



MOTIONS APPROVED

1. Board Agenda was deemed approved
2. Minutes from September 29, 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 grant permission to serve wine at Literary Lions Event
10. Motion to draft Request for Proposals (RFPs) to seek a financial advisor and bond counsel
11. Motion to approve revised Purchasing Policy Manual
12. Motion to approve Resolution 2004-10 - Surplus of Easement in Sammamish
13. Motion to approve Resolution 2004-09 - Surplus of Right-of-Way in Kent

PRESENT

KCLS BOARD

Judge Richard Eadie
Wai-Fong Lee
Charlotte Spitzer
Judge LeRoy McCullough

KCLS Staff

Bill Ptacek
Linda Glenicki
Charlene Richards
Bruce Adams
Denise Siers
Nancy Smith
Julie Wallace
Jed Moffitt
Bruce Schauer
Kay Johnson
Jeanne Thorsen
Jennifer Wiseman
Cynthia Richardson
Jeannie Dilger-Hill

GUESTS

Will Knedlik
Jeff Boscoe
Michael Nelson
Lucy Krakowiak

CALL TO ORDER

President Richard Eadie called the meeting to order at 5:07pm.

PUBLIC COMMENT

Michael Nelson stated KCLS is the best Library System in the area and noted his appreciation for Sunday open hours, ample and free parking, and pleasant environments. He said KCLS is the best because of the Board and the people they hire. He thanked KCLS for opening libraries in the mall and said they already need to be expanded. Finally, since the bond measure passed and progress is being made with the redevelopment of the Burien Town Center, Michael Nelson cautioned

KCLS about moving the library to a location without parking and easy access and emphasized his feelings that the Burien Library would be best improved on the same location as a multi-story building.

Will Knedlik presented the Board and Administration with a copy of draft correspondence to the Washington State Attorney General and to the King County Prosecuting Attorney requesting "either official litigation to void the election held on September 14, 2004 as to ballot authority nominally thereby obtained by the King County Rural Library District to issue \$172 million in debt and to hold a special election within 60 days...or else authorization for an enforcement action against the Library District..." He asked that a KCLS representative "make certain that no factual error is presented" before the draft is transmitted on November 10, 2004. He noted his appreciation for the Chair's willingness to deal with this in a forthright manner.

Jeff Boscoe expressed concerns regarding the loss of InfoNet Dial-Pac access capability. Among other reasons, he said patrons should not be forced to use ISPs to access the catalog, that InfoNet operates at a speed unrivalled by browsers and that reduction of choice is not positive. He urged KCLS to continue offering access to InfoNet, which enables novice computer users easy access library resources.

APPROVAL OF THE AGENDA

There having been no changes to the agenda, it was deemed approved.

APPROVAL OF THE MINUTES

There having been no changes to the draft September 29, 2004 minutes, they were deemed approved.

FINANCE REPORT

Linda Glenicki reviewed the current finances noting expenditures in September were \$5.4 million versus a 2004 monthly budget average of \$6.3 million. September year-to-date expenditures are \$50.5 million or 64.7% of budget. Year-to-date expenditure growth is at 4.5%. The budget adjustment approved last month will not be reflected in the report until November to preserve year-to-year comparisons. September revenues were \$1.7 million, bringing year-to-date revenues to \$41.8 million or 56.2% of budget. A modest amount of property tax revenue (\$1.4 million) was received, as well as \$44,000 in timber revenues. Grants revenue includes receipt of \$37,600 related to the Nextbook grant. Linda Glenicki called out the following General Fund expenditure items:

- ❑ **Reserves:** Expenditures of \$6,800 were related to roof repairs at the Kent Regional Library.
- ❑ **Intergovernmental:** Expenditures of \$5,900 include a payment of \$5,000 to the Washington State Auditor for expenses related to the 2003 audit. Though \$500,000 was earmarked for the cost of the 2004 bond election, the anticipated cost of the election is now \$1 million (to be invoiced in February 2005).
- ❑ **Capital Outlay - Furniture and Equipment:** Expenditures of \$124,000 reflect the cost of replacing two retired Shipping Department vans.

PAYMENT OF BILLS

Charlotte Spitzer moved approval of Payroll Expenditures in the amount of \$2,025,629.83; Checks September 1-15th Chk #: 81334-82336; 123348-123547; and September 16-30th Chk #: 82337-83319; 123548-123775. Wai-Fong Lee seconded and the motion passed unanimously.

Wai-Fong Lee moved approval of General Fund #0010 Expenditures September 2004 in the amount of \$5,537,943.38; (Travel Advances) Chk # 714-715, (9/9) Chk #68812, (9/10) Chk #68813-68911; 68931-69028, (9/15) Chk #69029-69172, (9/16) Chk #69173-69302, (9/17) Chk #69316-69377; 69378-69381, (9/21) Chk #69382-69465, (9/23) Chk #69466-69606, (9/29) Chk #69640-69747; 69748-69891, (10/1) Chk #69910-69983, (10/4) Chk #69984-69994; 69995-69998; 69999, (10/5) Chk #70004. LeRoy McCullough seconded and the motion passed unanimously.

LeRoy McCullough moved approval of Construction Bond Fund '88 #3020 Expenditures September 2004 in the amount of \$97,617,16; (9/10) Chk #68912-68924, (9/16) Chk #69303-69315, (9/23) Chk #69607-69633, (9/29) Chk #69892-69905, (10/4) Chk #70000. Charlotte Spitzer seconded and the motion passed unanimously.

Charlotte Spitzer moved approval of Gift Fund #6010 Expenditures for September 2004 in the amount of \$6,917.95; (9/10) Chk #68925-68930, (9/23) Chk #69634-69639, (9/29) Chk #69906-69909, (10/4) Chk #70001. Wai-Fong Lee seconded and the motion passed unanimously.

Wai-Fong Lee moved approval of the Issaquah Library Capital Facility Area Fund #381 (ILCFA) Expenditures for September 2004 in the amount of \$6,636.07; (10/4) Chk #70003. LeRoy McCullough seconded and the motion passed unanimously.

LeRoy McCullough moved approval of the Redmond Library Capital Facility Area Fund #380 (RLCFA) Expenditures for September 2004 in the amount of \$9,113.90; (10/4) Chk #70002. Wai-Fong Lee seconded and the motion passed unanimously.

PERMISSION TO SERVE WINE AT LITERARY LIONS AWARD EVENT

Jeanne Thorsen said the Foundation is preparing for the 2005 Literary Lions Award dinner on Saturday, March 12 at the Bellevue Regional Library. The Foundation asked permission to serve wine at the event, during which time the library will be closed. With approval of this request, the Foundation will secure the necessary liquor license from the State. It was also requested that the library close at 4pm to complete set-up arrangements. Charlotte Spitzer moved approval of these requests. Wai-Fong Lee seconded and the motion passed unanimously.

BOND FINANCING PLAN

Linda Glenicki described two possible approaches KCLS could take for financing \$172 million in municipal bonds:

- ❑ Competitive Sale: Conduct a competitive bid process for selecting an underwriter to sell the bonds.
- ❑ Negotiated Sale: Negotiate an arrangement with a securities firm to underwrite the bonds.

While KCLS has used a negotiated sale for relatively small bond refunding transactions, KCLS would like to explore all possibilities. Based on Government Finance Officers Association recommendations, KCLS would like to draft a Request for Proposal (RFP) to seek a financial advisor. Respondents would be asked for fee proposals for both competitive and negotiated sales and to outline the circumstances under which each method would be the most advantageous sale approach for KCLS. Fees for these services will be paid out of the bond proceeds. The contract cost may be greater than the \$35,000 RFP threshold. KCLS will have complete discretion over the selection process and can evaluate the proposals based on additional factors besides price. LeRoy McCullough asked that the RFP include an inquiry about the firm's diversity program. KCLS also intends to issue an RFP to seek bond counsel. KCLS' purchasing policy suggests a periodic evaluation of the services available in the market. *LeRoy McCullough moved that KCLS draft Request for Proposals (RFPs) to seek a financial advisor and bond counsel, to include criteria related to diversity and inclusiveness. * Charlotte Spitzer seconded and the motion passed unanimously. *Staff contacted legal counsel to determine what would be legally allowable in terms of diversity criteria in the RFPs.*

APPROVAL OF PURCHASING POLICY MANUAL

Linda Glenicki presented the revised Purchasing Policy Manual, as reviewed by counsel:

Overall Policy Statement: It is KCLS policy to purchase goods and services that meet KCLS requirements from qualified vendors at competitive prices and to:

- ❑ Require a minimum of two verbal quotations for annual purchases between \$1,000 and \$9,999
- ❑ Require a minimum of three written quotations for annual purchases between \$10,000 and \$34,999
- ❑ Require annual purchases of \$35,000 or greater to be awarded via a public, competitive sealed bid/proposal process
- ❑ Utilize Federal, State and/or County procurement contracts wherever feasible.

Formal Bidding Requirements (\$35,000+):

Invitation To Bid (ITB): Used when price is the sole determining factor. The award is made to the vendor submitting the lowest bid that is *responsive* to the solicitation and made by a *responsible* bidder.

Request For Proposal (RFP): Used when it is important to consider other factors (e.g. quality and past performance). Proposals are evaluated partly on price and partly on other factors. The award is made to the *responsible* vendor whose proposal presents the best value to KCLS.

Responsive Bid: A *responsive* bid is one that responds to all of the significant requirements outlined in the solicitation. A bid that is not responsive to the solicitation is screened out as ineligible for award.

Responsible Bidder or Vendor: A *responsible* bidder or vendor is one who is deemed to be capable of supplying the goods or services requested in the solicitation.

Richard Eadie asked what the difference was between "qualified vendors" (referenced in the overall policy statement) and responsive/responsible bidders or vendors. Linda Glenicki said a qualified vendor is both responsive and responsible. *Richard Eadie suggested that this be explained explicitly.* Linda Glenicki outlined exceptions to the Formal Bid Process, including government contracts, sole source, emergency purchase and director-approved waivers. *Richard Eadie asked that KCLS confer with counsel to see if guidelines for justifying waivers are needed. He also asked that KCLS determine whether the exception relating to leases without an option to purchase is limited to real property.*

Linda Glenicki also reviewed the Public Works policies, which define the process for using Small Works Roster, Limited Public Works and Design-Build processes. KCLS has a memo written by attorney Dan Gottlieb supporting the District's ability to use these processes. These policies were drafted to mirror the processes as defined in the RCW with the following exceptions in the area of design-build:

- ❑ Public Works projects may be awarded using the design-build process for projects costing *more than \$5 million* (versus threshold of \$10 million).
- ❑ In reference to honorarium payments, the terms "shall be paid" now read "*may be paid*" or "*if any.*"
- ❑ The following statement was added to enable KCLS to eliminate a two tiered proposal process when appropriate. "*KCLS reserves the right to award or engage in negotiations after initial proposals.*"

- ❑ On page 12, the Board asked that "*KCLS may select not fewer than three and not more than five finalists...*," be changed to read "*KCLS may select no more than five finalists...*"
- ❑ *Negotiations shall be initiated with the firm submitting the best value proposal.* Original statement referred to "highest scored proposal." Because it is difficult to anticipate the areas to score, KCLS chose not to commit to awarding contracts to proposals scored mathematically.

Linda Glenicki also briefly discussed category-specific policies related to: Maintenance Services, Collection Development, Artwork, Travel, Surplus Property and Expense Reimbursement. *Wai-Fong Lee moved approval of proposed purchasing policies, as amended on page 12 and with the recommendation that the forenamed definition of terms and elaboration of processes be discussed with counsel. Charlotte Spitzer seconded and the motion passed unanimously.*

SURPLUS OF EASEMENT IN SAMMAMISH - RESOLUTION 2004-10

Kay Johnson said Puget Sound Energy (PSE) is preparing to construct improvements to its electrical system along NE 8th Street. The existing overhead distribution system will be converted underground. As a result PSE needs to acquire two easements over the Sammamish Library property in order to accommodate a switch cabinet (a 30' x 30' easement) and a guy wire/anchor (a 10' x 30' easement). Upon receipt and approval of the fully executed easement document, a check will be issued in the amount of \$4,442. *Wai-Fong Lee moved approval of Resolution 2004-10. LeRoy McCullough seconded and the motion passed unanimously.*

SURPLUS OF RIGHT-OF-WAY IN KENT - RESOLUTION 2004-09

Kay Johnson said the City of Kent is continuing to make right-of-way improvements in downtown Kent. In 2001, the City purchased 405-square-feet of the Kent Regional Library location and a temporary construction easement along the north boundary line of the property. The City's engineers have recently revised the plans for improving Smith Street and have determined the City needs to purchase 486-square-feet along the north side of the library's location. The City is offering to pay \$5,375.16 for this portion of real property. *Wai-Fong Lee moved approval of Resolution 2004-09. Charlotte Spitzer seconded and the motion passed unanimously.*

2005 PRELIMINARY BUDGET PRESENTATION AND BUDGET HEARINGS SCHEDULE

Bill Ptacek and Linda Glenicki highlighted the 2005 Preliminary Budget as guided by the 2005 budget priorities:

VISION:

Respond to the Results of the Bond Election

- Number of libraries to be updated will be minimal resulting in 2.7% decrease for the FMS budget
- New business unit and Associate Director for Facilities Development

Support the Development of Early Literacy in Children Birth to Age Five

- New ABC Express vehicle (\$185,000) with collection (\$45,000)
- Early literacy programming (\$30,000) and training for children's librarians (\$10,000)

Respond to Increased Workload and Customer Service Needs through Automation & Restructured Operations

- Automated Materials Handling (AMH) system (\$400,000 to complete)
- Automated Holds Distribution System (\$1.5 million)

Enhance Services and Environments to be more Customer-Focused

- Customer service consultants and training (\$100,000)
- Improved furnishings (\$400,000) and workstation upgrades/additional wireless access (\$800,000)

COMMITMENT:

Recruit and Train Staff to Support the KCLS Vision Today and into the Future

- 1.0% cost of living increase and 12% benefits increase
- Staff development (\$476,000) and tuition assistance (\$100,000)

Keep Facilities in Good Repair

- Three (3) new TLC vehicles and six (6) replacement vehicles (\$480,000)
- Clean 580,000-square-feet of libraries (\$1.25 million) and utilities (\$1.3 million)

- Condition assessment repairs (\$1.1 million)

Work With Schools to Support Student Achievement

- Ready-Set-Read! incentives (\$25,000 from the Foundation)
- Summer Reading Program (\$40,000) and Global Reading Challenge (\$15,500)
- Online reference (\$101,000) and databases (\$1+ million)

RESULTS:

Expand and Improve Collections

- 3.2% increase in collection budget, with 19% increase in non-print materials
- 8.6% reduction in reference collection and 5.0% reduction in online databases

Increase Awareness and Use of KCLS Programs and Services

- Early Literacy public awareness campaign (\$95,000)
- 2005 Summer Reading Program (\$75,000)
- Targeted advertising and promotion (\$65,000)

Retain Adequate Fund Balance to Preclude Levy Lid Lift For 2006

- If ending fund balance in 2006 exceeds \$7 million, then a lid lift election could be avoided
- Funding from new construction is likely to exceed the projected \$1.5 million during the next two years
- KCLS Foundation is projecting between \$250,000 and \$300,000 in support for various programs

Members of the Board were scheduled to attend the Budget Hearings:

- *Tuesday, November 8* at the Burien Library - LeRoy McCullough
- *Wednesday, November 9* at the Bellevue Regional Library - Charlotte Spitzer
- *Wednesday, November 9* at the Bothell Regional Library - Richard Eadie
- *Thursday, November 10* at the Maple Valley Library - Wai-Fong Lee

LeRoy McCullough asked that KCLS be prepared to address or acknowledge the concerns of those who voted against the bond. Richard Eadie agreed, stating the Board is committed to delivering value and investing monies in the best possible long-term improvements in each community.

DRAFT CAPITAL PLAN

Bill Ptacek reviewed the revised capital plan, which outlines the timing for site acquisition, selection of architect and engineers, design, permitting, construction and close-out of each project. These activities were structured to closely resemble the original plan and keep the overall costs about the same as the average most have been paying on the 1988 bonds. KCLS is likely to use a design-build process for the 5,000-square-foot libraries as a means to complete construction more quickly.

REFINANCING OF 1994 BONDS

Linda Glenicki updated the Board regarding the forward refunding of the 1994 bonds approved in May 2004. The transaction will close on Friday, October 29. The money from the sale of bonds will go to escrow until December 1 (the call date on the refunded bonds). This refunding will achieve a taxpayer savings of 3.4% (\$243,000).

WASHINGTON STATE AUDITOR'S REPORT

Linda Glenicki referred the Board to the written reports for the State Auditor's 2003 audit of KCLS and noted there were no findings or management letter items. *The Board commended the Business Office for their "fine work managing KCLS' finances."*

DIRECTOR'S REPORT

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

- ❑ Families for Yarrow Point Libraries have put out a brochure asking fellow residents to "vote yes for Yarrow Point Library Annexation."

- ❑ KCLS compiled election results by city and areas of unincorporated King County. Several cities had approval rates above 70%. Vashon led the unincorporated areas with a 71.2%.
- ❑ Julie Wallace announced that Comcast has committed a minimum of \$165,000 of in-kind advertising in 2005 to support KCLS' literacy campaign. The 30-second public service announcements have the potential to reach nearly 450,000 households in King County. A KCLS representative will also participate in a new public affairs program called Comcast Local Edition. KCLS will also be able to include a brief article in one issue of Comcast's Customer Newsletters (sent to 1 million households in Washington).

Bill Ptacek applauded Information Technology Services (ITS) for their commitment to making the new circulation system work. Jed Moffitt said the conversion was initially unsteady because KCLS was unable to perform stress testing at full capacity prior to transitioning. The magnitude of KCLS' business surprised a non-trivial vendor (Innovative Interfaces, Inc.) who has been committed to developing solutions. He noted the new system was operational, enabling staff to catch up on backlogged check-ins (necessary to move forward on several service fronts). He reminded the Board that KCLS is changing because the 15-year-old Dynix system was no longer going to be supported and improved by its vendor. KCLS changed quickly because we needed a new system to address the increases in material handling during the past five years as our patrons have doubled the amount of holds being placed. Jed Moffitt acknowledged the frustration being expressed by staff and patrons regarding the loss of certain features, unfamiliarity of the interface and search functions, etc. As with any sort of change, he noted that KCLS had to make tough choices and at the same do our best to minimize the impact on our patrons.

PUBLIC SERVICES REPORT

Denise Siers said September was a month of transition for community libraries. Following the bond election, staff began preparing for the conversion to the new circulation system. More than 600 staff members attended Millennium training to learn the basic functions. More than 400 attended the troubleshooting class on more advanced features. Libraries did accumulate boxes of items to check in while the system was down, but staff worked every conceivable minute to eliminate the backlog and assist patrons when the system was up.

COLLECTION MANAGEMENT REPORT

Bruce Schauer noted that CMS spent September learning to operate the new circulation system. He recognized CAPS staff members for their efforts in smoothing the transition from Dynix to Millennium, including Katie Toelkes, Sarah Tran, Libby McLean, Jolene Hiatt and Stuart Hatch.

FACILITIES REPORT

Kay Johnson referred the Board to the photos in her written report, highlighting the nearly complete remodel at the Newport Way and Lake Hills libraries. She also noted that the City of Black Diamond would like the proposed access road into the library and remaining lots revised in order to eliminate car headlights from shining into the residence across Roberts Drive. A meeting will be arranged to discuss the options with the Planning Commission and the City Administrator. KCLS will also meet with Bassetti Architects in November to discuss the schedule of activities and prepare for the meeting with the Planning Commission.

The Board of Trustees commended KCLS staff for their expertise and hard work on behalf of the system.

ADJOURNMENT

President Richard Eadie adjourned the meeting at 8:13pm.



Richard Eadie, President



Wai-Fong Lee, Secretary