable plan with the State of Washington for unemployment compensation. 0.25% of gross wages is budgeted for possible reimbursements.

Office and Operating Supplies: The supplies category includes office supplies, custodial and maintenance supplies, computer, copier, and printer supplies, materials processing supplies, mailing and shipping supplies, vehicle supplies and replacement parts. For 2013, the budgeted amount is 1.9% higher than the 2012 budget primarily due to inflation adjustments and additional anticipated costs related to the opening of the South Whatcom Library in Sudden Valley.

Fuel: This is diesel and gasoline for WCLS' Bookmobile and other vehicles. The amount budgeted for 2013 has increased by 6.7% from the 2012 budgeted amount due to anticipated increases in fuel costs and additional fuel usage for added deliveries.

Collection Materials: The collection materials budget provides for the books, magazines, books on tape and on CD, music CDs, videos, DVDs, and CD-ROMs that comprise the heart of the library's traditional services. WCLS provides its' patrons a continuous supply of new materials in print, sound, video and digital format, and current information to support school, work, and recreational activities. WCLS has set a target for collection materials of 13% of total 2013 operating expenditures. To ensure alignment with WCLS' Strategic Plan, an effort is being made to maintain the amount allocated for the Collection Materials and Collection Databases to levels comparable with state and national averages as compared to total operating expenditures.

Minor Equipment: This category includes furniture, computers, computer hardware, software, printers, delivery totes, shelving, book returns, and book carts. Due primarily to additional equipment purchases related to the opening of the South Whatcom Library in Sudden Valley, minor equipment expenditures are expected to increase approximately $11,250 in 2013.

Professional Services: The amount budgeted in this category includes costs for legal services, computer programming, the services of OCLC (for cataloging and interlibrary loan), delivery services, consultant services, and Employee Assistant Services (EAP). Due primarily to an increase in budgeted consulting related to a study of the District's salary structure, the 2013 budgeted amount is 6.7% greater than 2012.

Communications: This category includes postage, UPS, FedEx, and other courier services, local and long distance voice and fax service, fiber optic circuits which link Central Services to the integrated library system, the branches, the library network and the Internet, DSL circuits in the smaller branches to meet patron demand for additional Internet services, and cable data circuits for Bookmobile sites. Due to cost savings anticipated from the restructuring of the District's phone systems, 2013 budgeted communications expenditures have decreased by 1.37% over the 2012 budget.

Travel: This includes reimbursement to employees and Board of Trustees for use of personal automobiles on WCLS business and travel expenses associated with attendance at continuing education events, conferences, and seminars. WCLS' mileage reimbursement rate is currently set at 80% of the current IRS rate. WCLS' current rate is $.444 per mile. The 2013 budgeted amount is consistent with prior year.

Advertising: Included in this category are recruitments for employee and Board of Trustees vacancies, legal notices for public hearings and requests for proposals or bids, and community relations advertising. A 14.9% increase has been budgeted for additional promotion of services and programming in 2013.

Rentals: This category is for leasing a postage meter, copiers, and post office box rentals. The 2013 costs are anticipated to increase primarily due to facilities rental costs for the District's annual all-staff learning day, and additional equipment leases for the South Whatcom Library in Sudden Valley.

Insurance: This includes all insurance for WCLS' real and personal property, flood insurance, vehicle insurance, errors and omissions, employment practices, and an umbrella plan. 2013 budgeted premiums are 9.3% higher than prior year due to an anticipated rate increase of 5% and additional costs related to new or expanded branches to be opened in 2013.

Utilities: This category pays for electricity, natural gas, water, sewer, and refuse collection for all of WCLS' branches. The 2013 costs are anticipated to be 4.6% lower than 2012 due to the completion conservation projects in 2012 and early-2013.

Repair & Maintenance: In this category are costs for office equipment and telecommunications equipment maintenance, software maintenance, vehicle repairs, and on-going facility repairs and maintenance. A 1.45% decrease is budgeted due to decreases in anticipated vehicle repair costs as WCLS renews its fleet.

Miscellaneous: This includes board and WCLS memberships in the Washington Library Association (WLA) and other professional organizations; sales tax on photocopier money that is collected at the branches; refunds to patrons who have paid for lost books and later found and returned them; training

registration, and miscellaneous fees. The 2013 budget amount reflects a 12.9% decrease from 2012 budgeted expenditures.

Intergovernmental Professional Services: This category includes payment to the Bellingham Public Library (BPL) as required by a Memorandum of Understanding, which supports the cost of walk-in service at BPL by county residents. An inflationary increase of 2.7% has been budgeted for the contract payment.

Also included is payment to Fire District No. 7 for fire protection for the Central Services building. According to Washington State statute, this payment to the local fire district is in lieu of property taxes. WCLS does not pay property taxes on the property it owns because it is a governmental entity.

Other Financing Uses: In an effort to restore adequate funding to the Capital Fund, WCLS transfers prior-year shared revenues from the Department of Natural Resources to the Capital fund for the funding of future capital projects. A $358,424 transfer to the Capital Fund is planned for 2013.

2013 Capital Fund Budget Summary

Budget Number	Description	2010 Actual	2011 Actual	2012 Budgeted	2013 Budgeted	2013 % Change
308.0000	***Estimated Beginning Fund Balance***	***$ 917,146***	***$ 1,225,413***	***$ 1,135,826***	***$ 1,544,270***	***35.96%***
361.1100	Investment Interest	13,237	12,258	7,751	7,000	-9.69%
369.9001	Other Miscellaneous Revenues	-	-	-	22,000	0.00%
360.0000	***Total Miscellaneous Revenues***	***13,237***	***12,258***	***7,751***	***29,000***	***274.15%***
397.0000	Transfers-In From General Fund	375,169	381,259	543,213	358,424	-34.02%
390.0000	***Total Other Financing Sources***	***375,169***	***381,259***	***543,213***	***358,424***	***-34.02%***
	Total Capital Fund Resources	**1,305,552**	**1,618,930**	**1,686,790**	**1,931,694**	**14.52%**
594.6062	Buildings and Structures	-	383,459	52,540	56,500	7.54%
594.6063	Other Improvements	58,784	703	-	-	0.00%
594.6064	Machinery and Equipment	21,355	98,942	89,980	768,275	753.83%
594.0000	***Total Capital Expenditures***	***80,139***	***483,104***	***142,520***	***824,775***	***478.71%***
597.0000	Transfers-Out To General Fund	-	-	-	-	0.00%
596.0000	***Total Other Financing Uses***	***-***	***-***	***-***	***-***	***0.00%***
	Total Capital Fund Expenditures and Other Uses	**$ 80,139**	**$ 483,104**	**$ 142,520**	**$ 824,775**	**478.71%**

2013 Capital Projects

New and Expanded Branch Furnishings, Fixtures & Equipment - $389,275
WCLS anticipates opening new libraries in Ferndale and Sudden Valley, and a branch expansion at Island Library during 2013. As part of its agreements with the communities that it serves, WCLS agrees to supply the furnishings and equipment necessary to provide library service in the community-provided buildings. This project provides the resources to create open and enriching environments in these new and expanded locations.

Existing Branch Interior Renovations and Book Returns - $55,000
WCLS is working to adequately address the aging furnishings and improvements in its branch libraries. This project is intended to foster an open and enriching environment, as well as to increase staff efficiency through the creation of well-designed workspaces. The amount budgeted for 2013 reflects the current portion of a multi-year plan to address branch needs.

Branch Self-Checkout Stations - $27,000
In an effort to enhance patron service, and to help offset the staffing impact of increasing circulation, WCLS will expand the number of self-checkout stations available in its branches. This project will add three self-checkout stations to branches based on need and available space.

Integrated Library System Replacement - $200,000
WCLS shares an aging integrated library system (ILS) with Bellingham Public Library (BPL). The system is that is growing increasingly inefficient due to its inability to keep up with the impacts of changing patron demands. In partnership with BPL, WCLS will begin the selection process for a new ILS that is adaptable, expandable, and provides the efficient, secure, flexible service that meets the need of patrons and staff alike. Final implementation is anticipated to be completed in 2014.

2012 Capital Projects – Carry-Over

Central Services Lighting Retrofit - $51,500
In an effort to reduce energy consumption by providing more efficient lighting, WCLS began a retrofit of the lighting system at its Administrative Services building in 2012. The project is anticipated to be concluded in early-2013. WCLS expects a three-year return on investment for this project. Approximately $22,000 of the project is expected to be funded through a grant from Puget Sound Energy for the completion of this project.

Central Services Parking Lot Repair & Striping - $5,000
Repair of the parking lot at WCLS' Administrative Services building began in 2012 and re-striping and crack repair are anticipated to be completed in early-2013 to ensure the safety of staff and the public.

Information Technology Infrastructure Improvements - $25,000
WCLS plans to complete an update of its aging information technology infrastructure that is growing increasingly inefficient due to equipment failure. This multi-year project to replace network equipment at WCLS locations to improve redundancy and make more efficient use of WCLS existing network and access points will be completed in 2013.

Phone System Replacement - $40,000
The phone systems currently used throughout WCLS limit patron access to available staff, and require high levels of manual call management to ensure calls are handled appropriately. In 2012, WCLS will

select and purchase an integrated phone system that will improve patron service and allow for more efficient use of staff time.

Vehicle Replacement - $32,000
WCLS ordered a replacement for one of its aging delivery vans in late-2012, and anticipates taking delivery of the new delivery van in early-2013.