



**PRESENT**  
**KCLS BOARD**  
Judge Richard Eadie  
Wai-Fong Lee  
Judge LeRoy McCullough

**KCLS Staff**  
Bill Ptacek  
Linda Glenicki  
Kay Johnson  
Charlene Richards  
Bruce Adams  
Bruce Schauer  
Nancy Smith  
Julie Wallace  
Jeanne Thorsen  
Jed Moffitt  
Jennifer Wiseman

Cindy Richardson  
Kaye Sims  
Don Isaacs  
Camille Wilson  
Marci Pfeiffer  
Donna Knight  
Lyn Thomas  
Cheryl Standley

**GUESTS**  
Michael Nelson  
Rich Smith  
Bill Keenan  
Diana Prenguber

#### MOTIONS APPROVED

1. Motion to approve Board Agenda
2. Minutes from May 26, 2004 were deemed approved
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 Capital Facility Area Fund #381
8. Motion to approve Redmond Capital Facility Area Fund #380
9. Motion to approve Resolution 2004-05 - Budget Adjustment
10. Motion to approve Resolution 2004-06 - Annexation of the Town of Yarrow Point

#### CALL TO ORDER

President Richard Eadie called the meeting to order at 4:35pm (sans quorum).

#### PUBLIC COMMENT

Michael Nelson applauded KCLS for opening libraries in the mall and said he prefers the Library Connection @ Southcenter to the new Seattle Public Library, as it offers free parking and amenable hours. He said the Burien Library is his favorite, with plenty of available parking and its location next to a park. Pending passage of the Bond Measure, he emphasized his feelings that the Burien Library would be best improved on the same location as a multi-story building.

Cindy Richardson, President of the AFSCME Local 1857 Union, made a statement regarding the status of contract negotiations. After 15 months of negotiation followed by mediation, she noted there are four items left on the table. Following the most recent mediation session on Friday, June 11, Cindy Richardson said no progress was made on these remaining points. As a result, the Local 1857 Negotiating Committee held an Emergency Meeting to take direction from their membership. She explained that more than 100 members in attendance showed overwhelming support for carrying out informational picketing along Newport Way in conjunction with the Board Meeting. On June 14, KCLS' negotiator contacted the Union and expressed a desire to reopen discussions. Since that time there have been further communications and another proposal on the four remaining points was submitted. It appears that mediation will resume in the near future. Cindy Richardson explained that because of this forward progress, the Union leadership decided not to go public with informational picketing. She also urged KCLS to accept their most recent proposals so that "we can bring this prolonged struggle for a first contract to a close." Richard Eadie emphasized the Board's desire to resolve the matter as soon as possible.

Rich Smith, a long time resident of Yarrow Point, expressed his support for the annexation of the Town of Yarrow Point to KCLS. He described the active dialogue that occurred at the past Town Council meeting where there was about 120 people from the community expressing support for the opportunity to vote to annex. He highlighted the change in demographics of the area, especially the increase in the number of younger residents with children. He asked the Board to pass the resolution concurring with the Town of Yarrow Point ordinance requesting the King County Council to place the annexation proposition on the November 2, 2004 ballot.

#### AUTOMATED MATERIALS HANDLING (AMH) PROJECT

Jed Moffitt gave a visual demonstration of the Automated Materials Handling (AMH) technology, which is to be implemented by Crisplant in January 2005. The goal of this project is to help process the intra-library book shipment more quickly and efficiently by: 1) streamlining the process for pulling and processing holds; 2) offering the ability to check-in tote boxes full of shelf ready items en-masse; 3) using automated tote lifting/carrying technology in the libraries to address ergonomic issues; and 4) automating central shipping via conveyor and

robotics. Jed Moffitt explained that Pages in the Shipping Department will manually feed items onto the conveyor belt. The machine reads the barcode labels and guides the item into the library's tote. The system individually tracks each item in each tote, so that when the tote reaches the library staff can simply scan the tote's barcode instead of the tote's contents. A robotic operation sorts and stacks the totes to be loaded onto the trucks. This system is somewhat cheaper to install and comes from a reliable company with significantly more industrial expertise.

## FACILITIES REPORT

Kay Johnson highlighted the following FMS activities:

- ❑ The short plat application was submitted to the City of Black Diamond on June 2. Discussion about the road or driveway that will service the library and other parcels will ensue. Once agreement is reached regarding the site layout, the City will release a preliminary plat approval, after which the consultant team will be reassembled to prepare the schematic design for the project.
- ❑ Marx/Okubo has performed field visits to Federal Way Regional (FWR), Woodmont, Auburn, Covington, Kent Regional and Fairwood libraries. The draft report for FWR is being reviewed by KCLS staff.
- ❑ During June, the Swiss Society of Architects toured the Maple Valley Library. KCLS was also visited by the Arapahoe, Douglass and Jefferson County Library Systems from Colorado.

## COLLECTION MANAGEMENT REPORT

Bruce Schauer highlighted the following CMS activities:

- ❑ While CMS is usually able to accommodate unusual collection requests, a recent request for *The Lindisfarne Gospels* will not be met because the copies of the item range in price from \$13,230 (leather bound edition) to \$22,850 (in the original Victorian binding)
- ❑ Angelina Benedetti has been hired as the Manager for Selection and Order
- ❑ Team weeds occurred at Bellevue Regional, Fairwood, Kingsgate, Maple Valley and Skyway libraries
- ❑ Maren Ostergard gave a presentation to Public Services about Emergent Literacy
- ❑ Donna Funcke wrote an article about children's keyboarding software for Teaching Parent Association and HSA Happenings newsletters
- ❑ Susan Veltfort coordinated, developed and presented (along with two Children's Librarians) a workshop for North Central Regional Library in Wenatchee about children's literature and reader's advisory

## PUBLIC SERVICES REPORT

Bruce Adams said the Summer Reading Program (SRP) is off to a good start with extremely high program attendance (more than 200 at a Redmond Regional program and more than 150 at a Kent Regional program). Children's Outreach Librarian Jill Olson's new weekly story times at Factoria Mall in Bellevue are averaging 40 to 65 attendees. Bruce Adams mentioned the developing partnership with KidsQuest Museum, slated to open in Factoria Mall in October 2005, and reminded the Board that Storyfest is coming up July 22, 23 and 24 in conjunction with the Bellevue Arts and Crafts Fair. Circulation continues its steady 8% system-wide increase.

## BOARD ESTABLISHES A QUORUM BEFORE PROCEEDING WITH ACTION ITEMS

### APPROVAL OF THE AGENDA

Wai-Fong Lee moved approval of the Agenda as completed. LeRoy McCullough seconded and the motion passed unanimously.

### APPROVAL OF THE MINUTES

There having been no changes to the draft May 26, 2004 minutes, they were deemed approved.

## FINANCE REPORT

Linda Glenicki provided an update regarding the Board-approved forward refunding of the 1994 bonds. While a 3% savings on a refunding is generally ideal, the Board had approved a savings percentage for this refunding of as low as 2.25% due to the current interest rate environment and short remaining life of the bonds. In going to the market, KCLS was able to achieve an actual savings of 3.4% (\$243,000). This larger-than-expected savings was

attributed to conservative initial estimates by Bank of America and by the slight change in interest rates achieved by waiting until after the Memorial Day weekend to go to the market.

Linda Glenicki reviewed the current finances noting expenditures in May were \$5.4 million versus a 2004 monthly budget average of \$6.3 million. May year-to-date expenditures are \$27.1 million or 35.4% of budget. May revenues of \$11.9 million reflect receipt of the remainder of the first half of 2004 property taxes. Year-to-date revenues of \$37.5 million represent 50.5% of the 2004 budgeted revenue of \$74.4 million. Delinquent tax receipts have now exceeded budget by \$56,000, but are expected to drop off significantly in the back half of the year. Linda Glenicki called out the following General Fund expenditure items:

- **Insurance:** Expenditures of \$332,000 in this category reflect the annual renewal of our insurance policies. This reflects a 6% increase versus 2003 insurance costs. We continue to maintain \$35 million in property coverage and \$11 million in liability coverage in addition to various other coverages. We are insured against acts of terrorism up to \$35 million and our earthquake coverage is at \$25 million. The cost of our liability coverage increased by 40% (\$21,000) due to an increase in claims (primarily slip and fall cases). This year, KCLS cancelled our Fine Arts coverage, saving \$5,000 per year, since we receive adequate coverage for our art collection from our existing property policy.
- **Capital Outlay - Furniture and Equipment:** May expenditures of \$26,000 include \$22,000 for a new Chevy cargo van for the Buildings and Grounds department. This vehicle replaces a retired vehicle.

#### PAYMENT OF BILLS

Wai-Fong Lee moved approval of Payroll Expenditures in the amount of \$1,987,062.25; Checks May 1-15<sup>th</sup> Chk#: 73257-74256; 121559-121770; and May 16-31<sup>st</sup> Chk#: 74257-75269; 121771-121982. LeRoy McCullough seconded and the motion passed unanimously.

Wai-Fong Lee moved approval of General Fund #0010 Expenditures May 2004 in the amount of \$5,508,215.28; (Travel Advances) Chk #695-696; 698; 699; 700; 701; 702, (5/5) Chk #63726-63874, (5/6) Chk #63875-63876, (5/14) Chk #63877-64035, (5/18) Chk #64044-64230; 64269-64272, (5/19) Chk #54273-64358, (5/21) Chk #54359-64473, (5/25) Chk #64487-64525, (5/26) Chk #64533-64649, (5/28) Chk #64670-64748, (6/1) Chk #64752-64755, (6/2) Chk #64756-64767; 64768, (Voids) Chk #63795-63796; 63876. LeRoy McCullough seconded and the motion passed unanimously.

LeRoy McCullough moved approval of Construction Bond Fund '88 #3020 Expenditures May 2004 in the amount of \$321,045.53; (5/14) Chk #64036-64043, (5/18) Chk #64231-64262, (5/21) Chk #64474-64486, (5/25) Chk #64526-64532, (5/26) Chk #64650-64665, (5/28) Chk #64749-64751, (6/2) Chk #64769. Wai-Fong Lee seconded and the motion passed unanimously.

Wai-Fong Lee moved approval of Gift Fund #6010 Expenditures for May 2004 in the amount of \$2,082.23; (5/18) Chk #64263-64268, (5/26) Chk #64666-64669, (6/2) Chk # 64770. LeRoy McCullough seconded and the motion passed unanimously.

LeRoy McCullough moved approval of the Issaquah Library Capital Facility Area Fund #381 (ILCFA) Expenditures for May 2004 in the amount of \$270.70; (6/2) Chk #64772. Wai-Fong Lee seconded and the motion passed unanimously.

Wai-Fong Lee moved approval of the Redmond Library Capital Facility Area Fund #380 (RLCFA) Expenditures for May 2004 in the amount of \$94.87; (6/2) Chk #64771. LeRoy McCullough seconded and the motion passed unanimously.

#### BUDGET ADJUSTMENT - RESOLUTION 2004-05

Linda Glenicki presented the resolution to modify the 2004 General Fund Budget. She explained that during 2004 budget preparations, discussions occurred regarding the materials handling project which involved an investment in Automated Material Handling (AMH) technology and potentially Radio Frequency Identification (RFID) tags. At that time the roughly estimated cost of the system was \$3.6 million. Because of the uncertainty of the cost, the budget funding for the investment was to come from a variety of sources:

- \$1.2 million was allocated in the ITS budget
- \$1.5 million could be used from the ending fund balance
- \$900,000 could be reallocated from the collection budget

After discovering additional vendors for this technology, KCLS ran a Request for Proposal (RFP) and selected a different vendor through a competitive bid process. The technology designed by this vendor will cost less than anticipated (closer to \$3 million). While KCLS will no longer require \$900,000 from the collection budget, another \$1.5 million will be needed to cover the anticipated expenditures in 2004 related to this project (a small portion is expected to fall into 2005). The Board was asked to approve the resolution to appropriate \$1.5 million from the 2004 ending fund balance to be used to proceed with the AMH project as follows:

<u>Account #</u>	<u>Description</u>	<u>Change</u>	<u>New Budget Amount</u>
1555.60320	Automated Materials Handling	+\$1,500,000	\$1,500,000
	Ending Fund Balance	<\$1,500,000>	\$9,284,776

Based on three-year budget forecasting, Linda Glenicki said this expense from the ending fund balance does not put KCLS in danger of requiring an immediate levy lid lift. **Wai-Fong Lee moved approval of Resolution 2004-05. LeRoy McCullough seconded and the motion passed unanimously.**

#### **ANNEXATION OF TOWN OF YARROW POINT - RESOLUTION 2004-06**

Bill Ptacek said KCLS must pass this resolution concurring with the Town of Yarrow Point ordinance requesting the King County Council to place the annexation proposition on the November 2, 2004 ballot in order for it to be considered. While the Town of Yarrow point will be responsible for election related costs, Community Relations will prepare a factual brochure about annexation to be mailed to all Yarrow Point residents in mid-October. Bill Ptacek mentioned that annexation of the Town of Yarrow Point would not require addition of new facilities and would generate an additional \$250,000 in property tax revenue. **LeRoy McCullough moved approval of Resolution 2004-06, in which the Board of Trustees concurs with the annexation of the Town of Yarrow Point. Wai-Fong Lee seconded and the motion passed unanimously.**

#### **JOINT BOARD OF TRUSTEES "STUDY SESSION"**

Bill Ptacek explained that at a joint Planning Committee meeting between KCLS and the Pierce County Library System, preliminary plans were made for a joint Board of Trustees "Study Session" to occur in place of the annual KCLS Board Retreat. The "Study Session" on Thursday, August 5, 9am-1pm at the Federal Way Regional Library will include discussion of: Diversity and Recruitment, Elections, Relationships with Cities, Friends Groups, Outreach and Emergent Literacy. No strategic issues will be examined in lieu of the pending Bond Election.

#### **BOARD MEETING DATES**

The following Board Meetings were scheduled:

- Tuesday, July 27, 2004, 4pm (Kirkland Library)\*
- Wednesday, August 25, 2004, 4:30pm (Service Center)
- Wednesday, September 29, 2004, 4:30pm (Covington Library)
- Wednesday, October 27, 2004, 4:30pm (Service Center)
- Monday, November 22, 2004, 4:30pm (Shoreline Library)
- Wednesday, December 15, 2004, 4:30pm (Service Center)

\*This meeting date was changed from Wednesday, July 28, 4:30pm at the Kirkland Library

#### **HEART OF THE COMMUNITY: THE KCLS/KCTS COMMUNITY PARTNERSHIP**

Community Relations has been developing a long-term partnership between KCLS and KCTS to coordinate, promote and host community forums for public dialogue on critical issues. Julie Wallace outlined the following:

**Objective:** Establish/promote KCLS as key focal point for moderated discussions between people with diverse viewpoints, seeking mutual understanding.

**Hallmarks:** Safe, nonpartisan forum for respectful exchange of ideas. Focus on dialog versus debate. Communication for understanding, not victory. Promote public awareness, understanding. Inspire involvement and community-building.

**Benefits:** To the Public: A deeper understanding of their community, their neighbors, the benefits offered by their libraries and an awareness of the importance of civic involvement.

**Benefits:** To KCLS: A key opportunity to establish significant community partnerships, position KCLS as a community leader, and be the catalyst for lively public dialogue.

***KCLS Involvement:***

- Convene a meeting between members of these groups for exchange of ideas, sharing of resources
- Facilitate use of library meeting space through KCLS support for collaborative programs
- Leadership role in collaboration and promotion of events, including Board support for pre-election and year-long program cycle in selected locations
- Tactical and strategic support for planning, partnership recruiting, project management and promotion through marketing and advertising

***Current/Potential Partners:***

Conversation Cafés: Sponsored by the New Road Map Foundation, a non-profit educational and charitable organization teaching people skills to be effective human beings, citizens and agents of social change.

Let's Talk America: A nationwide movement that will bring Americans from all points on the political spectrum together in cafés, bookstores, churches, etc. for lively, open-hearted dialogue to consider questions essential to the future of our democracy.

The September Project: On September 11, 2004, people across the country will come together at public places like libraries to discuss ideas about democracy, citizenship and patriotism.

Julie Wallace noted that programming is currently being developed for the Bellevue, Kent and Federal Way Regional libraries related to The September Project. Richard Eadie inquired as to KCTS' level of interest. Julie Wallace said KCTS Television has talked about incorporating these activities into programming and other events.

## FINANCIAL STATEMENTS

Linda Glenicki reviewed KCLS' financial statements for the fiscal year ended December 31, 2003:

**Net Assets:**

- ❑ Increase in *Total Net Assets* of \$1.4 million (1.5%) driven primarily by an increase in cash (general fund balance) and a reduction in long-term debt (continued maturation of general obligation debt)
- ❑ Decrease in *Capital Assets* of \$5.8 million because depreciation is greater than capital additions
- ❑ *Long-term Debt Outstanding* decreased by \$2.9 million as 1988 bonds continue to retire
- ❑ Increase of \$4.9 million (42.5%) in *Unrestricted Assets*

**Changes in Net Assets:**

- ❑ Revenues of \$77.1 million less expenses of \$73 million equals a \$1.4 million increase in net assets
- ❑ Reduction of \$2.8 million in *Disposition of Fixed Assets* represents materials weeded from the collection, some of which still held a book value in the accounting system

**Fund Analysis:**

- ❑ Significant increases in the *General Fund* were in line with budget expectations in order to increase the *Ending Fund Balance* in anticipation of the 1% revenue growth limitation of I-747 in subsequent years
- ❑ *Debt Service Fund* decreases as a result of debt service requirement reductions due to continued maturation of 1988 bonds and several refundings
- ❑ *Special Revenues* represent KCLS' Gift Fund, which typically remains at \$200,000

Linda Glenicki explained that organizations receiving more than \$300,000 in Federal grant monies are required to go through an additional "Federal Single Audit." In 2004, the threshold for Federal grant monies will increase to \$500,000, most likely excluding KCLS from this requirement.

## DIRECTOR'S REPORT

Bill Ptacek referred the Board of Trustees to his written report but highlighted the following:

- ***Enforcement of Trespass Orders:*** In a recent Juvenile Court proceeding, the court declined to enforce a trespass order, apparently due to lack of evidence that the Board of Trustees had delegated authority to library staff to bar individuals from libraries for violation of the Rules of Conduct. KCLS attorneys who reviewed the case determined the following:

- The Rules of Conduct specifically delegate to “library staff” the power to enforce the rules, by measures up to and including “removal from the premises and expulsion from the library for a period of one day to one year.” The Board approved these rules unanimously, as recorded in the April 30, 2003 minutes. Staff is asked to provide a copy of the Rules of Conduct and April 30, 2003 minutes to police at the time that a trespass is issued.
- It is the policy of KCLS libraries to maintain incident reports stating the reasons for requesting trespass orders. Staff is asked to provide copies of these reports to the police when a trespass order is requested.
- **Initiative 864:** A press conference is scheduled for Friday, July 1 at the Secretary of State's office where Tim Eyman will turn in signatures for Initiative 864. A minimum of 197,734 valid signatures are needed to qualify for the November 2004 ballot.
- **Library Board Orientation Night:** More than 50 Library Advisory Board members attended the first meeting on Wednesday, June 23 at the Redmond Regional Library. Attendees expressed support for similar events in the future. A second meeting will be held on Thursday, July 1 at the Woodmont Library.
- **Capital Replacement Bond Measure:**
  - The ballot language in the resolution for the Capital Replacement Bond (filed on June 23) was rejected because the number of words in the first sentence exceeded the number allowed. KCLS' attorney is working with the Senior Deputy Prosecuting Attorney to edit it for approval.
  - One-third of the scheduled visits to local City Councils regarding the Bond Election have been completed. A number of the City Councils are considering resolutions in support of the measure.
- **Library Connection @ Southcenter:** Partial circulation figures for May show that the Library Connection @ Southcenter circulated as much as a medium library. Perhaps more impressive, is the number of new library cards issued last month (more than 400).

Richard Eadie congratulated Bill Ptacek for being appointed to the Bellevue Arts Commission. He also thanked Nancy Smith for helping him to answer questions at the Kent City Council meeting.

#### EXECUTIVE SESSION

At 6:33pm, President Richard Eadie convened the meeting in Executive Session for approximately 30 minutes to discuss labor negotiations per RCW 42.30.140(4)(b). No action was to be taken during or after executive session. Richard Eadie, Wai-Fong Lee, LeRoy McCullough, Cabot Dow, Bill Ptacek, Charlene Richards, Bruce Schauer and Karen Daniel were in attendance.

#### RETURN TO REGULAR SESSION

President Richard Eadie reconvened the meeting in regular session at 7:07pm.

#### ADJOURNMENT

President Richard Eadie adjourned the meeting at 7:08pm.

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Richard Eadie, President

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Wai-Fong Lee, Secretary