



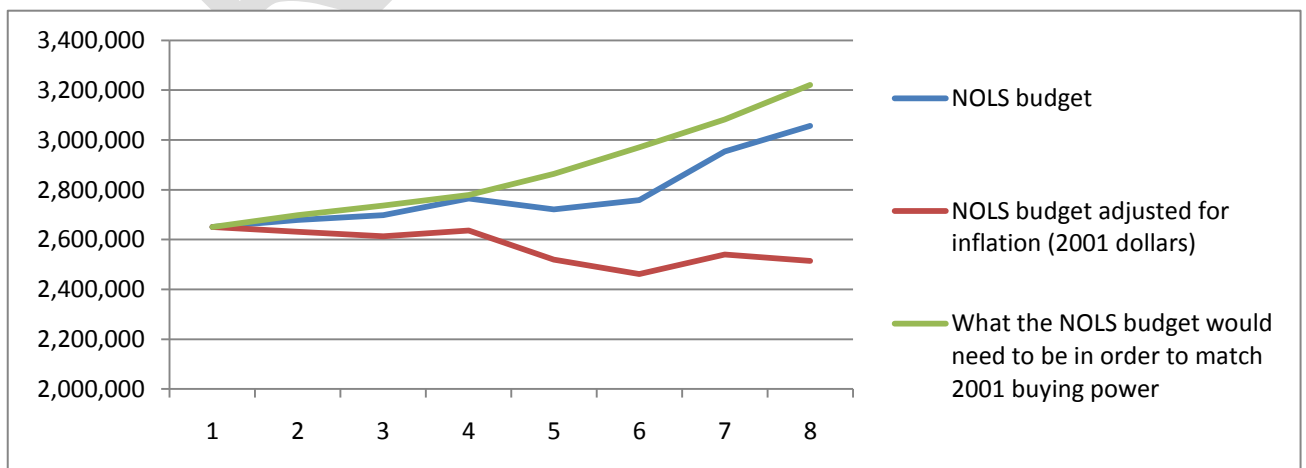
Executive summary

The North Olympic Library System, a junior taxing district providing public library services to Clallam County, Washington, is facing a structural budget imbalance, wherein expenditures to maintain existing services will exceed revenues in 2010. The majority of library funding comes from the property tax. The Library Board of Trustees has developed a business plan that addresses deteriorating building and technology infrastructure needs and expands operating hours, services and programs to address service deficiencies and meet community demands. This plan is funded by an increase in the property tax levy, from 31c to 50c per \$1,000 in assessed value. This increase must be approved through a general vote of the public, currently slated for November 2010. If approved, additional revenues would begin flowing to the Library in 2011, and the plan, including enhanced services, would be implemented in 2012. The last time the library district asked voters to increase its tax levy was in 1978. The voters approved this request, raising the levy from 41c per \$1,000 of assessed valuation to 50c.

Why does the Library need more money

In 2010 the Library will face a structural budget imbalance because annual expenditures will exceed annual revenues. Washington law limits junior taxing districts, including public library districts like NOLS, to increase their operating budgets by no more than 1% per year without a vote of the people. However, the cost of running the Library has been going up by more than 1% per year, and the Library's existing operating budget cannot stretch to adequately maintain the Library's infrastructure, including buildings, grounds, vehicles, technology and equipment.

Library spending power is eroding. The following chart adjusts the Library's budget from 2001 through 2008 for inflation, and it illustrates the fact that while the budget has increased, the Library's spending power has declined.



The Library Board must take action to address this imbalance. They can either ask the voters to approve an increase in the Library's property tax levy, as the law allows, or they can implement cuts in operating expenditures to bring expenditures in line with revenues. Cutting the budget will result in eliminating staff positions and reduced hours of operation.

In studying the status of library services in light of community interests and needs, the Board determined that the Library must make a number of upgrades. The Library's buildings and technology resources are aging and need to be updated. Hours of operation are not convenient to many community members. There are not enough new books, DVDs and other materials being added to the collection. People want more programs and activities for children and families.

Steps taken to date. Since the state law changed in 2001, essentially decreasing the inflation factor that the Library is allowed to calculate each year, NOLS has taken a number of steps to reduce costs. In the period of about 3 years, several vacant positions were left unfilled and hours of operation were reduced at all libraries except Sequim, where the schedule remained the same. The budget for books and other library materials has been reduced by 17%, from a high of \$402,000 in 2002 to \$333,000 in 2009. Funding to maintain the Library's sophisticated technology infrastructure has not been enough to keep hardware and software current, meaning computers, servers, routers, monitors, programs and other elements have not been upgraded in a timely manner. Funding for staff training and development has not kept pace with inflation. Staff have not been given the ongoing training needed to stay current with library and office technology, customer service, project planning and management, and other areas. Many major infrastructure maintenance projects were put on indefinite hold, allowing nearly 100% of income to be channeled into daily operations, but resulting in the deterioration of NOLS buildings, grounds, vehicles and equipment.

Recognizing the un dependable status of timber revenues, which have historically been used to balance the operating budget, the Library Board of Trustees is shifting these funds away from operations and into the capital improvement budget instead. Highly volatile, timber revenues have been as high as \$1,000,000 in the 1990's and as low as \$130,000 in 2006. As they are projected to barely reach \$80,000 in 2009, the Board has agreed that this is the time to eliminate the Library's dependence on these funds for operations and instead direct them toward capital outlay needs.

The Library Board of Trustees has developed a business plan that will address the structural budget imbalance, fund maintenance and upgrades to the Library's aging infrastructure, and expand services and programs to meet community needs. The plan is called *NOLS 2012* because the funding to implement it will be in place in 2012. The plan calls for a county-wide "levy lid lift" election on November 2, 2010. The increased property tax revenues would begin flowing to the Library System in 2011, resulting in expanded services and programs in 2012.

The cost of doing nothing. If the property tax levy is not increased, the Library Board will have no choice but to cut staff positions and services. A total of 72% of the Library's budget consists of personnel costs, and cutting costs in other areas will not result in enough savings to balance the budget. In order to bring expenditures into line with revenues, staff positions will need to be eliminated through lay-offs and attrition. Reduced staffing over the next few years will mean at least 7 eliminated positions, curtailed hours of service in all four library locations, fewer

books and other materials per year, fewer programs for adults, families and children, deteriorating technology, and deteriorating buildings and infrastructure that will be all the more costly to repair. As buildings, equipment and vehicles continue to deteriorate, NOLS will have to make severe service reductions. For example, NOLS needs safe vehicles to transfer and transport materials and equipment between branches. Positions, the materials budget or other budget areas may need to be reduced in order to fund the purchase of new vehicles. A building roof will need to be replaced, possibly at the expense of one or more staff positions assigned to that building. In extreme cases, buildings that become unsafe due to deferred maintenance would eventually need to be shuttered.

About the North Olympic Library System

The North Olympic Library System is a special taxing district serving all of Clallam County, Washington. NOLS is primarily funded through property taxes, with a 2008 levy rate of 31c per \$1,000 in assessed property valuation. The last time the library district asked voters to increase its tax levy was in 1978. The voters approved this request, raising the levy from 41c per \$1,000 of assessed valuation to 50c. Currently, a total of 84.9% of the district's funding comes from the property tax. Revenue is also received from timber and forest products harvested on public and private lands, as well as from fines, fees and miscellaneous charges. The Library is governed by a 5-member administrative Board of Trustees. Trustees are appointed at large by the Clallam County Commissioners for five-year terms. The system consists of the main Library in Port Angeles and branches in Clallam Bay, Forks and Sequim, as well as outreach services for people who cannot travel to the Library and an array of web-based services. The Library offers a collection of more than 260,000 books, DVDs, CDs and other materials, as well as reference assistance, children's programs and much more.

About Clallam County

As of the US Census Bureau's *Clallam County Community Survey of 2008*, there are 71,021 people in 29,587 households in Clallam County. The average household size is 2.3 people, and the average family size is 2.75 people. A total of 7,550 households include at least one person under the age of 18, and 10,848 households include at least one person age 65 and over. The median age is 45.3 years. Nineteen percent of the population is under 18 years and 23% is 65 years and over.

In Clallam County 14,481 people age 3 years and older are enrolled in school. Of that total 6,404 are in kindergarten and elementary school, and 3,881 are in high school. In Clallam County 90.8% of the population has at least a high school diploma. A total of 4.8% of people in the County identify themselves as Hispanic or Latino.

The median income for a family in Clallam County is \$53,740, and the per capita income is \$23,795. Thirty two percent of households receive retirement income other than Social Security, and forty percent of households receive Social Security income. Fourteen percent of people in Clallam County are living in poverty. Twenty one percent of related children under 18 live below the poverty level, compared with six percent of people 65 years old and over. Nine percent of all families and 38% of families with a female head of household and no husband present have incomes below the poverty level. Note: the US Department of Health and

Human Services 2008 federal poverty guidelines are \$10,400 for an individual and \$21,200 for a family of four.

The median monthly housing costs for mortgaged homeowners is \$1,232, nonmortgaged owners \$386, and renters \$752. The leading industries in the County are education, health care, social assistance and retail. [Source: US Census Bureau]

Key elements of the NOLS 2012 plan

Meeting community needs. This plan responds directly to the two most frequently requested library service enhancements: it increases the hours of operation at each of the four libraries in the North Olympic Library System, and it puts more books, DVDs and other materials on the shelves and in the hands of library users.

Library Board members and staff regularly hear from community members that the hours of the library are not convenient and it is hard to remember when the Library is open. People say they don't use the Library for these reasons. A survey of Sequim-Dungeness Valley residents was conducted in 2005, while NOLS was researching the feasibility of expanding the Sequim Branch Library, and inconvenient hours of operation was a top complaint. A series of town hall meetings was held in Sequim in 2006/07, also regarding expansion plans for the Sequim Branch, and many people asked why NOLS would build a bigger facility that would continue to be open for limited hours. When the Library Director speaks to community groups, there is always at least one question or comment about the inconvenient library schedule. Library customers regularly tell staff that the hours at their library are not convenient to their family's daily schedules. This plan establishes regular and consistent operating schedules that are responsive to local needs at each of the four NOLS libraries.

The plan increases the budget for new books and other materials by more than 14% immediately, and more than doubles it by 2017.

While wireless Internet access, public computers, downloadable books, a robust website and other technology features are important, for the majority of people in our communities, an excellent library means more books and other materials in the collection. The request for "more books" is second only to requests for more convenient hours of operation. This plan increases the Library's budget for new books and other materials by more than 14% immediately (2012) and more than doubles the budget for books and library materials by 2017.

Lifting the Library's levy lid. This plan will be financed by asking voters in Clallam County to increase the Library's property tax levy rate from the current 31c per \$1,000 of assessed value to 50c per \$1,000, the maximum rate allowed by Washington state law. In 1978 the Library's levy rate was 42c per \$1,000. As the assessed value of property in Clallam County has increased, the rate has fallen in order to maintain the state mandated budget formula that up until 2001 allowed budget increases of up to 6% per year, and since 2001 have been up to 1% per year. The Board is targeting the general election in November 2010 for this measure. A simple majority is required to approve this measure. Since the boundaries of the Library service district are contiguous with Clallam County, all registered voters in the County would be eligible to vote in this election.

Cost to the taxpayer. In 2009 the North Olympic Library system levied 31.188 cents for every \$1,000 of assessed property value. For a \$200,000 house, this is equivalent to \$63.36 per year or \$5.28 per month. The NOLS 2012 plan calls for a levy rate of 50c per \$1,000 of assessed property value in 2011. For a house worth \$200,000 this equals \$100 per year or \$8.33 per month, an increase of \$37.64 per year or \$3.14 per month. This plan is designed to be sustainable, meaning the Library will not ask the taxpayers for another increase for operations for at least 10 years.

Banked capacity. Since 1986 local taxing districts have had the ability to “bank” any unused taxing authority that they accumulated by taking less than the maximum levy allowed by law in some years and using the balance of the levy in a subsequent year. This provision is intended to encourage districts to levy only what they needed rather than the maximum allowable. The Library Board has studied this option for the **NOLS 2012** plan and has determined that at this stage of the planning process, it is better for NOLS to not utilize the option for banked capacity. Instead, the **NOLS 2012** plan is based on levying to the allowable limit, and at the same time reserving excess funds in the early years so those funds can be used to cover operating costs in the later years, when inflation and rising costs are likely to resume eroding the Library’s funding foundation. By structuring the district’s revenues and expenditures in this way, there are no spikes in tax levies for taxpayers to cope with, and the Library will be able to maintain services and programs for at least ten years without needing to ask the voters for more funding to support those service levels. Projecting expenditures at this time, for 2010-2020 based on not using banked capacity, does not preclude future Boards from determining that library services would benefit from implementing the banked capacity option.

A sustainable service model. **NOLS 2012** provides funding that can support library infrastructure and services for at least ten years, meaning voters would not be asked to approve another levy increase before 2021. A healthy library budget is good for the local economy, because the Library provides lifelong learning opportunities for all residents of Clallam County. The Library employs 50 people throughout the County, and it provides a variety of positions including entry level, management and professional positions. Full implementation of the **NOLS 2012** plan would create 15 new jobs, including jobs in the areas of facilities maintenance and Information Technology.

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Going green at the Library. The plan makes the library greener by providing for energy-efficiency measures such as more recycling options, replacing existing vehicles with hybrid or CHG vehicles, and implementing green building improvements such as new windows or more insulation as part of renovation and improvement projects. Staff will be able to expand web-based library services, thereby allowing library users to do more online and reduce automobile trips. The Library will be able to develop video and/or web-based training modules, meaning less inter-branch travel for staff.

Adding legs to the Library funding stool. The Library Board of Trustees realizes that public funding is not the sole answer to proper funding of library services. The **NOLS 2012** plan includes a requirement to establish a county-wide Library Foundation, to seek major gifts and bequests, to

solicit grants, and fund an endowment that will augment public funding. The Board has set a goal of having the Foundation in place by 2011.

The Library receives revenues from timber and forest products harvested on public and private lands, and this funding is being directed away from ongoing operations and toward infrastructure maintenance and special needs.

Lastly, the Library benefits greatly from gifts and donations and support from the four Friends of the Library groups, and the **NOLS 2012** plan calls for increased cooperation between NOLS and its Friends groups.

Responsible stewardship of the Library's infrastructure. NOLS owns, operates and maintains seven buildings across the county, including the library buildings (almost 50,000 sq ft), commercial rental property, a storage/shop facility, and a building used by the Friends of Sequim Library. The Library also operates a van and a car used by the Outreach program, inter-branch deliveries, facilities maintenance and IT needs.

The Library's infrastructure has not been adequately maintained in recent decades. Revenues have fallen short of covering facilities and technology maintenance as well as ongoing system operations, and proper stewardship of the district's infrastructure has suffered. One bright spot is the fact that the Library has allocated \$1,075,000 to date in a special fund for the maintenance of the Port Angeles Main Library. This was required as part of an agreement with the City of Port Angeles made when the current facility was under construction in 1997. These funds will be critical to addressing the needs of this 12-year-old building in which systems and finishes are beginning to seriously wear. Necessary upgrades such as painting the exterior in 2013 (\$375,000), replacing the roof in 2015 (\$180,000), replacing the carpet (\$200,000) in 2016, and replacing the HVAC system in 2017 (\$240,000) will seriously deplete this fund and will make annual contributions to it on an ongoing basis all the more important.

The **NOLS 2012** plan will direct \$65,000 per year toward maintaining and upgrading other buildings, vehicle and equipment needs in the NOLS system, including the following major items:

| Year | Location | Item | Cost |
|-------|--------------|----------------------------|-------------|
| 2012 | Forks | Replace roof | \$202,450 |
| 2012 | Port Angeles | Copy machines | \$30,000 |
| 2012 | Forks | Interior renovation | \$617,055 |
| 2012 | System | Replace station wagon | \$25,000 |
| 2013 | Clallam Bay | Drainage improvements | \$10,000 |
| 2013 | System | Replace van | \$30,000 |
| 2015 | System | Replace storage building | \$45,000 |
| 2016 | Sequim | Repaint exterior | \$80,000 |
| 2020 | Forks | Exterior brick maintenance | \$55,000 |
| 2020 | Sequim | Replace roof | \$60,000 |
| Total | | | \$1,154,505 |

The plan also provides for an additional Facilities Assistant and two part time Facilities Aides to attend to basic repairs, maintenance and custodial needs throughout the system, at a cost of approximately \$71,000 (year one).

Technology for all generations. The district's technology resources include computers, servers, printers, networking equipment, copiers, phone systems and more, all of which require regular maintenance and upgrades. The hard-wired and wireless broadband Internet networks require regular upgrades to support public computing as well as inter-branch communication and resource-sharing. Servers, computers and peripherals must be upgraded to support new capabilities. The Library operates a number of software systems that also require periodic replacement or upgrade.

People depend on the Library to provide access to basic technology that they may not be able to afford at home. They count on the Library to help them use the technology needed to get along in the world. The **NOLS 2012** plan will allow the Library to keep contemporary the computer networks and software systems available in all four branch libraries, provide technology training to community members, expand web-based services such as downloadable books, and more. In addition to ongoing upgrades of hardware and software, the Library will need to address several significant capital improvements in the area of technology during the next few years, including:

| Year | Location | Item | Cost |
|-------|--------------|------------------------------------|-----------|
| 2012 | Port Angeles | Replace express check-out stations | \$13,000 |
| 2012 | System | Upgrade PC management system | \$30,000 |
| 2014 | System | Upgrade integrated library system | \$150,000 |
| 2014 | Forks | General technology upgrade | \$11,000 |
| 2015 | System | Video conferencing system | \$60,000 |
| Total | | | \$264,000 |

The technology component of the plan also calls for a Technology Aide and an Administrative Assistant to be added to the IT Department to help support the Library's technology infrastructure at a cost of \$74,000 (year one).

Meet community demand by expanding hours of service. The **NOLS 2012** plan addresses the most common complaint about the Library: inconvenient hours. The Libraries in Port Angeles and Sequim will add staff in order to open at 10am six days per week, and to stay open until 8pm four nights per week. The Forks and Clallam Bay Libraries will add staff in order to be open from 10am to 7pm Monday through Friday, and 12pm to 5pm on Saturdays.

The proposed service hours at Port Angeles Main Library and Sequim Branch are:

| | |
|-----------|-------------|
| Monday | 10am to 8pm |
| Tuesday | 10am to 8pm |
| Wednesday | 10am to 8pm |
| Thursday | 10am to 8pm |
| Friday | 10am to 6pm |
| Saturday | 10am to 5pm |

The proposed service hours at the Forks Branch Library are:

| | |
|-----------|-------------|
| Monday | 10am to 7pm |
| Tuesday | 10am to 7pm |
| Wednesday | 10am to 7pm |
| Thursday | 10am to 7pm |
| Friday | 10am to 6pm |
| Saturday | 10pm to 6pm |

The proposed service hours at the Clallam Bay Branch Library are:

| | |
|-----------|-------------|
| Monday | 10am to 7pm |
| Tuesday | 10am to 7pm |
| Wednesday | 10am to 7pm |
| Thursday | 10am to 5pm |
| Friday | 12pm to 5pm |
| Saturday | 12pm to 5pm |

This increase represents 25% more service hours at Port Angeles and Sequim (from 44 hours per week to 55 hours per week). The service hours at Forks increase from 40 hours per week to 50, resulting in a 25% increase, and adding Saturday afternoons to the year-round schedule. At Clallam Bay, weekly service hours increase from 30 hours per week to 44 hours per week, and from a four days/week schedule to six days/week, representing a 46% increase over the current schedule.

In order to support these hours of service, staffing will be increased from 43.72 Full Time Equivalents (FTE) to 58.42 FTE, consisting of 9 full time positions and 9 part time positions. Of these 18 new positions, three will be at the Port Angeles Main Library, three will be at Sequim, one will be shared between Forks and Clallam Bay, two will be situated at Forks, two will be set at Clallam Bay, and two will have system-wide responsibilities.

With the exception of the three new positions in Facilities and two positions in IT, all new positions will include providing direct customer service in their work responsibilities. Expanding the customer service staff will enable the Library to add service hours at all locations. When employees are not providing direct public service, they will perform other duties in such areas as coordinating services and programs with schools, developing services for children, teens, seniors and other clientele, expanding the website, planning and presenting special events, working with other community groups to provide services, training library customers to use computers and technology, writing grants, etc.

New positions to be added consist of the following:

| Location | FTE | Description | Cost (year one) |
|----------|--------|----------------------------|-----------------|
| PA | 1 FTE | Public services assistant | \$38,000 |
| PA | .6 FTE | Senior Page | \$14,600 |
| PA | 1 FTE | Readers advisory librarian | \$50,000 |
| System | 1 FTE | Teen services librarian | \$50,000 |
| System | 1 FTE | School liaison librarian | \$50,000 |
| Sequim | 1 FTE | Youth services librarian | \$50,000 |

| | | | |
|-------------|---------|---------------------------------|-----------|
| Sequim | .75 FTE | Public services assistant | \$22,800 |
| Sequim | .6 FTE | Senior Page | \$14,600 |
| FO/CB | 1 FTE | Youth services specialist | \$45,000 |
| Forks | 1 FTE | Public services assistant | \$38,000 |
| Forks | .6 FTE | Senior Page | \$14,600 |
| Clallam Bay | .75 FTE | Public services assistant | \$22,800 |
| Clallam Bay | .6 FTE | Senior page | \$14,600 |
| IT | 1 FTE | IT Aide | \$38,000 |
| IT | .75 FTE | Administrative Assistant | \$35,800 |
| Facilities | 1 FTE | Facilities Assistant | \$34,600 |
| Facilities | 1.2 FTE | Facilities Aide (two positions) | \$38,500 |
| Total | | | \$571,900 |

Meet community demand by adding more books to the collections at all four libraries. Approximately 14.5% more new books, DVDs and other materials, or about 2,262 items, will be added to the collection in 2012, and the budget will be increased by at least 10% in each of the five subsequent years so that it equals \$613,736 in 2017. This infusion to the materials budget will result in about 1,000 more books per year, and about 440 more DVDs and other media per year. This will also mean more downloadable audio books, and more books on CD.

Helping kids succeed. Among the added staffing will be a children's services specialist at the branches in the West End, an additional children's specialist at the Sequim Branch, and a staff position tasked with coordinating system-wide library services with local schools. The Library will introduce more reading readiness programs and other activities designed to help children succeed in school and develop a love of books and reading.

Focus on teens. The Library has neglected to provide services and programs to appeal to teens and young adults, and this failure will be addressed in the **NOLS 2012** plan. A teen services librarian will be added to the staff, and this position will work with all four libraries, local schools and community organizations to develop strong programs and services for teens. Teen Advisory Councils will be established. Books and other materials of particular interest to teens will be added to the collections at all four libraries. Homework help resources will be established. Spaces for teens will be created at each library, such as the one recently developed at the Sequim Branch. Working with local teens, programs, activities and events for young people, including web-based services, will be planned and presented.

Strong and effective partnerships will lessen redundancy in services and maximize scarce public and private resources.

Community partnerships. Expanded staffing and a more robust volunteer program will enable the Library to develop strong and effective partnerships with local school districts, non-profits, tribes, Chambers of Commerce, Senior Centers, health care providers, and other agencies and

organizations in Clallam County. The Library can help its community partners promote and build their services, and the partners can help make citizens of Clallam County aware of library resources. Redundancy in services will be lessened and scarce public and private resources will be maximized.

A strong volunteer program means a strong library. There is a huge potential to improve the quality and quantity of library services by drawing on the talents and abilities of individuals who want to volunteer at the Library. The **NOLS 2012** plan calls for a more robust volunteer program which will place volunteers in a variety of areas including children's services, community relations, the Outreach program, groundskeeping, and more.

Strong Friends of the Library groups. The Library benefits from having four strong and supportive Friends of the Library groups, affiliated with each of the four libraries in the North Olympic Library System. The Port Angeles Friends of the Library raise money to support programs and materials at the Main Library. They provide refreshments and volunteer assistance at Library events and they maintain a presence at community activities such as the annual Crab Fest. The Clallam Bay Friends of the Library recently raised nearly \$300,000 to help build and furnish an expansion to the Clallam Bay Branch. The Forks Friends of the Library hold booksales to raise money to support adult and children's programs at the Library, and they recently spearheaded an effort to establish the "reading train", a fun reading structure for kids, at the Library. The Friends of Sequim Library raise money through their monthly booksales to support library projects, programs and materials. In 2009 they donated \$150,000 to help renovate the Sequim Branch. All four of the Friends groups regularly support the annual Children's Summer Reading Program, and they have worked together in recent years to fund the development and launch of the Library's new website, to help fund the first-ever Clallam County Reads event, and to promote the Library and its services through a county-wide T-shirt slogan contest.

The **NOLS 2012** plan calls for strengthening the Library's relationship with its Friends groups, by providing forums for problem-solving and idea-sharing, working with them to take advantage of technology that can assist with fundraising, membership building and community awareness, and improving communication between the staff and Board and the Friends groups.