



Fort Vancouver Regional Library District

BUDGET PROPOSAL FOR 2014

DECEMBER 16, 2013



FORT VANCOUVER REGIONAL LIBRARY DISTRICT

Serving Clark, Skamania and Klickitat Counties and Woodland and Yale Precinct in Cowlitz County

Dear Board Members and Patrons of the Fort Vancouver Regional Library District,

Fort Vancouver Regional Library District can boast of a proud past and a strong tradition of excellence in providing library service to over 450,000 residents in Clark, Skamania, Klickitat and parts of Cowlitz Counties, an area of 4,200 square miles.

The past two years have presented FVRL with significant challenges and great opportunities. New library facilities in downtown Vancouver and Cascade Park have increased the capacity of the District to serve community members more effectively. However, the economic downturn resulted in serious financial challenges that limited the District's ability to adequately fund maintenance and support for facilities and services across the district. Escalating costs for health benefits and other inflationary increases for operations have placed significant pressure to reduce costs and seek operational efficiencies across all areas of the budget.

In 2013, the District was faced with a reduction in revenues of over \$750,000 from 2012. We evaluated job openings, made reductions in personnel and reorganized to find cost-effective ways to stretch our budget to meet organizational objectives. Staff hours were transferred from the downtown Vancouver Community Library to other branches to more adequately balance the allocations across the District. Staff was added to the White Salmon Community Library to support opening on Mondays. The Mall Library Connection was successfully remodeled and reopened. The Yacolt Library Express, opened in late 2012, continues to thrive as a potential model for service to rural areas.

In 2014, we face the unusual and one-time opportunity to strengthen the long-term financial base and more effectively meet the growing demands and needs for the future, in keeping with the intent of voters who passed the 2010 levy lid lift. FVRL is eligible to take a budgetary increase to help restore some of the financial capacity lost during the recent recession. This opportunity converges with the completion of a significant Facilities Study to assess and project the needs of both current service points and future facilities and service requirements.

This budget proposal for 2014 seeks to address improvements in a variety of key areas, including:

- Completion of a Classification and Compensation Study
- Improved ability to maintain facilities, replace aging vehicles, and deal with deferred maintenance needs throughout the District
- Planning for the much needed replacement of branches in three District communities
- Increased development of digital collections to meet growing demands
- Ability to meet increased costs for improved telecommunications networks and needed replacement and upgrade to computer software and hardware

Over the coming year, FVRL is postured to make significant strides in meeting the challenges of a growing population base, increased demand for technology and digital resources and pressing need for services and programs to respond to both the youngest and senior learners in our communities. We will continue to strive to make the District libraries the primary public institution that serves as a catalyst for growing strong communities and engaged citizens.

Nancy Tessman
Executive Director

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CALENDAR FOR DEVELOPMENT OF 2014 BUDGET

JULY

- Preliminary assessment of budget assumptions for 2014
- Request for budget proposals from department managers and coordinators

AUGUST

- Staff and Board discussion of expected budget projections and priorities
- Preliminary discussion of scenarios for revenue projections for 2014
- WPEA union negotiations initiated

SEPTEMBER

- Review of budget proposals from departments and coordinators
- Initial development of budget priorities for 2014 by Administrative Team
- Revenue estimates received from Clark County for 2014

OCTOBER

- Development of revenue and expenditure plan and priorities for 2014
- AFSCME union negotiations initiated
- Report of estimated revenues from Klickitat and Skamania Counties
- Presentation of Budget to Board of Trustees
- Initial presentation of Facilities Study

NOVEMBER

- Final review of Budget by the Board; approval of levy rate request
- Cash Reserve Plan reviewed by Board of Directors
- WPEA union contract to be ratified if possible

DECEMBER

- Cash Reserve Plan approved by Board of Directors
- AFSCME union contract completed if possible

2013 ACCOMPLISHMENTS

- Opened The Mall Library Connection at Westfield Mall
- Converted to a calendar budget year
- Completed a Facilities Planning Study
- Added Monday hours at White Salmon Community Library
- Reorganized to better staff library initiatives, improve communication and better utilize staff skills
- Completed a successful reference study to improve district-wide information services
- Initiated a classification and compensation study
- Began working effectively with a new union bargaining unit (AFSCME); re-negotiated a contract with WPEA
- Revamped, clarified and integrated our accounting and budgeting processes
- Improved organizational communication and employee engagement in planning and decision-making
- Issued RFP to improve phone system
- Upgraded computer servers and library automation system
- Redesigned and launched a new website.
- Initiated a credit and debit card payment system.

2014 PRIORITIES

- Complete the classification and compensation study
- Initiate first phase of Facilities Plan
- Develop a District Staff Development Plan
- Complete updated employee handbook
- Fund deferred maintenance priorities
- Implement replacement plan for aging vehicles
- Complete upgrade of phone system
- Add additional day of courier service for upriver branches
- Effectively utilize new staff capacity in Marketing, Analysis And Project Management
- Continue review and updating of all policies and procedures
- Develop and implement complete performance management system
- Complete classification and compensation study and implement improvements
- Expand use of mobile technology devices for library patrons and staff
- Initiate study of optimal service hours
- Develop a Collection Development action plan including review of DVD and sound collections
- Evaluate Collection Management tools and processes
- Develop and implement a social media service strategy
- Continue to assess staffing levels and configurations and make necessary adjustments
- Institute an on-line patron registration process

INCOME AND REVENUES

The 2014 revenue budget was developed based on revenue projections for 2014-15. Because 97% of FVRL’s budget is derived from property tax, and state law strictly regulates property tax collections, it is essential for FVRL to project revenues at least a year in advance in order to adjust spending for the current budget in light of revenue expected in the subsequent year.

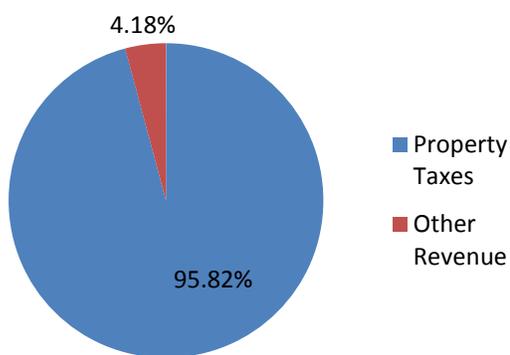
Revenue projections were developed within the context of the following:

1. The levy rate for the FVRL taxing district will remain at or just slightly below .50¢ per \$1,000 of assessed valuation of property for 2014-15.
2. Property values in Clark, Skamania and Cowlitz counties are increasing while values in Klickitat County are decreasing slightly.
3. Without utilizing banked capacity, increased revenue for 2014 would be only approximately \$157,219.
4. 2014 revenues could increase by approximately 6% compared to the 2013 fiscal year due to higher property values, some new construction and the opportunity to restore revenues lost by capturing banked capacity.

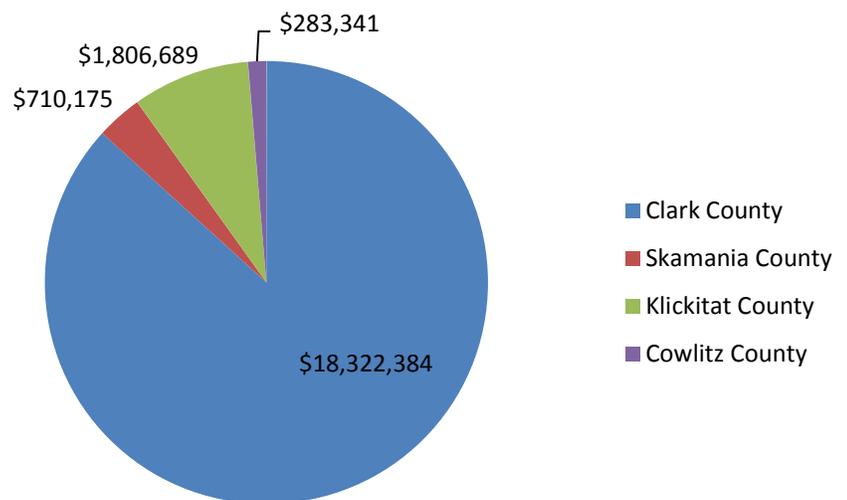
Due to the twice-a-year cycle of revenue receipts versus the ongoing regularity of expenses, FVRL experiences semi-annual temporary shortfalls in available cash. To fund these shortfalls, the District uses cash reserves developed from ending fund balances of prior years to meet obligations. In this way, the District does not need to borrow to pay its bills.

We budget revenue categories other than property taxes in a conservative manner due to unpredictable fluctuation in amounts over time. Based on trends from 2013 and an improved and more stable economy, we are modestly increasing some lines. The miscellaneous revenue category for 2014 shows an increase due to an anticipated increase in the e-rate reimbursement.

Revenue %



Revenue by County



INCOME AND REVENUES - continued

Fort Vancouver Regional Library District
 Statement Of Revenue Budget - Fiscal Year 2014
 Proposed 2014 Revenue

	2013 Budget (Adopted 11/2012)	2014 Budget (Proposed 12/2013)	Dollar Difference	Percent Change
Property Taxes				
311.10	\$16,808,959	\$18,322,384	\$1,513,425	9.00%
311.10	\$663,349	\$710,175	\$46,826	7.06%
311.10	\$1,833,000	\$1,806,689	-\$26,311	-1.44%
311.10	\$276,693	\$283,341	\$6,648	2.40%
Total Property Taxes	\$19,582,001	\$21,122,589	\$1,540,588	7.87%
Other Taxes				
311.11	\$100,000	\$135,000	\$35,000	35.00%
318.20	\$70,000	\$70,000	\$0	0.00%
Total Other Taxes	\$170,000	\$205,000	\$35,000	20.59%
Intergovernmental, Grants & Contracts				
332.00	\$5,000	\$5,000	\$0	0.00%
335.05	\$100,000	\$160,000	\$60,000	60.00%
333.00	\$0	\$0	\$0	
338.72	\$0	\$0	\$0	
338.72	\$57,744	\$58,321	\$577	1.00%
338.72	\$61,000	\$61,000	\$0	0.00%
338.72	\$500	\$500	\$0	0.00%
338.72	\$0	\$0	\$0	
338.72	\$0	\$0	\$0	
Total Intergovernmental, Grants & Contracts	\$224,244	\$284,821	\$60,577	27.01%
Charges for Services				
341.60	\$30,000	\$30,000	\$0	0.00%
347.21	\$6,000	\$6,000	\$0	0.00%
347.90	\$45,000	\$47,000	\$2,000	4.44%
347.50	\$23,000	\$23,000	\$0	0.00%
Total Charges for Services	\$104,000	\$106,000	\$2,000	1.92%
Miscellaneous				
361.11	\$32,000	\$37,000	\$5,000	15.63%
362.00	\$15,000	\$15,000	\$0	0.00%
367.10	\$3,000	\$3,000	\$0	0.00%
369.90	\$25,000	\$25,000	\$0	0.00%
369.90	\$30,000	\$30,000	\$0	0.00%
369.40	\$0	\$0	\$0	
369.90	\$10,000	\$7,500	-\$2,500	-25.00%
369.90	\$0	\$0	\$0	
369.90	\$0	\$0	\$0	
369.90	\$130,000	\$200,470	\$70,470	54.21%
395.00	\$8,000	\$8,000	\$0	0.00%
Total Miscellaneous	\$253,000	\$325,970	\$72,970	28.84%
Grand Total Revenue	\$20,333,245	\$22,044,380	\$1,711,135	8.42%

Jan.-Dec. 2014 Fiscal Year

EXPENDITURES

Fort Vancouver Regional Library District

Statement of Expenditure Budget - Fiscal Year 2014
Proposed 2014 Expenditures

Operating Budget

Bars	Description	2013 Budget (Adopted 11/2012)	2014 Budget (Proposed 12/2013)	Dollar Difference Between 2014 and 2013	Percentage Increase or Decrease
Personnel					
572.00	Wages	9,070,363	9,509,133	438,770	4.84%
572.24	Benefit - Medical	2,077,092	2,351,993	274,901	13.23%
572.24	Benefit - Dental	207,526	267,902	60,376	29.09%
572.24	Benefit - Life, LTD, STD	77,101	85,927	8,826	11.45%
572.22	Benefit - PERS	690,447	805,636	115,189	16.68%
572.21	Benefit - FICA	693,882	699,562	5,680	0.82%
572.25	Benefit - L & I - Workers Comp	104,428	105,500	1,072	1.03%
572.28	Unemployment Expense	15,000	15,000	0	0.00%
	Personnel Subtotal:	12,935,839	13,840,653	904,814	6.99%
Supplies					
572.30	Supplies	403,877	421,827	17,950	4.44%
572.35 & 38	Small Equipment / Technology	428,000	401,510	-26,490	-6.19%
572.33	Professional Collection	95,500	115,000	19,500	20.42%
	Supplies, Small Equipmt/Technology Subtotal:	927,377	938,337	10,960	1.18%
Library Books / Materials					
572.34	Library Books & Materials	2,424,200	2,410,000	-14,200	-0.59%
572.39	Electronic Resources	945,200	1,000,000	54,800	5.80%
	Materials - Donor funded	15,000	15,000	0	0.00%
	Library Materials Subtotal:	3,384,400	3,425,000	40,600	1.20%
Other Services / Charges					
572.41	Professional Services	895,657	967,260	71,603	7.99%
572.42	Communications	375,000	445,000	70,000	18.67%
572.43	Training / Travel	105,000	105,000	0	0.00%
572.44	Advertising	10,000	19,500	9,500	95.00%
572.45	Rentals / Leases	359,000	364,000	5,000	1.39%
572.46	Insurance	160,000	172,000	12,000	7.50%
572.47	Utilities	416,000	448,205	32,205	7.74%
572.48	Repairs & Maintenance	485,000	583,645	98,645	20.34%
572.49	Misc / Dues / Printing / Other	114,972	134,798	19,826	17.24%
572.50	Intergovernmental Services	5,000	12,900	7,900	158.00%
	Other Charges & Services Subtotal:	2,925,629	3,252,308	326,679	11.17%
Capital Outlay					
572.62	Buildings / Non-Owned	80,000	120,000	40,000	50.00%
594.62	Buildings / Owned	80,000	40,000	-40,000	-50.00%
594.64	Machinery & Equipment	0	0	0	0.00%
	Capital Outlay Subtotal:	160,000	160,000	0	0.00%
Reserved-Library Development					
572	Reserved amount	0	428,082	428,082	-
	Reserved amount Subtotal:	0	428,082	428,082	-
Subtotal-Operating Expenditures		20,333,245	22,044,380	1,711,135	8.42%
Reserved Projects-2014					
572.38	VOIP Phone System	0	150,000	150,000	-
594.62	Deferred/Future Capital Maint/Repairs	0	275,000	275,000	-
594.64	Vehicle Replacement	0	150,000	150,000	-
594.61	Land Acquisition-future Library Sites	0	200,000	200,000	-
594.62	Alternative/Rural Service Delivery Plan	0	60,000	60,000	-
572.38	Strategic Service Delivery Projects	0	50,000	50,000	-
	Reserved Projects Subtotal:	0	885,000	885,000	-
Grand Total All Expenditures:		\$ 20,333,245	\$ 22,929,380	\$ 2,596,135	12.77%

CASH RESERVE PLAN

PRELIMINARY PLAN FOR DESIGNATION OF CASH RESERVE BALANCE FORT VANCOUVER REGIONAL LIBRARY DISTRICT

INTRODUCTION

The District has a cash reserve to fund semi-annual temporary shortfalls in available cash. The majority of the District's revenue comes from the collection of property taxes. These taxes are collected twice annually; in March-April and October-November. The cash reserve allows the District to meet its financial obligations during the months of December through March without borrowing to pay employees and vendors. The cash reserve is also set at a level to provide a measure of security against unforeseen revenue shortfalls, catastrophic events that might require spending outside the normal operational budget and any unforeseen capital repair that might occur at one of the buildings.

The cash reserve developed from ending fund balances of prior years. During the economic recession, the District deliberately underspent its budget to build a cash reserve that would carry it through the bad economic times. Now that the economy is improving, the District has developed a plan to designate the cash reserve. Over half of the projected 2013 fiscal year-end cash reserve balance is dedicated to the operational reserve. The remainder of the cash reserve balance is detailed in the following plan.

CASH RESERVE PLAN- *continued*

PRELIMINARY PLAN FOR DESIGNATION OF CASH RESERVE BALANCE FORT VANCOUVER REGIONAL LIBRARY DISTRICT

CURRENT CASH RESERVE BALANCE: \$14,000,000+

OBJECTIVE: Ensure adequate operational reserves to meet obligations prior to receipt of new annual revenues and provide an adequate measure of security against risk of unforeseen revenue shortfalls or catastrophe.

RECOMMENDATION: \$7,000,000+

OBJECTIVE: Provide adequate fund capacity to support both deferred and future major maintenance repairs and replacements for district facilities as outlined in recent facilities inventory and analysis.

RECOMMENDATION: \$1,500,000

OBJECTIVE: Provide adequate and on-going fund for regular vehicle replacement and upgrades, including possible replacement of one bookmobile in 2015 or as needed.

RECOMMENDATION: \$400,000

OBJECTIVE: Support enhancement and improvements for current existing facilities, including possible land acquisition for Battle Ground and Three Creeks community libraries.

RECOMMENDATION: \$1,200,000

OBJECTIVE: Provide capital seed money for development of new branch community branch libraries for Ridgefield, Washougal and Woodland. Establish savings account for proposed Orchards area community library and replacement of Headquarters facilities.

RECOMMENDATION: \$500,000 each for RI, WA, WD; 1.5M for Orchards/HQ fund

TOTAL OF \$3,000,000

OBJECTIVE: Develop on-going fund for establishment of alternative service outlets and convenient express service locations with initial emphasis in Skamania and Klickitat counties.

RECOMMENDATION: \$500,000

OBJECTIVE: Develop on-going fund for investments in innovative and strategic service delivery methods, tools and concepts.

RECOMMENDATION: \$400,000

TOTAL: \$14,000,000

HUMAN RESOURCES

The staff of FVRL remains its most important asset. As libraries change and become even more critical in the development of strong communities and economies, the skills and dedication of the staff create the strongest foundation for supporting a prosperous and educated population.

During 2013, the District initiated a re-organization effort to better utilize and support staff to meet the growing and changing demands. FVRL will place increased emphasis upon marketing services, collections and programs. Reference services and support will be re-vamped and centralized to better respond to changing informational needs and requests. Increased emphasis will be placed upon program and service analysis, planning and evaluation to set clear objectives and standards for success. Cross organizational workgroups will continue to participate in planning and service development to include and involve the talents and expertise of staff more effectively and cultivate an environment of participation and accountability.

The District will be placing increased emphasis upon training and development of the staff and has added a Staff Development Coordinator to lead this critical effort. The District will conduct a needs analysis to form the foundation for an annual plan. Increased use of sophisticated technologies, increasingly diverse populations, emphasis on early learning, demand for more programs and events, impacts from a growing digital divide - all these require staff to be equipped with the knowledge and skills to better meet these pressing needs.

A Classification and Compensation Study was initiated in 2013 and will be completed by early 2014. Funds have been identified to respond to the outcome of the study in an effort to provide fair compensation to staff and ensure that the organizational structure is equitable and effective. The study will result in revised job descriptions, utilization of a whole job evaluation method, evaluation of the total compensation package and recommendations for a pay-for-performance compensation strategy. The study will form the foundation for an improved performance management and evaluation system.

The 2014 budget proposal includes funding for an across the board market adjustment to take effect on January 1st and an individual performance based wage adjustment to take effect on April 1st. These amounts are still subject to union negotiations and the results of the Classification and Compensation Study.

Insurance coverage for employees has been successfully negotiated and more equitable coverage has been provided for staff in rural areas. This budget reflects the premium increase of approximately 10% for health and dental coverage for both employer and employee contributions. Costs for other benefits, including long and short term disability, FICA, PERS and workers compensation continue to rise.

For 2014, the Personnel Budget, particularly the Wages category, was able to be somewhat contained due to an effort to reduce current costs and seek reductions in staffing levels wherever possible. However, additional staff hours have been added to better meet needs in both maintenance and support services and to add a delivery day for upriver branches to reduce the wait time for rural patrons who request materials from other locations. The District continues to use many volunteer hours to supplement and support activities and events.

PUBLIC SERVICES

For the Public Services Division, 2014 will be a year of building on the growth and service improvements of the past few years. We will aim to raise the public's awareness of their local library and the FVRL online services to meet and even exceed their expectations for information, recreation, and community engagement.

Staff and Hours

In 2013, we began adjusting staffing levels at the library branches with the goal of better supporting the volume of business at each location. Total FTE was reduced at Vancouver and increased at Battle Ground, Cascade Park, Three Creeks, White Salmon and Washougal community libraries. In 2014, we will continue to evaluate staffing needs and shift FTE as needed. We will also be looking at the hours each branch is open and identify where we can make service improvements through the addition of hours and/or adjustments in open/close times and days of the week.

Technology

The rapid evolution of technology continues to affect how library patrons access the library's collection and services. The new FVRL website launched in early 2013 has been regularly improved, and we will continue to do so. We will also increase our use of social media to engage and inform current and future patrons. One important technology focus will be to make it even easier for patrons to use mobile devices such as smart phones and tablets to use the library catalog and website. We will also build on 2013 pilot projects by staff using mobile devices to answer patron questions, sign up new patrons at community sites, and offer innovative programming.

Programs

FVRL has a reputation for offering a rich array of services and programs for children from birth through tweens, and we strive to be innovative with services for teens to keep up with their changing interests and attract new teens to the libraries. An important component to our excellent children and teen services is the Summer Reading Program. In 2014, we will offer a web-based program to provide more opportunities for youth to track their summer reading and participate even when they cannot visit a library.

Many of the branches have increased their programming for adults, but we need to devote more attention to the program interests of adults at various stages of life. In 2014, the Program Services Coordinator and branch staff will improve adult programming, especially in the areas of civic engagement, do-it-yourself and make-it-yourself, and arts and literature. We will strengthen collaboration and information-sharing between branches, as well as improve the support and coordination from the district, in order to offer programs for all ages that meet local interests and maximize our resources. We will better assess community needs and improve our evaluations of how programs are meeting public expectations.

PUBLIC SERVICES - *continued*

Reference

In 2013, a work group representing staff from throughout the district made a thorough study of how we deliver reference services and made recommendations for significant changes and improvements. In 2014, a new Reference Services Coordinator will lead the implementation of those recommendations. We will be shifting the coordination and support for reference services from Vancouver Community Library to the district headquarters, but we will also initiate training and ongoing support that will ensure that we provide excellent reference and readers' advisory services at the patron's first contact with staff in all of the branches and via telephone and online means.

COLLECTIONS AND TECHNOLOGY SERVICES

The Collection and Technology Services division was newly formed in 2013. It includes the Information Technology, Technical Services and Collection Development departments as well as the Systems and Collection Management coordinators. In 2014 we will continue to improve communication with FVRL staff, work collaboratively on District priorities, and strengthen our ability to deliver timely services and collections.

Collections

2013 was our first full year of offering access to eBooks and downloadable audiobooks while still endeavoring to maintain a robust print collection. We expanded purchases of Lucky Day and DVD materials and added online magazines. In the last quarter of 2014 we are introducing an online patron request form that will enable us to hear more directly from patrons about how the collection could better meet their expectations.

We will continue to improve communication about the collection through the completion of a Collection Development Action Plan that will help inform staff and the public of our collection development priorities. We will also assess the formats we collect and consider adding children's music and expanding our experiential collections such as museum and event passes. We will evaluate and refine use of collection management tools such as floating collection, core collections and the weeding and replacement processes.

Technology

Several large infrastructure projects improved bandwidth to upriver branches, reconfigured the network for better security and support of Wi-Fi, and upgraded the servers that run our integrated library system. Additionally the first part of our credit card payment project launched through our website this summer. In 2014 we will replace our multiplicity of phone systems with a single system designed to support future district needs. We will also improve internal management of technology assets and trouble tickets and work with staff to give them the knowledge to deal more directly with technology issues. We are anticipating installation of an automated materials handling system at Battle Ground and will be working to improve support of all of our AMH installation. We will also upgrade the self-check software, finish the credit card payment project and pilot web-based ILS staff software for use on mobile technology.

COMMUNICATIONS AND MARKETING

We have several changes and initiatives underway that are going to position the district to be more visible among and responsive to our constituents in 2014.

The first is the addition of the new position of Marketing and Outreach Coordinator. One of the clearest messages to come out of our internal planning sessions this year was, “We need to be doing more marketing!” Our first step in ramping up our marketing and outreach efforts will be to meet with branch staff to collect answers to a number of questions, including:

- How are you currently promoting programs, events, resources and services in your service area?
- What strategic opportunities for outreach might we pursue in 2014?
- What assistance, tools and support from the district would be most helpful?

From that input and additional collaboration with district staff, we'll develop an overall marketing and outreach plan for 2014, and then move quickly into implementation. In some cases, we'll identify the need for additional advertising as part of the promotional piece of our marketing plan, which will be made possible by the proposed increase in advertising funding.

The Marketing and Promotion Work Group is helping to shape a better district-wide understanding of marketing best practices, and is developing a marketing toolkit for delivery in 2014 to help branches strengthen their local marketing and promotions efforts. The group also will be working to build district-wide buy-in and integration of the concepts of research-based program and service development, and use of success metrics and program/service assessments in our marketing cycles. We expect this group to continue in some form in 2014, providing not only a broad range of perspectives to enrich and sharpen our district-wide planning, but also helping to carry best practices out to their branches and workplaces.

Finally, Graphics is working to reshape its work flow, style guidelines and offerings in consultation with frontline staff in order to keep pace with the district's growing demand for graphics support. The staffing level for Graphics has not changed in more than a decade, but during that time the demand for Graphics support has increased greatly, especially with the growth of electronic forms of communication. With our intention of increasing our marketing and outreach, we are working to provide a clearer visual identity for the district and streamlining production of printed and digital materials to support those efforts.

ADMINISTRATIVE SUPPORT SERVICES

Over the past year, the Library successfully transitioned to a calendar year for financial management and reporting. We have integrated both the budget and accounting functions into a single software system, leading to improvements in reconciling budget plans with expenditures. All contracts and purchase orders are also being integrated into the same system to ensure that a complete and accurate accounting of contractual obligations. Efforts are being made to provide greater transparency and clarity in budget categories so that the Board and other responsible individuals in the organization have more regular and detailed reports to assist in managing and tracking expenses effectively.

The Board has moved its regular monthly meeting to the Third Monday of the month, greatly improving our ability to provide complete financial information to the Board in a timely manner.

Aspects of the accounting processes have been evaluated with the help of outside consulting expertise to simplify processes, eliminated duplicated efforts and ensure compliance with all auditing requirements. These efforts will continue as we continually seek ways to save time and money whenever possible.

Procurement services have been combined with the Business Operations function to improve the coordination of purchasing with accounting. Significant strides were made in identifying, selling and disposing surplus equipment, furniture and supplies. All off-site storage areas have been eliminated, saving over \$10,000 annually. During 2014, efforts will be made to reduce the current surplus still stored on site.

FACILITIES

Support for facilities for FVRL includes the operating costs for sixteen service outlets and a current fleet of 18 vehicles, including two operating bookmobiles. As FVRL has added new and larger locations, on-going maintenance costs have increased proportionally. Costs for utilities and service contracts have also risen. While celebrating the newer facilities of Cascade Park, Battle Ground, downtown Vancouver and the Mall Library connection, FVRL is also facing increased needs from older and less adequate facilities throughout the District.

We have confirmed that the facilities of FVRL are well-used and well loved. Challenging financial conditions of the past few years have limited the ability to maintain many of our facilities to an appropriate standard. Additional resources are needed to address deferred maintenance requirements at almost every location.

The Mall Library Connection reopened in April of 2013 after a major renovation. With a reduction in service space of fifty percent, the location is quickly returning to previous levels of use and circulation while attracting many new patrons to the library. The Yacolt Library Express continues to thrive, circulating 4255 items on average monthly from this primarily self-service outlet.

During 2013, FVRL initiated a Facilities Study to assess the condition of the current facilities and service outlets and evaluate the need for expansion or improvements to better meet the needs of the large and diverse area served. With the support of the planning firm of BergerABAM, the District embarked upon a rigorous community process to analyze service patterns, study demographics for growth and development and consult with community stakeholders to learn as much as possible about both current and future needs. We also conducted an inventory of the condition of current facilities to determine pressing needs for upgrades and improvements.

As the population of the service area of FVRL increases, it is clear that the need for expanded facilities and service outlets will grow. However, it is also apparent that changes in technology and innovative service options will shape new and more sustainable options to help address needs while controlling costs. The Facilities Study has identified a set of options and priorities that can guide the District to expanded facilities and innovative service solutions over the next ten years.

As the District considers and plans for growth, it is imperative to plan for the future with a responsible eye towards the likely increasing costs of operations for current and new or expanded buildings. Decisions should be made with consideration for future financial resources and predictable inflationary costs.

CAPITAL OUTLAY FOR BUILDINGS

The recent Facilities Study has resulted in a complete assessment of current facilities, an inventory of deferred maintenance needs and proposals for improved and expanded service points throughout the District.

Ongoing capital investments and improvements are necessary to ensure that the physical assets of the Library District are maintained and improved as needed. During 2013, the following projects have been or should be completed:

- Lighting electrical panel replacement at VA (following fire/insurance reimbursed)
- Woodland Community Library – Circulation Desk move and upgrade
- Electrical upgrades at Headquarters
- Replacement of carpet for Three Creeks Community Room
- Goldendale wooden stairways refinishing project
- Sealed and striped parking lots at Headquarters and Stevenson
- Replacement of water heaters at Goldendale, Ridgefield and White Salmon
- Front entry door replacement at Cascade Park

Plans are being developed to follow through in 2014 on many of the project identified on the Deferred Maintenance list. Some will be funded through the capital projects accounts and a proposal will be forthcoming to use some additional funding from current cash reserves to address needs in excess of the current revenue allocation.

FUTURE LIBRARY DEVELOPMENT PROJECTS

In anticipation of the recommendations of the Facilities Study, we are requesting an amount of approximately \$428,000 to be allocated from the proposed revenues for 2014 to support planning and building the necessary financial capacity to operate the added or expanded library facilities or service outlets approved by the Board over the next few years. During 2014, a portion of these funds will be used to contract with a consultant to initiate a community process to develop specific building programs for the priority projects as determined by the Board. Unexpended amounts each year will be reserved to support additional planning, collections and equipment that will be needed and not covered through other means. When a new facility or service point is opened, this fund will be available to support both staff and other operating costs, including utilities and maintenance.

ORGANIZATIONAL CHART

Fort Vancouver Regional Library District -- Organization | October 15, 2013

