

2011 BUDGET
DIRECTOR'S FINAL BUDGET MESSAGE

General Operating Fund: \$11,223,275

BUDGET GOALS

The District's message to voters regarding the purpose of the levy lid lift included three major points. These three goals also form the basis for 2011 budget development.

- Maintain current level of services
- Respond to increased customer use, including Internet access, checking out and purchasing best-selling materials and modern formats like eBooks and downloadable audiobooks, and offering job searching resources and assistance
- Stabilize library funding through 2013

SUMMARY

With voter approval of the District's August 17 levy lid lift for maintenance and operations, we're able to move from a purely hold-the-line approach to budgeting to addressing some of the crunch points that have developed over the past couple of years from steadily increasing customer use. The budget goals are being met with some money to spare this year and next that can be used to begin to solidify a "rainy day fund" and begin setting aside money for future capital projects such as property purchases.

The November line item 2011 budget presented here is virtually complete. I'm not expecting any changes between now and the end of the year that can't be addressed with the first budget review in 2011.

On the revenue side, between the levy lid lift and higher than expected new construction, the property tax levy estimate is now about \$1.06 million higher than 2010's. That will change somewhat by the end of the year as actual state-assessed values are updated. With those numbers included in assessed valuations there'll be a slight change in the Airway Heights contract fee and the Moran Prairie mitigation payment.

An estimated \$24,000 of property tax diverted to TIFs and an estimated \$20,000 in administrative refunds will reduce actual property tax collections by about \$44,000 from the actual increase.

December update

The property tax levy estimate was increased by \$15,000 to \$10,775,500 due to an estimated higher than anticipated valuation for state-assessed property.

In expenses, the largest increases are personnel-related. They include 3.9 FTEs of branch staffing that will help ensure we have enough staff on duty when we need it, and a second new IT support position (the first being added late this year) so we can better manage our ever-increasing technology. These additions wouldn't have been possible without levy lid lift funding.

The director of the state Department of Labor and Industries confirmed the minimum wage increase to be 1.4%, equal to the August 2009 to August 2010 CIP-W increase required by the Minimum Wage Act. All but \$4,000 of this increase was already included in the October budget.

Another large unknown is new Public Employee Retirement System rates, which will undoubtedly be determined in the last days of next year's legislative session. However, this budget incorporates the "worst possible case" scenario, which is the full increase recommended by the State Actuary.

Finally, there's a 2% baseline increase for materials, with additional funds for downloadable digital, DVD and CD materials.

The Governmental Accounting Standards Board (GASB) is requiring changes in the manner in which fund balances are represented and is more tightly defining capital reserve funds. I'm recommending that these be incorporated into the 2011 budget now rather than next year. To that end, Business Manager Bill Sargent recommends the disestablishment of the Capital Reserve Fund, renaming the Construction Fund as the Capital Projects Fund, and moving the infrastructure plan designations to the General Operating Fund's fund balance. There are also some nomenclature changes.

Regardless of what they're called or where they're located, the budget includes an initial Contingency ("rainy day") Reserve of \$135,552, and over \$1.3 million in a Capital Projects Fund available for land acquisition and other capital needs.

December update

The estimated beginning fund balance was increased by \$29,334 as a result of implementing the GASB 54 changes and 2010 interfund transfers.

ESTIMATED 2011 REVENUE: \$11,488,067

REVENUE CHANGES FROM 2010 BASELINE (\$5,000 OR MORE)

The 2011 revenue projection from all sources other than interfund transfers is currently \$1,081,629 higher than the 2010 baseline amount.

Property taxes: On October 29, the Spokane County Assessor's Office provided a preliminary estimate of SCLD's 2010 assessed valuation that will be used to determine the 2010 property tax levy for collection in 2011. Applying the full 50¢ levy rate to the \$21,506,901,124 assessed valuation estimate – which doesn't yet include changes in state-assessed values – the estimated levy for collection in 2011 will be \$10,753,451. The Assessor's Office suggests rounding it up to \$10,760,000. The property tax levy resulting from the certified assessed valuation will become the new "highest lawful levy" that will be used to once again calculate the levy limit for next year's property tax levy (for collection in 2012).

December update

On November 16 the Assessor's Office provided a preliminary estimate of state-assessed values for all types of property except Private Car Companies, which indicates an increase over 2010. To assure the District receives the full levy to which it's entitled, the levy estimate has been increased to \$10,775,500.

The Assessor's Office also clarified that the property tax revenue amount shown in the budget must be equal to the anticipated levy amount, even though actual collections will be less due to funds diverted to TIF debt service and administrative refunds. Therefore, property tax revenue has been increased to the \$10,775,000 levy amount, to which an anticipated \$500 in delinquent bond levy taxes is also included.

The actual 2011 collection estimate is \$10,731,500, a \$15,000 increase from the November figure and about 11% higher than 2010.

City contract fees: Two cities will be paying contract fees in 2011, each of a different type.

- Airway Heights: Fee is estimated to be \$146,749 based on the latest Assessor's Office assessed valuation information and 50¢ SCLD levy rate – an increase of \$16,098 (12.3%) over 2010.
- Spokane Valley: Because of the minimal remaining balance for the fee due under the 2005 contract, the City of Spokane Valley will pay the entire amount owed in 2010, thus eliminating this line item from future budgets.
- City of Spokane: Based on the Assessor's Office assessed valuation estimate, the City of Spokane's Moran Prairie annexation mitigation fee will be \$67,542, an increase of \$7,339 from 2010. In addition, year four of the Park Place and North Division Annexation mitigation fees will total \$779 and \$9,028 respectively, a 20% decrease from 2010 for Year 4 of the 5-year ramp-down. Year 2 of the Greenfield Estates Annexation mitigation fee will be \$2,878.

Services & Fees: A net decrease of \$100, with no changes of \$5,000 or more.

Miscellaneous: A net increase of \$270 in Miscellaneous accounts, with three changes of \$5,000 or more.

- Shared Revenue-Timber Tax: The 2010 budget was \$0, but some funds have been received so an increase is projected (+ \$6,000)
- Gifts & Donations: More than the usual amount was received in 2010 in part due to memorial donations for a staff member who passed away (- \$8,000)
- E-rate Reimbursement: Results from costs for 2010 Internet bandwidth upgrade (+ \$5,000)

Interest Earnings: Increase in interest earnings from idle cash (+ \$5,000)

- There will be a higher fund balance available for investment during the year based on an average 1.25% rate of return

Transfers In

- With the inclusion of infrastructure plan reserves in the General Operating Fund balance rather than a separate fund, there's no need for transfers-in for expenses above the annual baseline amount.

ESTIMATED 2011 EXPENSES: \$11,223,275

EXPENSE CHANGES FROM 2010 BASELINE (\$5,000 OR MORE)

Expenditure totals reflect the baseline and manager requests. Only individual changes of \$5,000 or more are described below; others are explained in the budget notes.

Salaries: Major salary budget increase components are as follows:

- Annualize 2010 changes (- \$11,652)
- Salary step increases for eligible staff (+ \$46,010)
- 1.4% salary scale increase based on August CPI-W change (+ \$70,251)
- Increase branch staffing by 3.9 FTEs (+ \$118,508)
- Increase IT staffing by 1.0 FTE (prior 1.0 FTE increase in 2010) (+ \$27,429)

Benefits: The largest single total fringe benefit change is for Public Employees Retirement System employer contributions beginning July 1, 2011, that use the State Actuary's rate recommendation – an

increase of \$79,930. However, the State Legislature has the final say on rates and may not accept the recommendation, which we won't know until next April or May.

Close behind at \$65,659 is medical insurance premium increases, which went up another \$18,096 since the last budget version. The Washington Counties Insurance Pool (WCIP), which provides the PPO plans to the Washington Counties Insurance Fund (WCIF) from which we purchase insurance, will be dissolving at the end of 2010 and Premera Blue Cross will be taking over its plans for WCIF, with a 5.7% rate increase beyond the previously-announced WCIP increase.

Significant changes per line item are:

	Social Security	Medicare	Retirement	Medical Ins	Dental Ins	Other <\$2k ea*	TOTAL
Annualize 2010	\$ (769)	\$ (170)	\$ (1,038)	\$ 24,155	\$ 2,900	\$ 725	\$ 25,803
Step increases	2,853	667	2,798	0	0	0	6,318
Salary scale increase	4,236	1,019	3,521	0	0	0	8,776
Branch staffing addition	7,347	1,718	8,248	990	4,972	2,551	25,826
IT staffing addition	1,701	398	1,909	4,952	533	273	9,766
2011 rate changes	0	0	79,930	65,659	(118)	320	144,791
TOTAL	\$ 15,368	\$ 3,632	\$ 95,368	\$ 94,756	\$8,287	\$ 3,869	\$ 221,280

*State industrial insurance; vision insurance; life insurance; long-term disability insurance; employee assistance program

Supplies: There is an increase of \$11,483 for supplies. One for \$5,000 or more:

- Office & Library Supplies: Increased branch usage, including costs for PC privacy screen replacements (+ \$10,146)

Services: There are a variety of increases and decreases in service line items, many under \$5,000.

Those that are \$5,000 or more are:

- Software Support & Consulting: Rate increase for Sirsi/Dynix and maintenance contracts for additional software applications (+ \$16,500)
- Collection Agency & Notice Services: Annualizes 2010 costs for Unique Management Services' mailing of SCLD notices not emailed; partially offset by 2010 reductions in postage and supply line items (+ \$29,005)
- Data communications-Internet: Annualizes July 1, 2010, Internet circuit upgrade (+ \$6,000)
- Mileage: Increased staff interbranch travel; potential IRS rate increase to \$0.55/mile
- Travel-Business: Reflects weekly Rotary lunch costs for two branch services managers, a 3rd Sirsi/Dynix User Conference attendee, and collection services manager attendance at Bookexpo America trade show in New York City (+ \$6,150)
- Travel-Staff training: No PLA Conference in 2011 (- \$6,880)
- Staff Training: Primarily branch services managers attendance at UW Evans School of Public Affairs Executive Management Program (+ \$16,080)
- Recruitment: All aspects of SCLD director position recruitment and selection (+ \$25,000)
- Repair and Maintenance-Buildings: Facility Maintenance Plan projects in excess of baseline (+ \$5,573)

Capital Expenditures: The budget includes technology-related equipment and software included from the rolling 5-year technology plan and scheduled FF&E projects.

- Data Processing Hardware & Software: Technology Plan projects in excess of baseline (+ \$131,859)

Materials: The materials budget baseline for 2010 is \$1,361,400. This budget adds 2% to maintain current purchasing levels.

- All material formats: Maintain purchasing levels (+ \$27,288)
- Non-Print: Increase digital audiobook, eBook, and downloadable music purchasing (+ \$45,174); purchase more copies of popular DVD and CD titles (+ \$12,180)

Operational Contingencies: As noted in the revenue section, there's no need to include an expense amount to offset a property tax revenue fudge factor beyond the usual \$40,000 baseline.

Transfers Out

- Transfer to Capital Projects Fund: The net effect of implementing October Board meeting direction and GASB changes (+ \$406,655)

THE FUND BALANCE

My goal in presenting an annual budget is for current year revenue to equal or exceed current recurring year expenses without use of the fund balance. The only exception may be to accommodate one-time expenses if the fund balance amount is in excess of established targets.

The 2011 beginning fund balance is based on our projected 2010 ending balance which doesn't yet include an estimate of unexpended 2010 funds.

December update

The estimated beginning fund balance was increased by \$29,334 as a result of implementing the GASB 54 changes and 2010 interfund transfers.

The combination of implementing October Board meeting direction and GASB changes results in terminology changes as well as additional fund balance obligations. The net effect is a \$1.62 million estimated unassigned ending fund balance. This corresponds to the requirement in the proposed Fund Balance Management Policy revision that the unassigned ending fund balance equals 15% of budgeted expenses for purposes of cash flow between property tax collection periods.

Other fund balance component changes meeting proposed Fund Balance Management Policy revisions are:

- Change in terminology from "Reserved for" to "Non-Spendable Funds": Used for Prepaid Items and Inventory
- Change in terminology from "Reserved" to "Committed": Used for Public Library Director Meetings
- Change in terminology from "Designated" to "Committed": Use for Compensated Absences
- Addition of Committed items for former Capital Reserve Fund designations: Facility Maintenance Plan (\$180,168); Technology Plan (\$306,409); Furniture, Fixtures & Equipment Plan (\$91,260); and for Library Materials (\$136,140)
- Addition of Committed item for the Contingency Reserve (\$135,552)

EXCESS OF REVENUES OVER/(UNDER) EXPENSES

In this budget, estimated revenue exceeds estimated expenses by \$205,812. However, there's an additional \$180,419 in one-time 2011 General Operating Fund expenses plus a one-time transfer of \$406,655 to the Capital Projects Fund. Excluding these one-time expenses, available recurring revenue – funds available beyond 2011 – totals \$792,886.

BUDGET REVIEW DURING 2011

As usual, actual revenue and expenditures will be monitored throughout the year and

recommendations will be periodically made to the Board for budget adjustments based on this review process. Decisions on use of any unanticipated revenue will be included in these periodic budget adjustments, which occur twice each year, usually in April or May and September or October.

FUTURE YEARS

For planning purposes, last February we prepared 2011-2014 revenue and expense projections to indicate future years' budget status with and without a successful levy lid lift election in 2010. After updating the projections using the actual 2011 revenue and expense estimates and the same set of assumptions, they indicate expenses will continue to remain within revenue through 2013 – which was a major goal of the levy lid lift plan – and possibly through 2014. The caveat is the further out one projects, the larger the potential margin of error.

Bond Redemption Fund: Recommended for deactivation

The Bond Redemption Fund budget was used over a 20-year period as the repository of property tax collections for retirement of our Series 1988 General Obligation Bonds, then our Series 1996 issue. The final principal and interest payment for Series 1996 was made in December 2006 so no further property taxes are being levied for this fund. However, we continue to receive a small amount of delinquent tax payments.

Because it's no longer necessary to continue to use the Bond Redemption Fund for delinquent property tax payments, the \$500 revenue will go directly to the General Operating Fund.

December update

Rather than dissolve the Bond Redemption Fund, the 2010 transfer to the General Operating Fund and resulting \$0 fund balance merely deactivates it until it's needed for future District bond debt service.

Capital Reserve Fund: Recommended for elimination

Funds have moved in and out of the Capital Reserve Fund to implement the Technology, Facilities Maintenance, and FF&E Plans. It was also the source of funds for up-front planning and election costs for the Greater Spokane Valley LCFA, Conklin Road and Hastings Road property purchases, and other miscellaneous unanticipated capital expenses.

The amount moved depended on the annual plans in comparison to their baseline funding in the General Operating Fund, which under the Fund Balance Management Policy is to be the rolling five-year average cost for each plan plus 20%. For library materials it was 10% of the current year budget.

GASB considers capital items to be land and structures, a much more limited definition than we've used for the Capital Reserve Fund. In this budget the infrastructure plan reserves are now fund balance commitments in the General Operating Fund, our capital reserve for future land and structure acquisitions is in the Capital Projects Fund (the renamed Construction Fund), and the Capital Reserve Fund is to be dissolved.

December update

The 2010 budget transfer to the Capital Projects Fund leaves a \$0 fund balance; Resolution No. 10-12 dissolves the fund.

Capital Projects (formerly Construction) Fund: \$0

The Construction Fund was used for all expenses related to previous capital improvement programs. Funds were transferred in from other funds and invested until needed. Having a separate fund for

these expenses facilitated tracking and accountability. Although the last Construction Fund expenditure was for the Hastings Road property, its checking account remains active.

As noted above, GASB considers capital items to be land and structures, a much more limited definition than we've used for the Capital Reserve Fund. This budget proposes that the Construction Fund be renamed the Capital Projects Fund and used solely for these purposes.

- Beginning Committed Fund Balance: Result of December 2010 transfer from Capital Reserve Fund (\$887,850)
 - Transfer in from General Operating Fund: 75% of unencumbered GO funds, per October discussion (+ \$406,665)
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2011 BUDGET PROCESS AND SCHEDULE STATUS

- **September**
 - **Completed** Staff: Prepare requests for budget changes from baseline; prepare baseline budget reflecting current year operations carried into the following year with all one-time expenditures removed
 - **Completed** Staff: Present overview of anticipated revenue and expense changes
 - **Completed** Board of Trustees: Provide staff with budget direction
- **October**
 - **Completed** Staff: Present preliminary budget message and recommendation
 - **Completed** Staff: Present proposed 2010 organization memberships
 - **Completed** Board of Trustees: Hold public hearing on 2010 revenue sources
 - **Completed** Board of Trustees: Review and approve 2010 organization memberships
 - **Completed** Board of Trustees: Review budget report with preliminary line item revenue and expenses
 - **Completed** Board of Trustees: Provide additional budget direction
- **November**
 - **Completed** Staff: Present budget message and recommendation update
 - **Completed** Board of Trustees: Review, adopt, certify preliminary budget (Resolution)
 - **Completed** Board of Trustees: Certify maximum property tax levy (Resolution)
 - **Completed** Board of Trustees: Provide additional budget direction
- **December**
 - **Completed** Staff: Prepare budget message and recommendation update
 - Board of Trustees: Revise 2010 budget to transfer Bond Redemption Fund and Capital Reserve Fund balances to other funds
 - Board of Trustees: Dissolve Capital Reserve Fund; transfer fund balances
 - Board of Trustees: Review and adopt final budget (Resolution)

**Spokane County Library District
Final 2011 Budget (December 21, 2010)
General Operating Fund (001-661)
Summary**

REVENUES

Property Tax	\$	
		10,775,500
Contracted Cities, Services & Fees		490,297
Miscellaneous Revenues		187,270
Interest Earnings		35,020
Total Revenues		\$ 11,488,067

EXPENSES

Salaries	\$	5,363,132
Fringe Benefits		1,535,357
Supplies		220,126
Services		1,747,723
Capital Outlay		463,800
Library Materials		1,445,982
Short Term Debt		500
Operational Contingencies		40,000
Total Expenses		\$ 10,816,620
Transfer Out to Capital Projects Fund	\$	406,655
Total Expenses & Transfer Out		\$ 11,223,275

Revenues Over/(Under) Expenses	\$	264,792
Estimated Beginning Fund Balance 01/01/11		2,603,165
Estimated Ending Fund Balance 12/31/11		\$ 2,867,957

(Less)

Non-Spendable Funds: Prepaid Items		(136,718)
Non-Spendable Funds: Inventory		(60,190)
Committed for Irving Special Program Fund		(6,221)
Committed for Public Library Directors Meetings		(4,492)
Committed for Compensated Absences		(100,000)
Committed for Facility Maintenance Plan		(180,168)
Committed for Technology Plan		(306,409)
Committed for Furniture, Fixtures & Equipment Plan		(91,260)
Committed for Library Materials		(136,140)
Committed for Contingency Reserve		(135,552)
Estimated Unassigned Ending Fund Balance 12/31/11		\$ 1,710,807

**Spokane County Library District
Preliminary 2011 Budget (November 16, 2010)
General Operating Fund (001-661)
Detail**

REVENUE	2010 Budget	2011 Baseline	Oct Adjust	Notes	Oct Budget	Nov Adjust	Notes	Nov Budget	Dec Adjust	Notes	Final Budget
Property Tax	\$ 9,657,565	\$ 9,657,565	\$ 1,108,396	R1	\$ 10,766,461	\$ (49,961)	R12	\$ 10,716,500	\$ 59,000	R15	\$ 10,775,500
TOTAL PROPERTY TAXES	\$ 9,657,565	\$ 9,657,565	\$ 1,108,396		\$ 10,766,461	\$ (49,961)		\$ 10,716,500	\$ 59,000		\$ 10,775,500
Contract City: Airway Hgts	\$ 130,651	\$ 130,651	\$ 15,386	R2	\$ 146,037	\$ 712	R13	\$ 146,749	\$ 0		\$ 146,749
City of Spokane Mitigation	74,912	74,912	562	R2	75,474	1,874	R13	77,348	0		77,348
Spokane Valley 2005 Contract	1,000	1,000	(500)	R2	500	(500)	R14	0	0		0
TOTAL CONTRACTED CITIES	\$ 206,563	\$ 206,563	\$ 15,448		\$ 222,011	\$ 2,086		\$ 224,097	\$ 0		\$ 224,097
Interlibrary Loans	\$ 200	\$ 200	\$ 0		\$ 200	\$ 0		\$ 200	\$ 0		\$ 200
Copying & Printing	21,000	21,000	0		21,000	0		21,000	0		21,000
Nonresident Fees	11,000	11,000	1,000	R3	12,000	0		12,000	0		12,000
Fines & Charges	181,000	181,000	0		181,000	0		181,000	0		181,000
Lost & Damaged	47,000	47,000	0		47,000	0		47,000	0		47,000
Rental Income	2,100	2,100	900	R4	3,000	0		3,000	0		3,000
Retail Sales	4,000	4,000	(2,000)	R5	2,000	0		2,000	0		2,000
TOTAL SERVICES & FEES	\$ 266,300	\$ 266,300	\$ (100)		\$ 266,200	\$ 0		\$ 266,200	\$ 0		\$ 266,200
TOTAL CONTRACTED CITIES, SERVICES & FEES	\$ 472,863	\$ 472,863	\$ 15,348		\$ 488,211	\$ 2,086		\$ 490,297	\$ 0		\$ 490,297
Leasehold Excise Tax	\$ 20,000	\$ 20,000	\$ 0		\$ 20,000	\$ 0		\$ 20,000	\$ 0		\$ 20,000
Shared Revenue: Timber Tax	0	0	6,000	R6	6,000	0		6,000	0		6,000
Sale of Surplus Property	4,000	0	0		0	0		0	0		0
Grants-Nongovernmental	25,400	0	0		0	0		0	0		0
Grants & Donations: Wellness	3,000	3,000	1,270	R7	4,270	0		4,270	0		4,270
Purchase Discounts	4,000	4,000	0		4,000	0		4,000	0		4,000

REVENUE	2010 Budget	2011 Baseline	Oct Adjust	Notes	Oct Budget	Nov Adjust	Notes	Nov Budget	Dec Adjust	Notes	Final Budget
Miscellaneous	3,000	3,000	0		3,000	0		3,000	0		3,000
Public Library Directors Mtgs	12,000	12,000	0		12,000	0		12,000	0		12,000
Cobra Payroll Tax Credit	3,000	0	0		0	0		0	0		0
Sale of Fixed Assets	0	0	0		0	0		0	0		0
Gifts & Donations	15,000	15,000	(8,000)	R8	7,000	0		7,000	0		7,000
Sale of Library Materials	25,000	30,000	(4,000)	R9	26,000	0		26,000	0		26,000
E-Rate Reimbursement	100,000	100,000	5,000	R10	105,000	0		105,000	0		105,000
TOTAL MISCELLANEOUS	\$ 212,400	\$ 187,000	\$ 270		\$ 187,270	\$ 0		\$ 187,270	\$ 0		\$ 187,270
Interest Earnings	\$ 30,000	\$ 30,000	\$ 5,000	R11	\$ 35,000	\$ 0		\$ 35,000	\$ 0		\$ 35,020
TOTAL REVENUES	\$ 10,372,828	\$ 10,347,428	\$ 1,129,514		\$ 11,476,942	\$ (47,875)		\$ 11,429,067	\$ 59,000		\$ 11,488,067
Transfer In: Cap Reserve Fund	\$ 133,261	\$ 0	\$ 0		\$ 0	\$ 0		\$ 0	\$ 0		\$ 0
TOTAL REVENUES & TRANSFERS IN	\$ 10,506,089	\$ 10,347,428	\$ 1,129,514		\$ 11,476,942	\$ (47,875)		\$ 11,429,067	\$ 59,000		\$ 11,488,067

EXPENSES	2010 Budget	2011 Baseline	Oct Adjust	Notes	Oct Budget	Nov Adjust	Notes	Nov Budget	Dec Adjust	Notes	Final Budget
Salaries: Regular Hours	\$ 4,222,524	\$ 4,222,524	\$ 213,525	E1-3,6-7	\$ 4,436,049	\$ 3,197	E33	\$ 4,439,246	\$ 0		\$ 4,439,246
Salaries: Temporary Hours	90,000	90,000	0		90,000	0		90,000	0		90,000
Salaries: Paid Time Off	848,814	797,562	33,325	E1-3,6-7	830,887	499	E33	831,386	0		831,386
Salaries: Overtime Hours	2,500	2,500	0		2,500	0		2,500	0		2,500
TOTAL SALARIES	\$ 5,163,838	\$ 5,112,586	\$ 246,850		\$ 5,359,436	\$ 3,696		\$ 5,363,132	\$ 0		\$ 5,363,132
FICA-Social Security	\$ 318,223	\$ 316,595	\$ 15,138	E1-3,6-7	\$ 331,733	\$ 230	E33	\$ 331,963	\$ 0		\$ 331,963
FICA - Medicare	74,876	74,496	3,578	E1-3,6-7	78,074	54	E33	78,128	0		78,128
Retirement Contributions	257,460	256,066	95,326	E1-3,5-7	351,392	42	E33	351,434	0		351,434
Unemployment Insurance	6,700	6,700	0		6,700	0		6,700	0		6,700
Medical Insurance	523,675	521,142	76,710	E1,4,6-7	597,852	18,046	E37	615,898	0		615,898
Vision Insurance	12,565	12,525	1,209	E1,4,6-7	13,734	0		13,734	0		13,734
Dental Insurance	87,557	87,261	8,287	E1,4,6-7	95,548	0		95,548	0		95,548
Life & Disability Insurance	4,646	4,646	180	E1,6-7	4,826	0		4,826	0		4,826
State Industrial Insurance	30,953	30,953	1,954	E1,6-7	32,907	0		32,907	0		32,907
Long Term Disability	1,994	1,994	386	E1,6	2,380	0		2,380	0		2,380
Employee Assistance Program	1,699	1,699	140	E1,6	1,839	0		1,839	0		1,839
TOTAL FRINGE BENEFITS	\$ 1,320,348	\$ 1,314,077	\$ 202,908		\$ 1,516,985	\$ 18,372		\$ 1,535,357	\$ 0		\$ 1,535,357
Cleaning & Sanitation Supplies	\$ 18,000	\$ 18,000	\$ 0		\$ 18,000	\$ 0		\$ 18,000	\$ 0		\$ 18,000
Vehicle Fuel	7,663	7,663	1,337	E8	9,000	0		9,000	0		9,000
Other Supplies	200	200	0		200	0		200	0		200
Maintenance Supplies	4,300	4,300	0		4,300	0		4,300	0		4,300
Employee Awards & Recognition.	750	750	0		0	0		0	0		0
Small Tools	750	750	0		750	0		750	0		750
Cost of Retail Inventory Sold	4,567	4,567	0		4,567	0		4,567	0		4,567
Office & Library Supplies	172,413	172,413	4,796	E9	177,209	\$ 5,350	E34	182,559	0		182,559
TOTAL SUPPLIES	\$ 208,463	208,643	\$ 6,133		\$ 214,776	\$ 5,350		\$ 220,126	\$ 0		\$ 220,126

EXPENSES	2010 Budget	2011 Baseline	Oct Adjust	Notes	Oct Budget	Nov Adjust	Notes	Nov Budget	Dec Adjust	Notes	Final Budget
Accounting & Auditing Services	\$ 0	\$ 12,500	\$ 0		\$ 12,500	\$ 0		\$ 12,500	\$ 0		\$ 12,500
Legal Services	25,000	25,000	0		25,000	0		25,000	0		25,000
Damages, Claims, Settlements	0	0	0		0	0		0	0		0
Other Professional Services	80,010	30,010	0		30,010	0		30,010	0		30,010
Bad Debt Expense	200	200	0		200	0		200	0		200
Bank & Postal Charges	13,400	13,400	0		13,400	0		13,400	0		13,400
Software Support Services	122,000	122,000	16,500	E10	138,500	0		138,500	0		138,500
Web Catalog Content Services	16,050	16,050	4,950	E11	21,000	0		21,000	0		21,000
Collection Agency Services	58,595	58,595	29,005	E12	87,600	0		87,600	0		87,600
Electronic Library Services	38,200	38,200	(200)	E13	38,000	0		38,000	0		38,000
Data Communications: WAN	123,500	123,500	0		123,500	0		123,500	0		123,500
Data Communications: Internet	36,000	36,000	6,000	E14	42,000	0		42,000	0		42,000
Telephone	25,000	25,000	0		25,000	0		25,000	0		25,000
Postage	36,550	36,550	0		36,550	0		36,550	0		36,550
Freight Charges	2,000	2,000	0		2,000	0		2,000	0		2,000
Courier Services	60,000	60,000	0		60,000	0		60,000	0		60,000
Mileage	14,300	14,300	1,900	E15	16,200	0		16,200	0		16,200
Travel – Business	13,950	13,950	6,150	E16	20,100	0		20,100	0		20,100
Travel – Training Related	24,380	19,650	(6,880)	E17	12,770	0		12,770	0		12,770
Travel – Board	8,000	8,000	(2,500)	E19	5,500	0		5,500	0		5,500
Training – Board	4,400	4,400	(900)	E20	3,500	0		3,500	0		3,500
Training – Staff	44,050	44,270	16,080	E18	60,350	0		60,350	0		60,350
Public Library Directors M	12,000	12,000	0		12,000	0		12,000	0		12,000
Advertising & Promotion	6,000	6,000	0		6,000	0		6,000	0		6,000
Recruitment	15,000	12,000	0		12,000	25,000	E35	37,000	0		37,000
Rentals & Leases: Other	3,900	3,900	800	E21	4,700	0		4,700	0		4,700
Rentals & Leases: Equipment	8,400	8,400	0		8,400	0		8,400	0		8,400
Insurance	76,283	76,283	0		76,283	(14,000)	E36	62,283	0		62,283
Printing	14,000	14,000	0		14,000	0		14,000	0		14,000
Heat, Light, & Power	151,500	151,500	0		151,500	0		151,500	0		151,500
Water, Refuse, & Sewer	48,000	48,000	0		48,000	0		48,000	0		48,000
Repair & Mtnce: Miscellaneous	6,000	6,000	0		6,000	0		6,000	0		6,000
Repair & Mtnce: DP Equipment	33,000	33,000	3,000	E22	36,000	0		36,000	0		36,000
Repair & Mtnce: Vehicles	4,000	4,000	0		4,000	0		4,000	0		4,000

EXPENSES	2010 Budget	2011 Baseline	Oct Adjust	Notes	Oct Budget	Nov Adjust	Notes	Nov Budget	Dec Adjust	Notes	Final Budget
Repair & Mtnce: Buildings	252,000	197,027	5,773	E23	202,800	0		202,800	0		202,800
Grounds Maintenance Services	45,255	78,168	2,897	E24	80,555	0		80,555	0		80,555
Security Alarm Monitoring Svcs	7,700	7,700	0		7,700	0		7,700	0		7,700
Snow Removal	21,341	21,341	0		21,341	0		21,341	0		21,341
Custodial Services	175,000	175,000	0		175,000	0		175,000	0		175,000
Dues & Memberships	12,000	12,200	1,330	E25	13,530	0		13,530	0		13,530
Wellness Services & Programs	765	765	659	E26	1,424	0		1,424	0		1,424
Library Programs	27,850	24,850	0		24,850	0		24,850	0		24,850
Library Programs: Big Read	15,000	0	0		0	0		0	0		0
Library Programs: Irving Fund	500	500	0		500	0		500	0		500
Cataloging & Authority Services	38,500	38,500	1,700	E27	40,200	0		40,200	0		40,200
Binding Services	1,000	1,000	(500)	E28	500	0		500	0		500
ILL Services	12,705	12,705	255	E29	12,960	0		12,960	0		12,960
Lost Materials Refunds	2,800	2,800	0		2,800	0		2,800	0		2,800
TOTAL SERVICES	\$ 1,733,284	\$ 1,501,074	\$ 235,649		\$ 1,736,723	\$ 11,000		\$ 1,747,723	\$ 0		\$ 1,747,723
Data Proc Hardware & Software	\$ 220,000	\$ 255,341	\$ 131,859	E30	\$ 387,200	\$ 0		\$ 387,200	\$ 0		\$ 387,200
Bldg Renovations: Capitalized	42,336	0	0		0	0		0	0		0
Vehicles	19,406	0	0		0	0		0	0		0
Furniture Fixtures & Equip	89,100	76,050	550	E31	76,600	\$ 0		76,600	0		76,600
TOTAL CAPITAL EXPENDITURES	\$ 378,100	331,391	132,409		\$ 463,800	\$ 0		\$ 463,800	\$ 0		\$ 463,800
Library Materials	\$ 1,409,400	\$ 1,361,400	\$ 84,582	E32	\$ 1,445,982	\$ 0		\$ 1,445,982	\$ 0		\$ 1,445,982
TOTAL LIBRARY MATERIALS	\$ 1,409,400	\$ 1,361,400	\$ 84,582		\$ 1,445,982	\$ 0		\$ 1,445,982	\$ 0		\$ 1,445,982
Short Term Interest Expense	\$ 500	\$ 500	\$ 0		\$ 500	\$ 0		\$ 500	\$ 0		\$ 500
Operational Contingencies	40,000	40,000	0		40,000	0		40,000	0		40,000
TOTAL EXPENSES	\$ 10,254,113	\$ 10,019,811	\$ 758,391		\$ 10,778,202	\$ 38,418		\$ 10,816,620	\$ 0		\$ 10,816,620

EXPENSES	2010 Budget	2011 Baseline	Oct Adjust	Notes	Oct Budget	Nov Adjust	Notes	Nov Budget	Dec Adjust	Notes	Final Budget
Transfer Out: Cap Reserve Fund	\$ 225,196	\$ 0	\$ 0		\$ 0	\$ 0		\$ 0	\$ 0		\$ 0
Transfer Out: Cap Projects Fund	\$ 0	\$ 0	\$ 0		\$ 0	\$ 406,655	T1	\$ 406,655	\$ 0		\$ 406,655
TOTAL EXPENSES & TRANSFER OUT	\$ 10,479,309	\$ 10,019,811	\$ 738,391		\$ 10,778,202	\$ 455,073		\$ 11,223,275	\$ 0		\$ 11,223,275
REVENUES OVER/(UNDER) EXPENSES	\$ 26,780	\$ 327,617	\$ 371,123		\$ 698,740	\$ (492,948)		\$ 205,792	\$ 59,000		\$ 264,792
Estimated Beginning Fund Balance 01/01/11	\$ 2,573,831	\$ 2,573,831	\$ 0		\$ 2,573,831	\$ 0		\$ 2,573,831	\$ 29,334	B1	\$ 2,603,165
Estimated Ending Fund Balance 12/31/11	\$ 2,600,611	2,901,448	371,143		3,272,571	(492,948)		2,779,623	\$ 88,334		2,867,957
(Less)											
Non-Spendable: Prepaid Items	\$ (136,718)	\$ (136,718)	\$ 0		\$ (136,718)	\$ 0		\$ (136,718)	\$ 0		\$ (136,718)
Non-Spendable: Inventory	(60,190)	(60,190)	0		(60,190)	0		(60,190)	0		(60,190)
Committed: Irving Spec Program	(6,221)	(6,221)	0		(6,221)	0		(6,221)	0		(6,221)
Committed: PL Directors Mtgs	(4,492)	(4,492)	0		(4,492)	0		(4,492)	0		(4,492)
Committed: Compensated Absences	(100,000)	(100,000)	0		(100,000)	0		(100,000)	0		(100,000)
Committed: Facility Mtnce Plan	0	(103,464)	0		(103,464)	(76,704)	C1	(180,168)	0		(180,168)
Committed: Technology Plan	0	(281,546)	0		(281,546)	(24,863)	C2	(306,409)	0		(306,409)
Committed: FF&E Plan	0	(67,826)	0		(67,826)	(23,434)	C3	(91,260)	0		(91,260)
Committed: Library Materials	0	(140,900)	0		(140,900)	4,760	C4	(136,140)	0		(136,140)
Committed Contingency Reserve	0	0	0		0	(135,552)	C5	(135,552)	\$ 0		(135,552)
ESTIMATED ENDING UNASSIGNED FUND BALANCE 12/31/11	\$ 2,292,990	\$ 2,000,091	\$ 371,143		\$ 2,371,214	\$ (748,741)		\$ 1,622,473	\$ 88,334		\$ 1,710,807

**Spokane County Library District
Preliminary 2011 Budget (November 16, 2010)
General Operating Fund (001-661)
Notes**

Note	Cost Account	Description	Increase/ (Decrease)	One-Time/ GO Fund	One-Time/ Interfund Transfer
REVENUES					
R1	PROPERTY TAX	Preliminary levy per 10/01 Assessor estimate	\$ 1,108,896		
R2	CONTRACT - AIRWAY HTS	Result of valuation increase and levy lid lift	15,386		
R2	CONTRACT - SPOKANE	Net of 4 annexation mitigation agreement fees	562		
R2	CONTRACT - SPOKANE VALLEY	Declining balance of remaining 2005 uncollected taxes	(500)		
R3	NONRESIDENT FEES	Projected from 2008-2010 actual	1,000		
R4	RENTAL INCOME	Projected from 2008-2010 actual	900		
R5	RETAIL SALES	Projected from 2010 actual	(2000)		
R6	TIMBER TAX	Projected from 2010 actual	6,000		
R7	WELLNESS GRANTS & DONATIONS	Anticipate additional funding	1,270		
R8	GIFTS & DONATIONS	Projected from 2010 actual	(8,000)		
R9	SALE OF LIB MATERIALS	Projected from 2010 actual	(4,000)		
R10	E-RATE REIMBURSEMENT	Based on increase cost for upgraded Internet circuit	5,000		
R11	INTEREST REVENUES	Projected interest @ 1.25% on higher cash balance	5,000		
R12	PROPERTY TAX	Adjustment per 10/29 Assessor estimate, refunds, and TIF allocations	(49,961)		
R13	CONTRACT - AIRWAY HTS	Adjust per 10/29 Assessor estimate	712		
R13	CONTRACT - SPOKANE	Adjust per 10/29 Assessor estimate	1,874		
R14	CONTRACT - SPOKANE VALLEY	Remaining 2005 balance to be paid in 2010	(500)		
R15	PROPERTY TAX	Adjusted to match property tax levy request	59,000		
TOTAL REVENUES			\$ 1,140,639		
TOTAL TRANSFERS IN			\$		
			0		
TOTAL REVENUES & TRANSFERS IN			\$ 1,140,639		

EXPENSES

E1	SALARIES: REGULAR HOURS	Adjust to 2011 baseline	\$ (10,079)		
E1	SALARIES: PAID TIME OFF	Adjust to 2011 baseline	(1,573)		
E1	FICA - SOCIAL SECURITY	Adjust to 2011 baseline	(769)		
E1	FICA - MEDICARE	Adjust to 2011 baseline	(170)		
E1	STATE INDUSTRIAL INS	Adjust to 2011 baseline	700		
E1	RETIREMENT CONTRIB	Adjust to 2011 baseline	(1,038)		
E1	MEDICAL INSURANCE	Adjust to 2011 baseline	24,155		
E1	VISION INSURANCE	Adjust to 2011 baseline	99		
E1	DENTAL INSURANCE	Adjust to 2011 baseline	2,900		
E1	LIFE INSURANCE	Adjust to 2011 baseline	13		
E1	LONG TERM DISABILITY INS	Adjust to 2011 baseline	(64)		
E1	EMPLOYEE ASSIST PROG	Adjust to 2011 baseline	(23)		
E2	SALARIES: REGULAR HOURS	Salary step increases for eligible employees	39,799		
E2	SALARIES: PAID TIME OFF	Salary step increases for eligible employees	6,211		
E2	FICA - SOCIAL SECURITY	Salary step increases for eligible employees	2,853		
E2	FICA - MEDICARE	Salary step increases for eligible employees	667		
E2	RETIREMENT CONTRIB	Salary step increases for eligible employees	2,798		
E3	SALARIES: REGULAR HOURS	1.4% salary scale increase	57,570		

E3	SALARIES: PAID TIME OFF	1.4% salary scale increase	8,985	
E3	FICA - SOCIAL SECURITY	1.4% salary scale increase	4,006	
E3	FICA – MEDICARE	1.4% salary scale increase	965	
E3	RETIREMENT CONTRIB	1.4% salary scale increase	3,479	
E4	MEDICAL INSURANCE	8.9% rate increase	46,613	
E4	VISION INSURANCE	Rate change for director's dependent coverage	320	
E4	DENTAL INSURANCE	Rate change for director's dependent coverage	(118)	
E5	RETIREMENT CONTRIB	Based on State Actuary rate recommendation	79,930	
E6	SALARIES: REGULAR HOURS	Additional branch services staffing	102,509	
E6	SALARIES: PAID TIME OFF	Additional branch services staffing	15,999	
E6	FICA - SOCIAL SECURITY	Additional branch services staffing	7,347	
E6	FICA – MEDICARE	Additional branch services staffing	1,718	
E6	STATE INDUSTRIAL INS	Additional branch services staffing	1,073	
E6	RETIREMENT CONTRIB	Additional branch services staffing	8,248	
E6	MEDICAL INSURANCE	Additional branch services staffing	990	
E6	VISION INSURANCE	Additional branch services staffing	714	
E6	DENTAL INSURANCE	Additional branch services staffing	4,972	
E6	LIFE INSURANCE	Additional branch services staffing	151	
E6	LONG TERM DISABILITY INS	Additional branch services staffing	450	
E6	EMPLOYEE ASSIST PROG	Additional branch services staffing	163	
E7	SALARIES: REGULAR HOURS	Additional IT position	23,726	
E7	SALARIES: PAID TIME OFF	Additional IT position	3,703	
E7	FICA - SOCIAL SECURITY	Additional IT position	1,701	
E7	FICA – MEDICARE	Additional IT position	398	
E7	STATE INDUSTRIAL INS	Additional IT position	181	
E7	RETIREMENT CONTRIB	Additional IT position	1,909	
E7	MEDICAL INSURANCE	Additional IT position	4,952	
E7	VISION INSURANCE	Additional IT position	76	
E7	DENTAL INSURANCE	Additional IT position	533	
E7	LIFE INSURANCE	Additional IT position	16	
E8	VEHICLE FUEL	Higher fuel cost & increased usage	1,337	
E9	OFFICE/LIBRARY SUPPLIES	Projected from 2010 actual	4,796	
E10	SOFTWARE	Est. 10% increase for Sirsi/Dynix; add'l software support	16,500	
E11	WEB CATALOG CONTENT	10% cost increase and 10% increase in customers	4,950	
E12	COLL AGCY SVCS/NOTICES	Annualizes 2010 change to UMS mailing notices	29,005	
E13	ELECTRONIC LIBRARY SVCS	Eliminates one-time 2010 charge	(200)	
E14	DATA COMMUN-INTERNET	Annualizes 2010 Internet circuit upgrade	6,000	
E15	MILEAGE	Potential IRS rate increase to \$0.55 & increased use	1,900	
E16	TRAVEL–BUSINESS	Based on required activities	6,150	
E17	TRAVEL–STAFF TRAINING	Based on 2011 training plans	(6,880)	
E18	STAFF TRAINING	Based on 2011 training plans	16,080	15,000
E19	BOARD TRAVEL	No 2011 PLA Conference; WLA in Yakima	(2,500)	
E20	BOARD TRAINING	No 2011 PLA Conference	(900)	
E21	RENTALS & LEASES: OTHER	Reimburse Perrine property taxes	800	
E22	REPAIR & MAINT-DP EQUIP	Increased equipment & repair contracts	3,000	
E23	REPAIR & MTNCE-BUILDINGS	2011 Facility Maintenance Plan projects	5,773	5,773
E24	GROUND MTNCE SERVICES	2011 Facility Maintenance Plan projects	2,387	2,387
E25	DUES & MEMBERSHIPS	Nominal fee increases; 2 Rotary memberships	1,330	600
E26	WELLNESS SVCS & PROG	Program increase from 2011 grant	659	
E27	CATALOGING & AUTH. SCV	Projected rate increase & add'l cataloging records	1,700	
E28	BINDING SERVICES	Fewer items sent for binding	(500)	
E29	ILL SERVICES	Projected rate increase	255	
E30	DP HARDWARE & SOFTWARE	Excess of baseline to 2011 Plan projects	131,859	131,859
E31	FF&E	Excess of baseline to 2011 Plan projects	550	
E32	LIBRARY MATERIALS	Projected 2% inflation to maintain purchasing levels;	84,582	

		increase in digital, DVD, CD materials purchasing			
E33	SALARIES: REGULAR HOURS	1.4% minimum wage increase	3,197		
E33	SALARIES: PAID TIME OFF	1.4% minimum wage increase	499		
E33	FICA - SOCIAL SECURITY	1.4% minimum wage increase	230		
E33	FICA - MEDICARE	1.4% minimum wage increase	54		
E33	RETIREMENT CONTRIB	1.4% minimum wage increase	42		
E34	OFFICE SUPPLIES	Projected cost for PC privacy filter replacements	5,350		
E35	RECRUITMENT	Director position recruitment	25,000		
E36	INSURANCE	Reduced premiums for 2011 renewal	(14,000)		
E37	MEDICAL INSURANCE	Unanticipated WCIP/Premera premium increase	18,046		
	TOTAL EXPENSES		\$ 796,809	\$ 180,419	\$ 0
	TRANSF OUT: CAP		406,655		406,665
T1	PROJECTS				
	TOTAL TRANSFERS OUT		406,655		406,665
	TOTAL EXPENSES AND TRANSFERS OUT		\$ 1,203,464	\$ 180,419	\$ 406,665
B1	ESTIMATED BEGINNING FUND BALANCE 01/01/11		\$ 29,334		
C1	Committed for Technology Plan	Adjust to 2011 requirements per Fund Balance Policy	(76,704)		
	Committed for Facility Mtn	Adjust to 2011 requirements per Fund Balance Policy	(24,863)		
C2	Plan				
C3	Committed for FF&E Plan	Adjust to 2011 requirements per Fund Balance Policy	(23,434)		
C4	Committed for Library Materials	Adjust to 2011 requirements per Fund Balance Policy	4,760		
C5	Committed for Contingency Res	Establishes contingency (rainy day) reserve	(135,552)		

**Spokane County Library District
Final 2011 Budget (December 21, 2010)
Capital Projects Fund (008-661)**

REVENUES

Interest Earnings	\$ 15,000	
Transfer in from General Operating Fund	406,655	
Total Revenues & Transfers In	<u>421,660</u>	\$ 421,660

EXPENSES

	\$ 0	
Total Expenses & Transfers Out	<u>0</u>	\$ 0
Revenues Over (Under) Expenses		\$ 421,660
Estimated Beginning Committed Fund Balance 01/01/11		<u>891,074</u>
Estimated Ending Committed Fund Balance 12/31/11		<u>\$ 1,312,734</u>