



whatcom county
library system

2023 Budget

December 20, 2022

WHATCOM COUNTY LIBRARY SYSTEM
WHATCOM COUNTY, WASHINGTON

FINAL OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2023

BOARD OF TRUSTEES

Marvin Waschke
Chair

Lori Jump
Board Member

Erika Lautenbach
Board Member

Rodney Lofdahl
Board Member

Matthew Santos
Board Member

PREPARED BY:

Jackie Saul
Director of Finance and Administration

With Assistance From:

Christine Perkins, *Executive Director*
Michael Cox, *Deputy Director*
Beth Andrews, *Human Resources Manager*
Thom Barthelmess, *Youth Services Manager*
Geoff Fitzpatrick, *Information Technology Manager*
Lisa Gresham, *Collection Services Manager*
Mary Vermillion, *Community Relations Manager*

WHATCOM COUNTY LIBRARY SYSTEM
WHATCOM COUNTY, WASHINGTON

OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2023

To obtain copies of this document, or for questions regarding its content, please contact:

Jackie Saul
Director of Finance and Administration
Whatcom County Library System
5205 Northwest Drive
Bellingham, WA 98226
Phone: (360) 305-3603
Email: jackie.saul@wcls.org

This document is also available online at www.wcls.org/library-board-of-trustees.

2023 Budget Introduction – Executive Director’s Message

WCLS will forever remember 2022 as a difficult year. In January, we kicked off a year-long project to repair the Sumas Library, damaged during the floods of 2021. In February, a second attempt at a Library Capital Facility Area to fund a new library in Birch Bay narrowly missed achieving the necessary 60% supermajority to pass. This June, WCLS was the victim of a cyberattack that left us without phones, email, or access to electronic files for several months. We are grateful that cyber insurance limited the financial impact of this event, although we may not be eligible for coverage in the future. In September, a truck pulled down a fiber optic cable, temporarily suspending internet access to five branches. In December, beloved former Library Director Joan Airoldi died unexpectedly. Throughout the year, staff and patrons continued to be impacted by COVID-19, influenza and RSV. In-person programs were planned, then shifted online or canceled. It was a lot to deal with.

Once again, WCLS staff prevailed, proving their resiliency and maintaining a high degree of professionalism. Circulation of library materials returned to pre-pandemic levels; with more than two million items checked out in 2022. We distributed 14,000 free COVID-19 rapid tests which allowed the public to test at home. We resumed our schedule of pop-up events around Whatcom County, with storytimes in parks and booths at public events like Pirate Daze in Blaine.

In June, we conducted an official Grand Opening for the remodeled Everson Library, made possible in part by a bequest from Fred and Evelyn Nowicke to the Friends of the Everson Library.

In Kendall, we joined the Friends of the North Fork Library in celebrating their 10th Anniversary in their “new” building. The celebration had been delayed a few years but was no less joyful, with jugglers, live music and food trucks.

At the Island Library, we installed a holds pickup locker so that the public can access their library materials when it is convenient to them, even if the library is closed. We partnered with the Friends of the Island Library to upgrade to a new heat pump system that will keep the building cool in the summer, warm in the winter, and running efficiently.

This summer we held a Facilities Planning Retreat and the Board came to the conclusion that we should hire a Facilities Planning Manager to be able to address long-term facilities needs systemwide. We are working on a job description and plan to begin recruitment in January 2023.

We welcomed several new managers this year – Jonathan Jakobitz as our Blaine Branch Manager, Paul Fullner as our Everson/Sumas Branch Manager, Alix Prior as our Ferndale Branch Manager, and Sam Wallin as our Mobile Services/Distribution Manager. Each brings fresh energy and ideas to WCLS. This energy was in abundance this fall, when we held our first in-person All Staff Learning Day in several years. Despite a last-minute venue change (the building we reserved at Bellingham Technical College experienced structural deficiencies) the day was one of the highlights of the year, with exciting and informative learning events and a chance to reconnect with WCLS colleagues.

Inflation had a huge impact on WCLS as an organization this year, as well as on our staff. With a high CPI affecting Washington State minimum wage, we negotiated an 8.6% COLA for all staff with the understanding we would continue to forego proficiency increases in 2023. This allows the entire pay scale to move up to accommodate the increase to Washington State minimum wage without wage compression. This helps us remain competitive in the marketplace with new hires, as we are experiencing fewer qualified applicants for many positions.

With our network outage and subsequent rapid migration to Microsoft 365 and the Teams environment taking most of our attention in 2022, we did not have much bandwidth to fully explore our options for moving forward with a levy lid lift. We will begin this effort in earnest in 2023 although the Board may not decide to go out to voters until 2024 or beyond.

-- Christine Perkins
Executive Director

Whatcom County Library System Services Summary

Service Area

Whatcom County Library System (WCLS) provides library services in the unincorporated areas of Whatcom County, Washington, and five annexed cities and towns.

WCLS served an estimated population of 137,740 in 2022. WCLS offers more than 560,000 books, audiobooks, DVDs, digital resources and other items. In 2022, WCLS patrons checked out over 2,060,000 items, made more than 460,000 visits to branch libraries, and there were over 33,000 participants in online and in-person programming and events.

In Washington State, five library systems, including WCLS, serve populations between 100,001 and 250,000. In 2021, WCLS ranked 1st among these libraries in total circulation, 1st in collection size per capita, 2nd in annual public service hours, 1st in library visits, 1st in total number of programs offered, and 1st in program attendance. Statewide, WCLS ranked 10th in circulation and 7th in circulation per capita.

WCLS services are available to anyone who lives, works, attends school, or owns property in the WCLS service area, as well as individuals who live in Bellingham and any Washington resident with a public library card. Library materials are available to teachers in public and independent schools, homeschools, preschools, and child care centers in the service area.

WCLS holds reciprocal borrowing agreements with the Fraser Valley Library System, Upper Skagit Library District and La Conner Regional Library District.

Services

WCLS provides services through ten branch libraries, a bookmobile, two express libraries, homebound and jail services, outreach, its website, and in partnership with public and independent school districts across the county.

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. Express libraries offer extended holds pick-up hours seven days a week from 6:00 AM to 11:00 PM.

In addition to branch locations, the WCLS Mobile Services team provides services to those unable to visit a library. Mobile Services staff provided library materials to fourteen health care, retirement, residential treatment, and assisted living facilities, the Whatcom County Jail, and to those who are homebound. In 2022 WCLS introduced the Books-by-Mail program, which has so far provided over 300 items to patrons. The bookmobile serves four communities on a weekly basis. In 2022 the bookmobile also provided services in Sumas while the library there undergoes repairs due to flood damage.

Teen and Children's Services partner with Whatcom County school districts and independent schools to provide annual book talks and programming at elementary, middle, and high schools throughout the county.

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

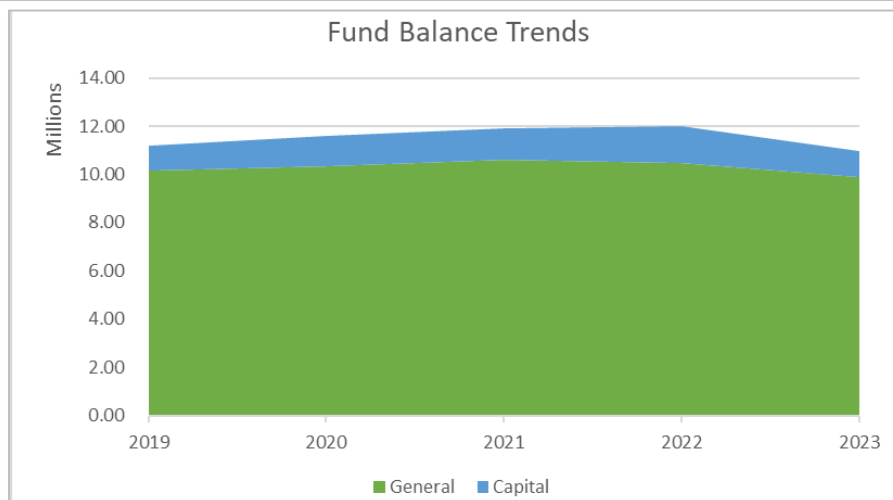
- Books, movies, music, games, and more available for checkout
- No-contact curbside pickup of items, including curated "to-go" bags of books and printing services
- Free internet access on public library computers, personal laptops, and other devices on the Library's WiFi network
- Drive-up WiFi internet service and loaner laptops
- Early learning programs and support for children ages birth-to-5, along with programs for children, teens, and adults
- Job and business development assistance
- Materials and programs in world languages including Punjabi, Russian, and Spanish
- Public meeting rooms
- Private spaces and equipment for online meetings
- Local history collections
- Staff to provide expert support for information access and reading recommendations
- Staff members who speak Punjabi, Russian, and Spanish and staff who are members of Lummi Nation and the Nooksack Tribe

Online, people can access:

- Digital audiobooks, eBooks, and eMagazines
- Online streaming of music, movies, and documentaries
- Online versions of adult and youth programs including prerecorded storytime videos and online book clubs for adults and teens
- Credible, reliable information from online resources including newspaper and magazine articles, consumer information, vehicle repair manuals, encyclopedias, and more
- Online reference and homework help
- Help for writing resumes, career planning, and finding jobs
- A robust website, podcast, and social media accounts to learn more about library services
- Online language learning for over 70 world languages, including Spanish, French, Italian, German, and Japanese, as well as English courses for speakers of 21 world languages

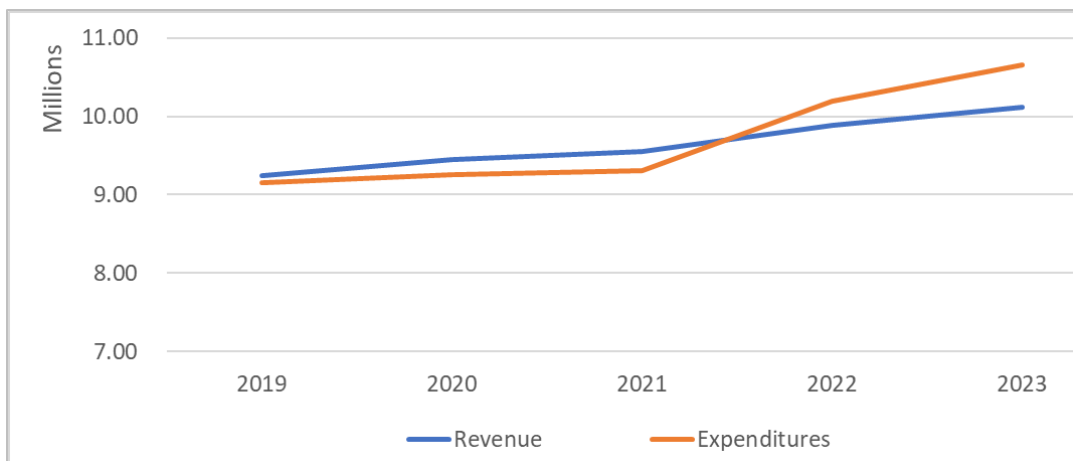
2023 Major Fund Balance Summary

	General Fund	Capital Fund	Total Funds
Beginning Fund Balance	\$ 10,447,485	\$ 1,555,677	\$ 12,003,162
Assigned Beginning Fund Balance - Capital	-	555,677	555,677
Designated Beginning Fund Balance - Cash Flow	3,502,655	-	3,502,655
Designated Beginning Fund Balance - Emergency	884,509	1,000,000	1,884,509
Designated Beginning Fund Balance - Capital Transfer	60,000	-	60,000
Designated Beginning Fund Balance - Unemployment Comp Reserve	14,403	-	14,403
Designated Beginning Fund Balance - Birch Bay Operating Fund Reserve	600,000	-	600,000
Designated Beginning Fund Balance - Facility Ownership & Library Svcs Fund Reserve	3,192,315	-	3,192,315
Designated Beginning Fund Balance - Facility Maintenance Fund	650,000	-	650,000
Designated Beginning Fund Balance - Operating Cost Stabilization Fund	250,000	-	250,000
Designated Beginning Fund Balance - Collection Project Fund	112,000	-	112,000
Total Assigned & Designated Beginning Fund Balance	9,265,882	1,555,677	10,709,559
Unassigned, Undesignated Beginning Fund Balance	1,181,603	-	1,181,603
Total Estimated Beginning Fund Balance	\$ 10,447,485	\$ 1,555,677	\$ 12,003,162
Total Revenues	\$ 10,109,591	\$ 84,000	\$ 10,193,591
Total Expenditures	10,674,106	551,939	11,226,045
Total Revenues Net of Total Expenditures	\$ (564,515)	\$ (467,939)	\$ (1,032,454)
Ending Fund Balance	\$ 9,882,970	\$ 1,087,738	\$ 10,970,709
Assigned Beginning Fund Balance - Capital	-	87,738	87,738
Designated Beginning Fund Balance - Cash Flow	3,502,655	-	3,502,655
Designated Beginning Fund Balance - Emergency	884,509	1,000,000	1,884,509
Designated Beginning Fund Balance - Capital Transfer	60,000	-	60,000
Designated Beginning Fund Balance - Unemployment Comp Reserve	14,403	-	14,403
Designated Beginning Fund Balance - Birch Bay Operating Fund Reserve	600,000	-	600,000
Designated Beginning Fund Balance - Facility Ownership & Library Svcs Fund Reserve	3,192,315	-	3,192,315
Designated Beginning Fund Balance - Facility Maintenance Fund	650,000	-	650,000
Designated Beginning Fund Balance - Operating Cost Stabilization Fund	250,000	-	250,000
Designated Beginning Fund Balance - Collection Project Fund	112,000	-	112,000
Total Assigned & Designated Ending Fund Balance	9,265,882	1,087,738	10,353,620
Unassigned, Undesignated Ending Fund Balance	617,089	-	617,089
Total Estimated Ending Fund Balance	\$ 9,882,970	\$ 1,087,738	\$ 10,970,709



2023 General Fund Budget Summary

Budget Number	Description	2019 Actual	2020 Actual	2021 Actual	2022 Projected	2023 Budgeted	% Change over 2022 Projected
308.0000	Estimated Beginning Fund Balance	\$ 10,043,370	\$ 10,141,772	\$ 10,338,086	\$ 10,583,741	\$ 10,447,485	-1.29%
310.0000	Taxes	\$ 8,632,692	\$ 8,953,253	\$ 9,206,508	\$ 9,419,052	\$ 9,689,349	2.87%
330.0000	Intergovernmental Revenues	265,611	284,562	193,695	268,805	243,042	-9.58%
340.0000	Charges for Goods and Services	37,998	18,979	12,409	16,100	16,100	0.00%
350.0000	Fines and Forfeitures	50,060	3	-	-	-	0.00%
360.0000	Miscellaneous Revenues	253,705	185,195	137,837	175,230	161,100	-8.06%
	Total Operating Revenues	9,240,067	9,441,992	9,550,448	9,879,187	10,109,591	2.33%
390.0000	Total Other Financing Sources	351,163	10,678	3,347	179,642	-	-100.00%
	Total General Fund Revenues	\$ 9,591,230	\$ 9,452,670	\$ 9,553,795	\$ 10,058,829	\$ 10,109,591	0.50%
572.1000	Salaries and Wages	\$ 4,673,721	\$ 4,786,615	\$ 4,897,366	\$ 5,142,185	\$ 5,730,222	11.44%
572.2000	Personnel Benefits	1,837,530	1,961,972	1,715,921	1,891,886	2,082,068	10.05%
	Total Salaries, Wages, & Benefits	6,511,251	6,748,587	6,613,287	7,034,071	7,812,290	11.06%
572.3000	Supplies	1,495,103	1,421,064	1,570,970	1,636,504	1,628,610	-0.48%
572.4000	Services	860,997	775,679	851,259	1,173,929	1,173,206	-0.06%
572.5000	Intergovernmental Services	3,542	2,590	-	-	-	0.00%
	Total Operating Expenditures	8,870,893	8,947,920	9,035,515	9,844,503	10,614,106	7.82%
590.0000	Total Other Financing Uses	285,001	308,436	272,624	350,581	60,000	-82.89%
	Total General Fund Expenditures	\$ 9,155,894	\$ 9,256,356	\$ 9,308,139	\$ 10,195,084	\$ 10,674,106	4.70%
	Total Revenues in Excess (Deficit) of Expenditures	\$ 435,335	\$ 196,314	\$ 245,655	\$ (136,256)	\$ (564,515)	-4.19%
	Use of Reserves	(336,933)	-	-	-	-	0.00%
508.0000	Ending Fund Balance	\$ 10,141,772	\$ 10,338,086	\$ 10,583,742	\$ 10,447,485	\$ 9,882,970	-5.40%



2023 General Fund Revenues

Budget Number	Description	2019 Actual	2020 Actual	2021 Actual	2022 Projected	2023 Budgeted	% Change over 2022 Projected
308.0000	Estimated Beginning Fund Balance	\$ 10,043,370	\$ 10,141,772	\$ 10,338,086	\$ 10,583,741	\$ 10,447,485	-1.29%
311.1000	General Property Taxes	\$ 8,632,691	\$ 8,953,253	\$ 9,206,508	\$ 9,419,052	\$ 9,689,349	2.87%
311.3000	Sale of Tax Title Property	1	-	-	-	-	0.00%
310.0000	Total Taxes	8,632,692	8,953,253	9,206,508	9,419,052	9,689,349	2.87%
333.0000	State Library Grants	6,777	1,000	-	28,598	1,000	-96.50%
333.9700	COVID-19 Non-Grant Assistance	-	7,938	7,809	40,207	42,042	
335.0232	DNR Other Trust Revenue	664	3,000	-	-	-	0.00%
337.0100	Local Grants & Entitlements	235,643	250,532	163,899	175,000	175,000	0.00%
337.0200	Leasehold Excise Tax	22,527	22,093	21,987	25,000	25,000	0.00%
330.0000	Total Intergovernmental Revenues	265,611	284,562	193,695	268,805	243,042	-9.58%
341.8000	Printing and Duplication Services	29,536	6,807	3,409	4,000	4,000	0.00%
347.2000	Library Use Fees	8,462	12,172	9,000	12,100	12,100	0.00%
340.0000	Total Charges for Goods and Services	37,998	18,979	12,409	16,100	16,100	0.00%
359.7000	Library Fines	50,060	3	-	-	-	0.00%
350.0000	Total Fines and Forfeitures	50,060	3	-	-	-	0.00%
361.1100	Investment Interest	187,810	148,618	81,418	90,000	95,000	5.56%
361.1900	Other Interest Earnings	2,987	-	3	-	-	0.00%
362.0000	Rents and Leases	680	150	803	2,000	2,000	0.00%
367.0000	Contributions and Donations	23,183	10,747	21,246	53,000	34,000	-35.85%
369.1000	Sale of Discards	110	80	314	30	100	233.33%
369.8100	Overage/Underage	46	7	(2)	-	-	0.00%
369.9101	Other Miscellaneous	19,531	17,393	22,686	20,000	20,000	0.00%
369.9102	Lost/Damaged Materials	19,021	8,231	11,317	10,000	10,000	0.00%
369.9103	NSF Fee Recoveries	-	(30)	-	-	-	0.00%
369.9112	COBRA Reimbursement	337	-	53	200	-	-100.00%
360.0000	Total Miscellaneous Revenues	253,705	185,195	137,837	175,230	161,100	-8.06%
	Total Operating Revenues	9,240,067	9,441,992	9,550,448	9,879,187	10,109,591	2.33%
395.1000	Proceeds from Sale of Cap. Assets	\$ 14,230	\$ -	\$ -	\$ -	\$ -	0.00%
398.1000	Insurance Recoveries	-	10,678	3,347	179,642	-	-100.00%
397.3000	Transfers-in from Reserves	336,933	-	-	-	-	0.00%
	Total Other Financing Sources	351,163	10,678	3,347	179,642	-	-100.00%
	Total General Fund Revenues	\$ 9,591,230	\$ 9,452,670	\$ 9,553,795	\$ 10,058,829	\$ 10,109,591	0.50%

Taxes: Taxes on real and personal property are the primary revenue source for the library system, making up 96% of operating revenues received.

Amounts presented in this budget are based on preliminary valuations provided to the Library District by the Whatcom County Assessor. Assessed valuations are projected to increase by 22.6% to \$32.6 billion, based on valuations of existing properties within the District. The impact of this, along with the value of new construction and state assessed properties, has been factored in to 2023 budgeted property tax collections. Given this scenario, the District's levy rate is expected to be \$.29737 per \$1,000 of assessed valuation.

Revenue from the sale of tax title property, along with the debiting of property tax refund interest, is not budgeted but recorded in mid-year budget adjustments.

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

The District received reimbursement from the Federal Emergency Management Agency (FEMA) for certain costs associated with the COVID-19 pandemic in 2021 and 2022 and for replacement of items lost in the 2021 flooding event in Sumas. Final payments are expected in 2023.

Additional state or federal grants received in 2023 will be added as mid-year adjustments as needed.

Private harvest timber tax and the leasehold excise tax are also included in this revenue category. 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 prior year amounts.

Historically, revenues from the sale of timber and other products from state forest lands have fluctuated from year to year as market forces, including variations in the housing market, impact the rate of harvest in Whatcom County. Revenues for 2023 have been budgeted to be consistent with prior years. Typically, these funds are earmarked for the WCLS Capital Fund, however, in 2023 they will be used to offset the anticipated operating deficit. A transfer to the Capital Fund may take place later in 2023 if there are sufficient funds available to do so.

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

All WCLS branches provide printers and copiers for public use. The amount budgeted for 2023 reflects a waiver of the fees for this service of up to \$7.00 per patron per week in accordance with Resolution 07/20/21-10.

Library use fee revenues are generated from the sale of library cards to non-residents, and through contracted services with other entities. 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 WCLS branch by obtaining a non-resident card. WCLS currently contracts with the Whatcom County Sheriff's Office to provide library services at the Whatcom County Jail, with fees paid each year for services provided in the previous year.

Miscellaneous Revenues: This source of revenue includes investment interest, rents and leases (meeting room use fees), donations, COBRA reimbursements, charges for lost or damaged library materials, and other miscellaneous revenue.

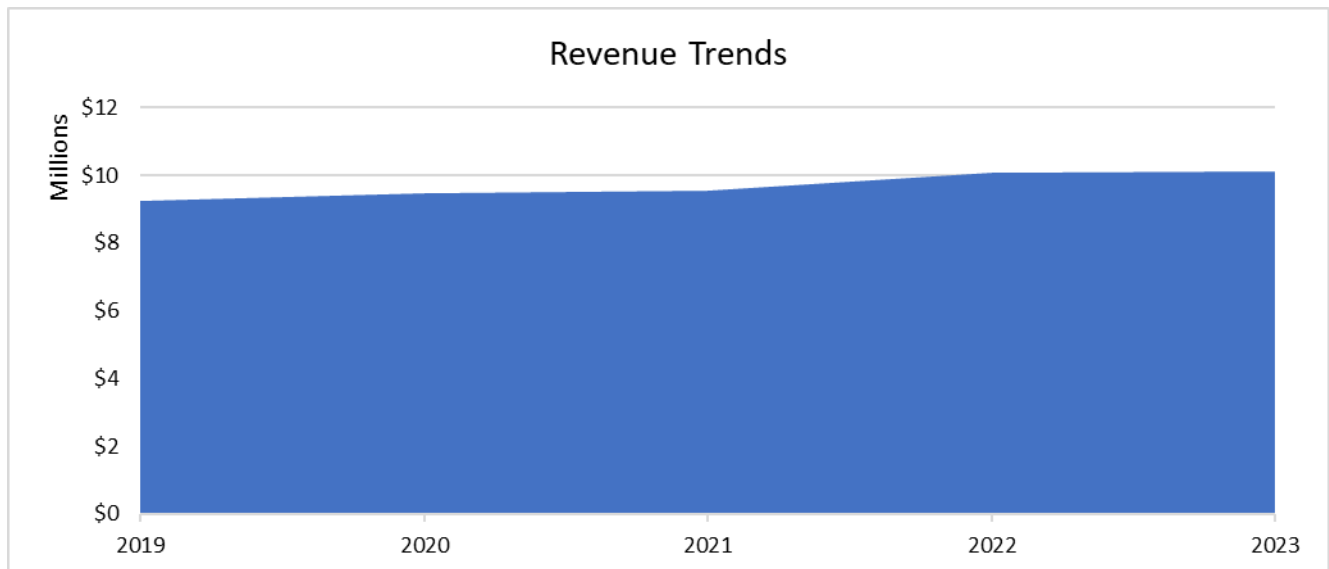
On a monthly basis, WCLS invests any substantial amount of excess cash available after calculating immediate expenditure needs. WCLS participates in the Whatcom County Investment Pool program administered by the Whatcom County Treasurer. The program is a stable investment pool with various taxing district participants. Given the recent rate of return of the investment pool, the amount budgeted for 2023 is \$95,000, a 5.6% increase over projected 2022 interest revenue.

No significant changes are anticipated for revenue from rents and leases, contributions and donations, sales of discards, or payments for lost or damaged library materials.

Other miscellaneous revenues come from reimbursements from Bellingham Public Library for distributing patron notices, and other miscellaneous cash receipts.

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 2023, but the budget will be amended throughout the 2023 fiscal year to reflect actual collections.

Other Financing Sources: This source of revenue includes proceeds from the sale of capital assets and insurance recoveries. No funds are budgeted in this category for 2023. Any payments received will be added as mid-year adjustments.



2023 General Fund Expenditures

Budget Number	Description	2019 Actual	2020 Actual	2021 Actual	2022 Projected	2023 Budgeted	% Change over 2022 Projected
572.1000	Total Salaries and Wages	\$ 4,673,721	\$ 4,786,615	4,897,366	\$ 5,142,185	\$ 5,730,222	11.44%
572.2010	Retirement	533,773	550,095	519,306	504,603	554,978	9.98%
572.2030	Social Security	345,641	354,701	366,738	393,377	432,740	10.01%
572.2045	Health Insurance	908,606	1,006,812	765,699	896,827	989,293	10.31%
572.2055	Disability Insurance	8,185	8,510	9,190	11,720	11,688	-0.27%
572.2059	Industrial Insurance	40,825	39,086	53,729	53,804	65,661	22.04%
572.2069	Paid Family Medical Leave	-	-	-	29,792	12,555	-57.86%
572.2079	Unemployment Compensation	0	2,769	1,259	1,762	14,403	717.43%
572.2099	Qualified Moving	500	-	-	-	750	0.00%
572.2000	Total Personnel Benefits	1,837,530	1,961,972	1,715,921	1,891,886	2,082,068	10.05%
	Total Salaries, Wages, & Benefits	6,511,251	6,748,587	6,613,287	7,034,071	7,812,290	11.06%
572.3031	Office and Operating Supplies	125,670	86,973	108,244	112,142	134,800	20.21%
572.3032	Fuel Consumed	14,820	6,787	15,930	25,383	28,900	13.86%
572.3034	Collection Materials	1,181,662	1,107,168	1,227,829	1,300,000	1,250,000	-3.85%
572.3035	Small Tools and Minor Equipment	172,951	220,135	218,966	198,979	214,910	8.01%
572.3000	Total Supplies	1,495,103	1,421,064	1,570,970	1,636,504	1,628,610	-0.48%
572.4041	Professional Services	369,105	306,620	339,887	544,778	482,827	-11.37%
572.4042	Communication	106,380	121,614	131,781	141,256	133,118	-5.76%
572.4043	Travel	38,940	13,712	6,387	27,975	32,600	16.53%
572.4044	Taxes and Operating Assessments	2,498	644	294	400	500	25.00%
572.4045	Operating Rentals and Leases	21,252	17,854	21,751	22,698	22,168	-2.34%
572.4046	Insurance	51,914	58,436	64,194	63,232	96,982	53.37%
572.4047	Utility Services	118,706	107,878	130,801	139,615	153,176	9.71%
572.4048	Repairs and Maintenance	79,258	78,838	69,872	144,100	149,780	3.94%
572.4049	Miscellaneous	72,942	70,083	86,291	89,875	102,055	13.55%
572.4000	Total Services	860,997	775,679	851,259	1,173,929	1,173,206	-0.06%
572.5051	Intergovernmental Professional Services	3,542	2,590	-	-	-	0.00%
572.5000	Total Intergovernmental Services	3,542	2,590	-	-	-	0.00%
	Total Operating Expenditures	8,870,893	8,947,920	9,035,515	9,844,503	10,614,106	7.82%
596.7100	Transfers-Out to Capital	285,001	308,436	272,624	350,581	60,000	
580-590.000	Total Other Financing Uses	285,001	308,436	272,624	350,581	60,000	-82.89%
	Total General Fund Expenditures	\$ 9,155,894	\$ 9,256,356	9,308,139	\$ 10,195,084	\$ 10,674,106	4.70%
	Revenues in Excess (Deficit) of Expenditures	\$ 435,335	\$ 196,314	245,655	\$ (136,256)	\$ (564,515)	
	Use of Reserves	(336,933)	-	-	-	-	
508.0000	Ending Fund Balance	\$ 10,141,772	\$ 10,338,086	10,583,742	\$ 10,447,485	\$ 9,882,970	-5.40%

Salaries and Benefits: WCLS carefully monitors staffing levels, allocating staff to maintain appropriate service needs while balancing current and future budgetary constraints. This budget includes two new positions in 2023: a Facilities Department Head and a Public Services Assistant Cultural Liaison who will work with Punjabi patrons at the Blaine and Lynden Libraries.

A Cost of Living Adjustment (COLA) of 8.6% has been included in staff salaries and wages based on the results of Interest-Based Bargaining union negotiations. This increase is intended to keep WCLS wages in step with state minimum wage requirements and increased inflation.

Benefit costs include employer contributions for employees enrolled in the State of Washington Public Employee Retirement System (PERS), contributions into the Social Security and Medicare systems, medical and dental insurance premiums and Health Savings Account contributions, workers' compensation (Labor and Industries), Paid Family and Medical Leave, long-term disability insurance, and unemployment compensation.

Retirement contributions are based on rates set by the State of Washington Department of Retirement Systems. The current employer contribution rate is 10.39% of gross wages and will decrease to 10.21% in July 2023.

The employer contribution for Social Security and Medicare is 7.65% of gross wages and salaries. This rate is set by the Social Security Administration and is not projected to increase in 2023.

Medical and dental insurance premium costs are covered at 100% for eligible employees. Costs for dependents are shared by the employer and employees. WCLS participates in the Washington State Public Employees Benefits Board (PEBB), which offers multiple medical plan options including QHDHP (Qualified High Deductible Health Plan) combined with a Health Savings Account and PPO (Preferred Provider Organization) plans. PEBB premiums will increase between 2.6% and 12% in 2023. Dental and long-term disability coverage is provided by a private carrier. Dental rates will increase by 3% while rates are flat for long-term disability.

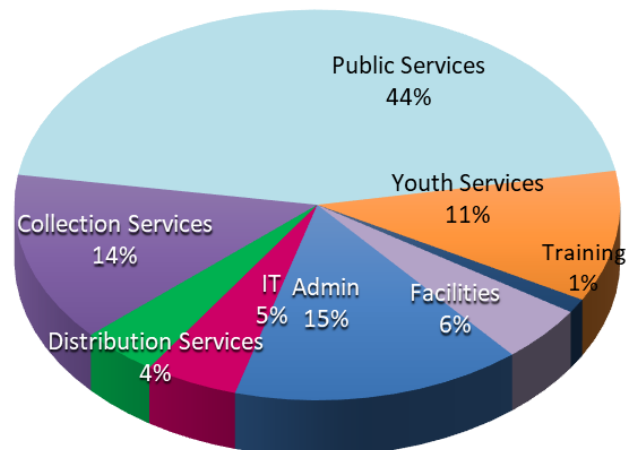
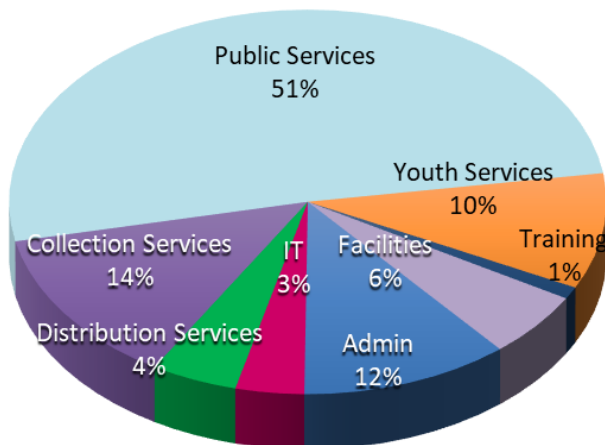
Based on preliminary 2023 rate information, prior year data, and WCLS' experience factor, an increase of 10% is budgeted for workers' compensation rates. These rates are set by the Department of Labor and Industries.

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

Paid Family and Medical Leave is a state-mandated paid leave program that began in 2019. Leave is available to qualifying employees and premium costs are shared by the employer and employees. Rates are set by the Washington State Employment Services Division (ESD). Due to an ESD payment processing issue, WCLS has yet to pay premiums for this program; the 2022 amount reflects premium payments that have been collected and held as a payroll liability since 2019.

Personnel Budget By Department

FTE By Department



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. Expenses in this category are expected to increase 20.2% over 2022. The increase is due to items that were to be purchased in 2022 but have been postponed to 2023, and an increase in the cost of printer toner.

Fuel: This is diesel and gasoline for WCLS' Bookmobile and other fleet vehicles. The amount budgeted for 2023 has increased by 13.9% from 2022 due to anticipated usage and rising fuel costs.

Collection Materials: The collection materials budget provides for the books, magazines, audiobooks, music CDs, DVDs, and other materials that comprise the heart of the library's traditional lending collection. 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 of 13% of operating expenditures for collection spending; this is made up of collection materials as well as the cost of services needed to maintain the collection, such as the integrated library system (ILS) and various cataloging, interlibrary loan, data maintenance, and processing costs.

Small Tools and Minor Equipment: This category includes furnishings, computers, computer hardware, software, printers, delivery totes, shelving, book returns, and book carts. The 2023 budget includes an 8% increase over 2022.

Professional Services: The amount budgeted in this category includes costs for legal services, payroll services, the collection services described above, advertising, consultant services, and participation in an Employee Assistance Program (EAP) program. This category also includes costs for adult and youth programming at our libraries or online. Professional services costs are expected to decrease by 11.4% in 2023.

This category also includes payments to local fire districts for emergency and fire protection services at WCLS owned properties. According to Washington State statute, this payment to local fire districts is in lieu of property taxes because as a government entity, WCLS does not pay property taxes on the property it owns.

Communications: This category includes postage, UPS, FedEx, and other courier services, local and long-distance voice service, fiber optic circuits which link Administrative 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. Expenses in this category are budgeted to decrease by 5.8% in 2023.

Travel: This includes reimbursement to employees and Trustees for use of personal automobiles on WCLS business, and travel expenses associated with attendance at continuing education events, conferences, and seminars. The WCLS mileage reimbursement rate mirrors the national IRS reimbursement rate, currently set at \$0.585 per mile. Costs in 2023 are expected to increase by 16.5% as out of town training and conference opportunities resume after the pandemic.

Taxes and Operating Assessments: This category includes the sales taxes paid on printing and duplication services provided to patrons. Budgeted amounts are consistent with prior years.

Rentals: This category includes costs for leasing a postage meter and copiers, and post office box rentals. This category also includes rental costs associated with usage of the Sudden Valley Adult Center for the South Whatcom branch. Budgeted amounts are consistent with prior years.

Insurance: This includes insurance for WCLS’ real and personal property, flood insurance, vehicle insurance, errors and omissions coverage, employment practices, cyber security, and an umbrella liability plan. 2023 premiums are budgeted to increase by 53.4% due to increased premiums and the addition of flood coverage at additional locations.

Utilities: This category includes costs for electricity, natural gas, water, sewer, and refuse collection for all WCLS locations. A 9.7% increase is included to reflect anticipated rate increases.

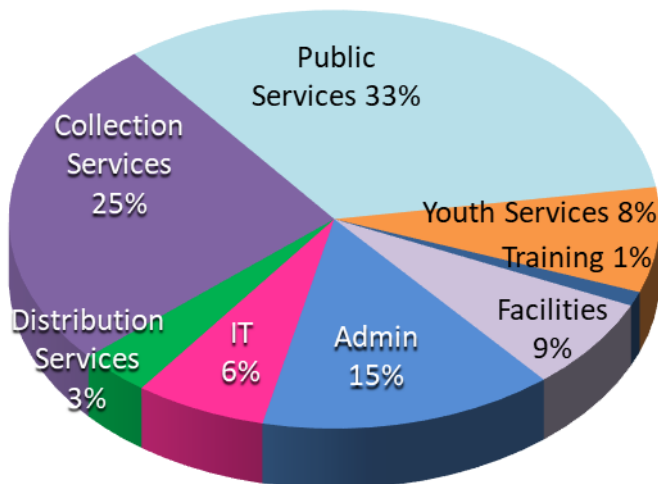
Repair & Maintenance: This category includes costs for office and telecommunications equipment maintenance, software maintenance, and on-going facilities maintenance. It also includes a contingency for unanticipated vehicle and facility repairs. The 2023 budget includes an increase of 3.9% over 2022 spending.

Miscellaneous: This includes trustee and staff WCLS memberships in the Washington Library Association (WLA) and other professional organizations; refunds to patrons who have paid for lost items and later found and returned them; training registrations, printing services, and other and miscellaneous fees. An increase of 13.6% is budgeted over 2022 spending.

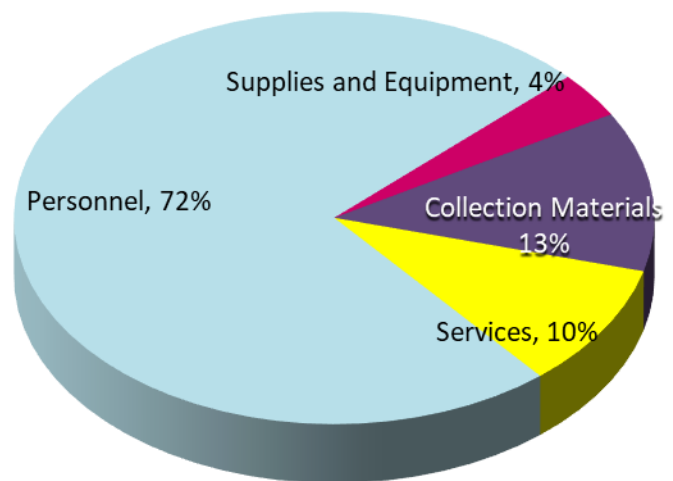
Other Financing Uses: A transfer of \$60,000 to the Capital Fund is planned for 2023. This represents a portion of funds received from insurance, FEMA and other private donations for replacement of items lost in the 2021 flood event in Sumas.

In prior years, WCLS has transferred to the Capital fund an amount that is equal to the previous year’s revenue received from certain intergovernmental sources such as those resulting from the sale of timber and other products from state forest lands. In 2023, these revenues will be held in the General Fund to offset an anticipated budget deficit. An assessment will be made at the end of 2023 to determine if a portion of excess revenues at the end of 2023 will be transferred to the Capital Fund.

Budget By Department



Budget By Category



Schedules of Fines and Fees

Administrative Procedure 4.01.04 Schedule of Fines and Fees

Policy Authority: 4.01 Borrower's Policy

1. Nonresident card fees:	
a. Family Fee	\$52.00 (up to 8 cards)
b. Adult Fee (18-65)	\$40.00
c. Child Fee (under 18)	\$20.00
d. Senior (65 and older)/Disabled Fee	\$20.00
2. If library materials are returned late:	
No overdue fines; items that are more than 28 days overdue will be considered lost. Damaged and lost fees may apply.	
3. If the account is submitted to collection agency:	\$10.00
4. Lost items or missing parts:	
Lost items will be charged to the patron's account based on their replacement value.	

Adopted by the Whatcom County Library System Board of Trustees May 18, 2010.

Revised: August 17, 2021, January 21, 2020, September 17, 2019; August 15, 2017; December 20, 2016; March 15, 2016; November 27, 2012; December 13, 2011; December 17, 2010.

7.03 Meeting Room and Facilities Use Policy Attachment A Schedule of Fees

Base Rental Fees (Rate covers 2 hours of use)			
Meeting Room	Capacity	Schedule A	Schedule B
Blaine Library Multi-Use Space	45	No Fee	\$30
Deming Library Meeting Room	58	No Fee	\$30
Ferndale Library Meeting Room	80	No Fee	\$30
Ferndale Library Conference Room	10	No Fee	\$25
Ferndale Library Study Room	3	No Fee	\$15
Lynden Library Meeting Room	80	No Fee	\$30
Lynden Library Conference Room	10	No Fee	\$25
Lynden Library Study Room	3	No Fee	\$15
North Fork Library Outdoor Side Lot	40' x 40'	No Fee	\$15
Point Roberts Library Meeting Room	30	No Fee	\$30
Additional Fees			
<p>The following is charged in addition to the base rental fee:</p> <ol style="list-style-type: none"> 1. Additional time incurs additional fees charged in two hour blocks. 2. Before/Afterhours use fee will be assessed by WCLS, the building owner, or Friends of the Library group on a case-by-case basis. Staff time is assessed at \$20 per hour and subject to availability. 3. If special cleaning or repair is required as a result of use by a person or group, WCLS may charge the contact person an amount equal to the cost incurred by WCLS to return the meeting room to its previous condition. 			

Adopted by the Whatcom County Library System Board of Trustees May 17, 2016

Revised: July 20, 2021, August 17, 2018, March 28, 2017



Whatcom County Library System Five-Year Capital Improvement Plan 2023-2027

Whatcom County Library System's (WCLS) Capital Budgeting Policy requires that the District update its Five-Year Capital Improvement Plan annually. The purpose of this plan is to forecast and facilitate adequate capital spending levels, and to help ensure WCLS's future financial health and the continued delivery of services as WCLS continues to grow and change.

The Capital Improvement Plan outlines revenues and expenditures for current and new capital projects necessary to support WCLS operations and meet the service demands of the residents of Whatcom County. As most library buildings that WCLS operates are owned by the cities and communities that WCLS serves, WCLS works with building owners to maintain, improve and expand facilities to meet community needs.

In 2021 WCLS conducted a system-wide Facilities Assessment that focused on structural and mechanical integrity, current conditions and future needs of the buildings housing WCLS libraries and its Administrative Services center. Recommendations from this assessment are included in the Capital Plan and the assessment will be referred to each year for planning purposes.

The WCLS Capital Fund is currently funded through interest earnings on its fund balance and transfers in from the WCLS General Fund. WCLS transfers shared revenues distributed by the Washington State Department of Natural Resources and others to the WCLS Capital Fund on an annual basis to fund capital expenditures, however, in 2023 these funds will be retained in the General Fund to offset an expected operating deficit. Funds may be transferred to the Capital Fund, if available, at the end of the fiscal year.

Although not specifically mentioned below, capital purchases in 2023 may also include items or projects identified and approved for 2022 but carried forward into 2023. When this is the case, the 2023 budget will be amended to reflect the revised spending amounts.

Project Descriptions

Building and Furnishings Enhancement and Replacement Program

Projects in this category are intended to further WCLS's efforts to replace aging furnishings and make improvements in its branch libraries. With these projects WCLS hopes to create welcoming public areas that improve patrons' experiences while also increasing staff efficiency and safety through the creation of well-designed, ergonomic workspaces. Several projects that were planned for 2020-2022 have been delayed due to the pandemic and nation-wide supply chain challenges; these costs are forward to 2023. Funds are also set aside in this category for fixtures, furnishings, and equipment for the new library project in Birch Bay

2023

- Complete updates at the Sumas Library, including replacing shelving, furnishings, and other items damaged by 2021 flooding
- Complete a project to update the circulation and staff work areas at the North Fork Library
- Update the staff work area at the Island Library
- Complete updates in teen areas at the Blaine, Deming, Lynden, North Fork, and South Whatcom Libraries

2024

- Miscellaneous catalog station and shelving updates at Blaine
- Address ADA access issues at all locations, as identified in the Facilities Assessment
- Reconfigure the circulation, Local History, teen, and staff work areas at Deming, including carpet updates.

2025 – 2027

- Funds are set aside for projects not yet identified.

Building Repair and Maintenance Program

This category includes major improvement, repair and maintenance projects at WCLS facilities. Funds are also budgeted update aging or outdated exterior signage at branch libraries. Additional projects may be added.

2023

- Install a backup generator at Administrative Services to ensure continued services during a power outage
- LED lighting retrofit at the Deming Library

2024

- Reseal and restripe parking lot at Administrative Services; address slope issues related to ADA parking.
- Replace flooring in staff area at Lynden.

2025

- Reseal and restripe parking lot at North Fork.

2026

- Replace roof at Administrative Services.

2027

- Repair exterior steel canopies at Administrative Services.
- Replace exterior wooden fencing and make repairs to patio at Administrative Services.

Equipment Replacement Program

WCLS budgets to replace aging equipment, particularly vehicles, on a regular basis. The vehicle replacement schedule is as follows:

2023

- Dodge Grand Caravan or similar style mini-van (originally scheduled to be replaced in 2020 but postponed due to reduced usage during COVID).

2024

- Toyota Prius or similar style hybrid passenger car
- Nissan NV or similar style work van

2025-2026

- No replacements scheduled

2027:

- Dodge Grand Caravan or similar style mini-van

Access Improvement Program

Projects in this category include those that improve and enhance access to WCLS services, facilities and programs.

In 2017 WCLS began installation of book returns on local school campuses to make it easier for young people to return WCLS materials, and, by extension, make it easier for them to use WCLS services. The book returns will also serve as community reminders of WCLS services. This project will continue into 2023 and future years as WCLS develops additional partnerships with local schools.

With the success of the library express model at Administrative Services and Point Roberts, WCLS is investigating additional holds pickup options. A library express is included in the Sumas Library reopening plans; this project began in 2022 and will continue into 2023.

Land Purchases, New Branches, Branch Upgrades

This category includes costs related to new library buildings, including real estate purchases, architectural design, and construction costs. Revenue and expenses related to the new library project in Birch Bay will be added through mid-year adjustments as more information is made available about funding options.

2023-2027 Capital Improvement Plan and Budget

Project		2022 Projected	2023	2024	2025	2026	2027	Est. Plan Total
Building and Furnishings Enhancement and Replacement Program								
Facilities	Everson Renovation	\$ 53,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities	Sumas Refurbish & Reopen	50,000	122,108	-	-	-	-	122,108
Facilities	Birch Bay New Branch Furnishings	-	150,000	-	-	-	-	150,000
Facilities	Branch Renovations/Upgrades	25,000	67,000	120,000	75,000	75,000	75,000	412,000
Sub-Total Building and Furnishings Enhancement and Replacement Program		128,004	339,108	120,000	75,000	75,000	75,000	684,108
Building Repair and Maintenance Program								
Facilities	Admin Services Maintenance & Improvements	-	20,000	95,000	-	300,000	40,000	455,000
Facilities	Branch Lighting Retrofit Upgrades	4,050	85,000	-	-	-	-	85,000
Facilities	Branch building Updates	89	-	15,000	45,000	-	-	60,000
Admin	Exterior Signage Updates	15,069	25,000	-	-	-	-	25,000
Sub-Total Building Repair and Maintenance Program		19,208	130,000	110,000	45,000	300,000	40,000	625,000
Equipment Replacement Program								
Admin	Vehicle Replacement	-	30,000	80,000	-	-	35,000	145,000
Sub-Total Equipment Replacement Program		-	30,000	80,000	-	-	35,000	145,000
Access Improvement Program								
Youth Svcs	School Book Returns	-	23,000	-	-	-	-	23,000
Public Svcs	Library Express	25,000	29,831	-	-	-	-	29,831
Subtotal Access Improvement Programs		26,182	52,831	-	-	-	-	52,831
Land Purchase/New Branch/Branch Upgrades								
Public Svcs	Birch Bay Library Design	15,379	-	-	-	-	-	-
Sub-total Land Purchase/New Branch/Branch Upgrades		15,379	-	-	-	-	-	-
Total Expenditures		\$ 188,772	\$ 551,939	\$ 310,000	\$ 120,000	\$ 375,000	\$ 150,000	\$ 1,506,939

Funding Summary:		2022 Projected	2023	2024	2025	2026	2027	Est. Plan Total
	Investment Interest	\$ 13,250	\$ 14,000	\$ 14,000	\$ 16,000	\$ 18,000	\$ 18,000	\$ 80,000
	Grants/Reimbursements	60,633	10,000	10,000	10,000	-	-	30,000
	Transfers-In From General Fund and Reserves	350,581	60,000	200,000	210,000	215,000	220,000	905,000
	Prior Period Ending Fund Balance	1,319,986	1,555,677	1,087,738	1,001,738	1,117,738	975,738	
	Total Funding	\$ 1,744,449	\$ 1,639,677	\$ 1,311,738	\$ 1,237,738	\$ 1,350,738	\$ 1,213,738	
Fund Balance:		2022 Projected	2023	2024	2025	2026	2027	
	Assigned Beginning Fund Balance	\$ 319,986	\$ 555,677	\$ 87,738	\$ 1,738	\$ 117,738	\$ (24,262)	
	Committed Beginning Fund Balance - Emergency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
	Total Beginning Fund Balance	\$ 1,319,986	\$ 1,555,677	\$ 1,087,738	\$ 1,001,738	\$ 1,117,738	\$ 975,738	
	Revenues	73,883	24,000	24,000	26,000	18,000	18,000	
	Transfers-In	350,581	60,000	200,000	210,000	215,000	220,000	
	Expenditures	188,772	551,939	310,000	120,000	375,000	150,000	
	Net Income	235,692	(467,939)	(86,000)	116,000	(142,000)	88,000	
	Ending Fund Balance	\$ 1,555,677	\$ 1,087,738	\$ 1,001,738	\$ 1,117,738	\$ 975,738	\$ 1,063,738	

Note: Projected revenues and expenditures represent current estimates. The priority, timing and available funding for budgeted projects are subject to change based on the changing needs of WCLS, its staff and the patrons and communities that it serves.