



King County Library System

Board of Trustees

Bothell Regional Library

4:30pm ♦ 30 April 2003

PRESENT

KCLS Board

Tobias Washington
Jim Grayson
Charlotte Spitzer
Richard Eadie
Wai-Fong Lee

KCLS Staff

Bill Ptacek
Bruce Adams
Linda Glenicki
Jeanne Thorsen
Julie Wallace
Charlene Richards
Bruce Schauer
Nancy Smith
Denise Siers
Jed Moffitt
Ruth Bacharach
Rob Bowman
Cindy Richardson
Cheryl Carrabba

GUESTS

Dan Gottlieb
Jane Towery
Betty Green
Eve Phillips
Sandy Guinn
John Cole
Julie Cole
Andy Merget
Lee McCravey
John Hughes

Motions Approved

1. Motion to approve Board Agenda.
2. Motion to approve Minutes of 26 March 2003.
3. Motion to approve Payroll.
4. Motion to approve General Fund #0010.
5. Motion to approve Construction Bond Fund '88 #3020.
6. Motion to approve Gift Fund #6010.
7. Motion to approve Issaquah Library Capital Facility Area Fund #381.
8. Motion to approve Redmond Library Capital Facility Area Fund #380.
9. Motion to approve Resolution 2003-2, Bond Refunding.
10. Motion to approve that KCLS refund now and capture rate and \$552,000 savings.
11. Motion to approve the revised Rules of Conduct.
12. Motion to approve the Tuition Assistance Program.
13. Motion to approve the Washington Library Association be able to charge a fee for space at the Service Center for a Children's training program.

CALL TO ORDER

President Tobias Washington called the meeting to order at 4:37pm.

PUBLIC COMMENT

President Washington asked if there was any public comment. Eve Phillips said she is representing Joe tonight as he is at hospital with his mother. She invited the Board to the Richmond Beach Library Arts & Crafts event that takes place this Friday and Saturday.

Introduction Of Bothell Community Members

Bill Ptacek asked Ruth Bacharach, manager of the Bothell Regional Library, to introduce guests and presenters. Sandy Guinn from the Bothell City Council; Julie Cole, Andy Merget, Lee McCravey and John Hughes from the Bothell Library Board; Betty Green, President of the Bothell Friends, and Bothell Library Assistant Manager Rob Bowman.

APPROVAL OF THE AGENDA

President Washington asked if there were any additions or modifications to the Agenda. Bill Ptacek said a couple items require action and that there is a program for the WLA to be held at the KCLS Service Center and they would like to charge for it. Tobias Washington asked if making it the last item on the agenda was OK; Bill Ptacek said yes.

Charlotte Spitzer moved approval of the Agenda, Richard Eadie seconded and the motion was approved.

APPROVAL OF THE MINUTES

President Washington asked if there were any additions or modifications to the Minutes. There were none.

Wai-Fong Lee moved approval of the minutes with the changes; Jim Grayson seconded and the motion passed unanimously.

FINANCE REPORT

Linda Glenicki reported that we have spent \$14.3M year-to-date, which is slightly below our \$5M per month run rate. Our communications expenses are running ahead of last year due to the now full rollout of the I-net and the overlapping of significant e-rate rebates in the prior year. We have budgeted for a \$200k e-rate discount in 2003 and should see them throughout the year. Tobias Washington asked if this is in compliance with CIPA and could this be withheld? Bill Ptacek said because it is in the courts, there is no requirement for them so KCLS is not really affected. Intergovernmental expenses for April reflect the Snohomish county portion of the bond election (\$9,000). It was \$2k for Pierce County. King County won't be able to tell us how much our bill is until late summer. That is the largest piece of the bill and we have budgeted \$1M. The property and liability insurance is budgeted for \$315k, however, the actual amount will be \$312k and it renews tomorrow. Under Revenue, there is not a great deal to report until we begin seeing the 2002 property tax figures. On Monday, 28 April we repaid the line of credit to Bank of America.

On the topic of used book sales, per the request of the Board, Linda Glenicki said she has scheduled a site visit to bLogistics in Colorado on 19 May. She spoke with our contact at Amazon.com about additional partners beyond bLogistics and was told they are in the process of identifying someone in the Northwest. Coincidentally, she received a telephone call from Once Sold Tales in Federal Way that sells books for non-profit operations. They don't yet have the capacity to handle KCLS shipments but we will meet to discuss possibilities.

PAYMENT OF BILLS

Jim Grayson moved approval of Payroll in the amount of \$1,938,745.30 Expenditures March 1-15 Chk#45828-46764; 115207-115441 and Mar 16-31 chk#46765-47714; 115442-115678; Richard Eadie seconded and the motion passed unanimously.

Richard Eadie moved approval of General Fund #0010 Expenditures March 2003 in the amount of \$2,926,583.21. The following voucher/warrants are approved for payment: Checks #643-648; 3/6-Chk #45217-45218; 3/10-Chk #45219-45318; 3/10-Chk #45219-45318; 3/12-Chk #45319-45528; 3/12-Chk #45563-45683;45684-45686; 3/19-Chk #45687-45763; 3/20-Chk #45799-45921; 3/24-Chk #45922-45991; 3/25-Chk #46005; 3/27-Chk #46006-46114; 3/27-Chk #46145-46274; 4/1-Chk #46275-46287; 46288-46290; 4/3-Chk #46291-46452; 4/4-Chk #46481-46638;46639. Charlotte Spitzer seconded and the motion passed unanimously.

Charlotte Spitzer moved approval of Construction Bond Fund '88 #3020 Expenditures March 2003 in the amount of \$58,459.16; Checks (3/12)# #45529-45557; (3/19) #45764-45798; (3/24) #45992-46000 (3/27) #46115-46144; (4/03) #46453-46480; (4/4)#46640. Jim Grayson seconded and the motion passed unanimously.

Wai-Fong Lee moved approval of Gift Fund #6020 Expenditures for March 2003 in the amount of \$1,918.98; checks (1/10)#42804-42810, (1/16)#43135-43139; (1/17)# 43172; (1/31) #43672-43679; (2/5)#43845;43848. Charlotte Spitzer seconded and the motion passed unanimously.

Charlotte Spitzer moved approval of the Issaquah Library Capital Facility Area Fund #381 (ILCFA) Expenditures for March 2003 in the amount of \$7,767.55; check (2/5)#43850. Richard Eadie seconded and the motion passed unanimously.

Richard Eadie moved approval of the Redmond Library Capital Facility Area Fund #380 (ILCFA) Expenditures for March 2003 in the amount of \$2,961.49; check (2/5)#43849. Wai-Fong Lee seconded and the motion passed unanimously.

PLANNING COMMITTEE

Resolution 2003-2, 1993 Bond Refunding

Linda Glenicki reviewed the 1993 Bond Refunding and introduced our invited bond counsel, Dan Gottlieb. Linda Glenicki noted this is an opportunity for KCLS to refinance the bonds and save the taxpayers some money. She said the handout shows what the rates are if we lock in now versus holding off until September when the bonds can technically be refunded. If interest rates hold flat the difference is \$105k. The numbers have moved a little since the last review two months ago. Linda Glenicki said she had asked Jane Towery to attend to give us an update on the rates and suspects she may be held up in traffic. The resolution essentially provides Bill Ptacek and the library district the authority to monitor the rates, and if they begin to move significantly out of our favor, to act on locking them in. On the other hand, if they remain steady, it would be to our advantage to hold and not pay the additional basis points for the forward premium. The resolution would give that

authority to Bill Ptacek and with restriction that it has to achieve at least a 3% savings to the District. If we were to proceed today we would save taxpayers \$552k, if the rates hold steady we could add an additional \$105k to that amount in the fall.

Tobias Washington asked if everyone understands this as presented. Bill Ptacek asked if Dan Gottlieb had anything to add. Dan Gottlieb said Linda Glenicki's summary was good. Dan Gottlieb noted there are three other restrictions on the director's authority to act, besides the 3% savings. The amount cannot exceed \$7.9 million, the term of the debt cannot exceed the term of the bonds, 12/1/2003 and the final day to act is 10/31/03, and, if not acted upon, the resolution ceases. The other thing that is unusual, which is different from any bonds we have seen KCLS do, is that it authorizes a sale between today and October 31, 2003, but the actual closing, passing of bonds and receipt of bonds from the underwriter cannot happen until November 1 2003.

Jim Grayson said one of the Finance Committee's concerns was whether to lock in now or wait. He was interested in hearing Tobias Washington's opinion, and what his speculation is on rates. Tobias Washington deferred to Jane Towery, who arrived at 4:48pm. Jane Towery said that no one has an answer to this. Interest rates have been quite volatile in the last few months. Interest rates will likely rise but when that will occur is not possible to predict. The good news is that everything is ready to go (all the paperwork) and once the decision is made it is simply a matter of releasing the bonds into the market. Jane Towery said that once they are directed to do so, Bank of America is ready to move.

Jim Grayson asked if there are any other events of impact on the market. Jane Towery said the Greenspan reappointment is definitely good. His positive statements on the stock market means that money will shift from the bond market back to stocks (which is when interest rates will go up) but the timing on that is a bit uncertain. She said she doesn't believe we will see interest rates rise over the next couple months. Regardless of the decision the Library District makes (sell now or sell later), no one could fault that decision. Bill Ptacek said if the Board decides to sell tonight, that amount is certain. Jane Towery said she doesn't see interest rates likely to be going down.

Tobias Washington said there are no other events occurring other than the war at this time on the downward side, and the movement on the market is volatile for a stock-watcher though it is insignificant for KCLS. And, the economy is not in a good or strong position to depress rates. So there is room to grow and for the rates to go up. Jim Grayson said the Finance Committee's concern is whether the rates will increase significantly enough to create a penalty. He added that Bill Ptacek would have the authority at any time once the resolution is implemented and we would not have to lock in at this particular time. Tobias Washington asked how capable we are of monitoring the rate movement to generate a recommendation if we choose to delay. Jane Towery said she would provide the bond rates to Linda Glenicki on a daily basis. Tobias Washington said he wanted everyone to be aware of how long and what it takes to act. Bill Ptacek said to consider this: if we act now we know exactly what we are going to get, and what the Board needs to take into calculation is how much more are we going to get if we wait.

Jane Towery said the industry standard for finance states that the 3% savings factor is a good benchmark and anything over 5% the rule is "is do not hesitate, go now." Dan Gottlieb said at the state and county level they abide by these rules. Richard Eadie noted we have a four month window and \$105k is our maximum gain if circumstances remain the same. He also noted that we have advice that if they drop any significant amount, and any increase eats into the \$105k so what ever amount of increase we lose the time that we need to gain the \$105k. The other thing is if we want to give discretion to administration to make a decision, then we better give them some guidelines for what to look for to make that decision. Bill Ptacek asked what those guidelines would be. Richard Eadie said there must be some point in time where you would see a trend to base your decision. Richard Eadie said the longer one takes to make a decision potentially eats into what you have today. Conceivably you would lose two months from now if it moved anywhere.

Dan Gottlieb said the way to proceed is to adopt the resolution and then give staff guidance on how they might act under the resolution. Richard Eadie said if we really have a reason to believe interest rates are at or close to the bottom, you can be hurt two ways, either they go up, so you sell short of the 4 months and lose some of the \$105k savings. Jane Towery said the closer you get to the actual call date the lower the premium, but again, interest rates would have to remain the same.

Charlotte Spitzer moved to approve Resolution 2003-2, 1993 Bond Refunding, Wai-Fong Lee seconded the motion.

Tobias Washington said staff is now empowered and asked if we want to provide guidelines and actions for today. Linda Glenicki said given this discussion it seems there is a great opportunity to save today, and there is another \$105k that may vanish completely if we hold off. In addition there is staff time monitoring where we are going, and with the forward premium it should get lower as we get closer to the date, but in the past 2 months it has actually increased, based on volatility in the market. Jane Towery said because she expects the market to go up sooner than later, the later bonds are likely to get a

higher interest rate in the last two months. Tobias Washington asked Linda Glenicki what her recommendation to the Board is; Linda Glenicki said to sell now.

Richard Eadie moved that KCLS refund now and capture the rates and \$552k savings, Charlotte Spitzer 2nd and the motion passed unanimously.

Tobias Washington said that the Agenda had been amended to move the Bothell Community Study up to accommodate those now arriving and all other Agenda items would fall after that.

Bothell Community Study

Highlights from the presentation include:

- Bill Ptacek noted that Snohomish County patrons heavily use the Bothell Regional Library.
- Ruth Bacharach said the ESL predominant groups are Spanish and Russian.
- The depository collection does not have a high usage. Denise Siers said historically the collection was scattered throughout the five branches and this will be an improved patron service to house them all in one place (Bellevue Regional Library). Bill Ptacek said at the beginning we thought it would be good to have it segregated throughout the District by subject.
- Tobias Washington asked about the relationship between high school and elementary school use. Ruth said the use is very heavy and the student population is very polite. They come to the library to study in groups. Story times are extremely well attended Denise Siers noted this is completely different from Crossroads where the teens view it as a place to socialize.
- Ruth Bacharach said that 90% of residents have computers at home and that the library is used by adults even more than students.
- Bill Ptacek said the City of Bothell has been extremely good about relations with the library and appointing library Board members. This is one library that has had a really good relationship with the City. Denise Siers concurred and said they have also had a very supportive Friends group. Betty Green, president of the Friends, said art work donations total about \$70,000.

Tobias Washington said the Community Studies are extremely educational for the Board because we actually get to see the good works that are reported on. And, he added, that it is always enlightening to hear the differences not only within the County, but also within our Library System.

Security and Rules of Conduct

Richard Eadie reported on behalf of the Planning Committee. He noted that the Rules of Conduct have been revised as a result of some of the information provided in the Security Report by the consultant. The feeling was that there needed to be some clarification of the rules and that it would help those working in libraries so that they could be clearly enforced and understood. It is the recommendation of the Planning Committee that these rules be adopted. Tobias Washington asked if there was any discussion.

Bill Ptacek said there were significant issues last year and a security consultant was selected to research the libraries and make a report. Nancy Smith said the two volumes (she was holding up) have specifics noted for each library and these will be followed up mainly by FMS and maintenance in the future. The System-wide items are noted in the Board packet. The security consultant recommended that the Rules of Conduct be made more understandable by staff and in line with case law. Nancy Smith said the previous Rules have been revised. Nancy Smith said they are specific and grounded in law and allow the staff to deal with many of the situations they are seeing today. The former Rules did not provide staff a means to address those appropriately. Bill Ptacek said that there are many people who are using the library for sleeping, bathing, washing clothes and using the resources in a way that was not intended. Wai-Fong Lee said that in a discussion in the Urban Library Council director's email awhile back there was a question about the limitation of size of bags or parcels a patron can bring into the library. Nancy Smith said they did not address the size of the parcel but the Rules indicate that the parcel must not become an obstacle for someone else.

Charlotte Spitzer moved approval of the Rules of Conduct; Richard Eadie seconded and the motion was passed unanimously.

Tuition Assistance

Richard Eadie said this is an employee incentive for continuing education that would benefit the Library System. Wai-Fong Lee asked if it is an expansion of an existing program. Charlene Richards said we have a limited program now. Over time, we have had a lot of discussion with the Board on how to encourage members of our community to consider work at a

library as a career opportunity, and we have other programs that we have implemented, such as the MLS students. Charlene Richards said a lot of KCLS staff would be retiring over the next ten years. The program will assist with undergraduate as well as graduate level degrees and certification programs, to allow all levels of staff to benefit. We want to encourage people to be lifelong learners and to provide the opportunity to those who may not otherwise be able to afford it. There is a limit as to what KCLS will pay, i.e. tuition only, and we want to retain staff after completion. Wai-Fong Lee asked how much more funding this would be. Charlene Richards said they looked at the Queens Library model and how long it might take to get through an entire program. We are looking at funding up to \$150,000 per year (total for all program participants) over the long-term.

Richard Eadie said another aspect is that it is an incentive to work at KCLS and makes it a more competitive workplace. The other part is to measure the return on this in some way and see what happens with those that take tuition assistance and compare it to other library systems and relative job placement on that. Charlene Richards said part of the application process is that staff provides short and long-term goals. She also noted from the diversity survey that staff felt they were not able to move up and learn more and this is also a good tool to get other people to come here. Jim Grayson said he feels this is a very positive move.

Wai-Fong Lee moved approval of the Tuition Assistance Program; Jim Grayson seconded and the motion passed unanimously.

Request to Charge a Fee for WLA Program in KCLS Meeting Room

Bill Ptacek said the request to charge a fee by WLA is for a Children's training program for young children and it is a great opportunity. We have done this in the past, but we need Board approval. Tobias Washington asked if it is just being able to charge, or it is a specific amount. Bill Ptacek said just the ability. Jim Grayson asked what the benefit is to the taxpayer. Bill Ptacek said the people trained would be able to transfer this to direct service to the public. Also, daycare workers will potentially be a part of this as well. Sally Porter said it would be offered in western Washington as well as the eastern part of the state.

Charlotte Spitzer moved to approve that the Washington Library Association (WLA) be able to charge a fee for space at the Service Center for the Children's training program; Richard Eadie seconded and the motion passed unanimously.

Children's Collections

Sally Porter said the children's collection arrangement is a chance for us to test the validity for marketing collections in the library. We are trying to create areas that intuitively draw children and their parents to the area. To test the project we included four different libraries, and the committee will assess the ease of how well parents and children can use the libraries right now.

Sally Porter said they invited kids K-6 to participate. After three months with the new areas another test will be taken. Based on the usability, it worked really well, and overall the kids could find things of interest, though they had trouble finding specific items. Sally Porter noted that basically parents want bright signage and that the kids browsing in certain areas was successful, while in others they could not find what they set out to find. There is also a variety in how school librarians teach kids how to use the library. For the most part they did not use the catalog, rather they walked about the library, nor did they use the homework help page. The new information will be applied at the four libraries.

Tobias Washington said it sounds like potential redesigns that defy adult logic but appeal to the children. Sally Porter said the kids also want pictures in the stacks so that they can find their way about the library. Bruce Adams noted that the children's areas are used by both kids and parents. Jim Grayson said kids go through the exploration stage. Sally Porter added that by third or fourth grade they want things to be more consistent. Tobias Washington said we do have a presumption about many things, such as that something is going to be more helpful or better, but it does not for everyone as we all have different styles.

Health Insurance Review

Linda Glenicki said the issue here is how to handle any gain that remains at the end of the year on the health insurance programs. Based on discussion in the Finance Committee the recommendation is that KCLS should carry over the gain to moderate the premiums going forward, particularly with the limited revenue growth going forward.

DIRECTOR'S REPORT

Bill Ptacek inquired whether the Board had received copies of the annual report. Board members unanimously agreed that they were really nice and informative.

Bill Ptacek noted that the community meetings thus far have been very good. The issue is how to develop more support in the communities. Bill also noted the bills in the legislature, such as the bill on the lid lift that would allow those to go up to six years and there was interest by other districts in the state for this as a one-time lift over a number of years.

Bill Ptacek said it is sad about the resignation of Bernie Clark, KCTS. We have a good relationship with the station and hope to continue it with its new administration.

Bill Ptacek said we had some bad news about the site we thought we had for Southcenter. The expansion they had proposed was going out the wall into the parking lot and that site will not work. So, we are back looking for a new site there. The Crossroads Connection will be expanding by 700 sf.

PUBLIC SERVICES

Nancy Smith said the holds increase in March did not replicate the previous months at 20%, but it did make it to 19%. The challenge is trying to find room for the growing number of items in the library. Public Services reviewed whether reduction of the amount of items that someone can request would make a difference. The holds limit analysis shows that 70% of our patrons only have 1-5 items on hold, and 14% with 8-10, so basically by reducing the holds limit, it would not reduce the impact.

COLLECTION MANAGEMENT SERVICES

Bruce Schauer said a research study will be done during May 2003 to assess the level of satisfaction with the different areas in the collection, how to improve signage, and how to find things in the catalog. New Reads continues to be popular with considerable access from the home page. There will now be a tab that creates a link from the catalog to a variety of services, including Good Reads and New Reads. Central storage continues to grow and 10% of that collection went out last month. Jim Grayson asked if there are any other comments about Choice Reads. Bruce Schauer said it is very successful and has high usage in most of the libraries.

FACILITIES MANAGEMENT SERVICES

Kay Johnson reported they are working on the permit for the new site with the City of Black Diamond. Bill Ptacek said we did get a call from Plum Creek and there has been a breakthrough with the City of Black Diamond. They said they are discussing with the city hall about breaking ground within the year. He wanted the Board to be aware of this and that to date, we still have an option on the purchase of the site we have selected.

The Food for Thought café area at Bellevue appears to be a big hit with people. Federal Way's café is open and Redmond's will be ready this week.

Burien had a major repair. Maple Valley won an award for a building with trees from the National Arbor Day Foundation. This is going to be featured promoting the conference they are going to be holding.

Mercer Island was a major focus of activity this past month and it is much more open and spacious with increased lighting and a cyber bar with plug-ins for laptops.

ADJOURNMENT

Tobias Washington said it is important to applaud Jack and Charlotte Spitzer in their recent efforts to help fund a School of Social Work at Ben-Gurion University of the Negev. They were recently honored with a Lifetime Achievement Award (Jack) and Honorary Professorship (Charlotte).

President Tobias Washington adjourned the Board meeting at 6:40pm.

Tobias Washington, President

Richard Eadie, Secretary