



PRESENT

KCLS BOARD

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

KCLS Staff

Bill Ptacek
Linda Glenicki
Charlene Richards
Bruce Adams
Nancy Smith
Julie Wallace
Jed Moffitt
Bruce Schauer
Kay Johnson
Greg Smith
Jeanne Thorsen
Jennifer Wiseman
Don Isaacs

GUESTS

Joe and Eve Phillips

MOTIONS APPROVED

1. Motion to approve the Board Agenda as revised
2. Minutes from December 15, 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 2005-01 - Surplus Furniture and Equipment
10. Board Nomination for the Art Oversight Committee
11. Motion to grant permission to serve wine at Leadership Donor Event

CALL TO ORDER

President Wai-Fong Lee called the meeting to order at 5:14pm.

PUBLIC COMMENT

Joe Phillips said library users are looking forward to another great year at both the Shoreline and Richmond Beach libraries.

APPROVAL OF THE AGENDA

The following Action Items were added: *Board Nomination for the Art Oversight Committee* and *Permission to serve wine at the Leadership Giving event*. The following Discussion Items were also added: *Public Disclosure Commission (PDC) Update* and *Diversity in Procurement and Contracting*. Richard Eadie moved approval of the Agenda as revised. Charlotte Spitzer seconded and the motion passed unanimously.

RECOGNITION OF OUTGOING BOARD PRESIDENT

Bill Ptacek recognized outgoing President Richard Eadie for his leadership in 2004, highlighting the signing of the first Collective Bargaining Agreement with Local 1857 and passage of the September 14 bond measure. Richard Eadie said he was honored to work with this Board and an organization so clearly committed to service.

APPROVAL OF THE MINUTES

Charlotte Spitzer noted a typographical error on page 5. There having been no further changes to the draft December 15, 2004 minutes, they were deemed approved.

FINANCE REPORT

Linda Glenicki reviewed the current finances noting preliminary expenditures in December were \$7.1 million versus a monthly budget average of \$6.3 million. December year-to-date expenditures are \$70.4 million or 89.6% of budget versus 100.0% of the year completed. Invoices for 2004 will continue to arrive for several weeks. KCLS will officially close out the 2004 statements at the end of February. Several accounts showed significant growth due to budgeted increases for new programs or one-time projects, including:

- ❑ **Substitute Salaries:** increased by 17.1% due to an increase in the budget for this category to reflect greater need for training time.
- ❑ **Benefits:** increased 21.9% due to the Stay and Complete bonus payments.

- ❑ **Staff Development:** increased 13.6% due to implementation of the Tuition Assistance program.
- ❑ **Miscellaneous:** expenditures show a 232.8% increase due to overlapping a credit received in the prior year. The 2003 year-to-date total of \$72,000 reflects a credit of \$209,000 for reimbursement from the KCLS Facilities Foundation for expenditures made on its behalf.
- ❑ **Capital Outlay - Furniture & Equipment:** 401.1% increase due to Automated Materials Handling system.

December revenues were \$1.1 million bringing year-to-date revenues to \$74.8 million (100.6% of the 2004 budgeted revenue of \$74.4 million). This compares to the 99.5% of the budget KCLS had received at the same time in 2003. Significant receipts over budget include timber revenues (+161%), leasehold excise taxes (+42%) and miscellaneous revenues (+145%). Delinquent tax receipts over budget (+46%) were offset by a typical amount of underpayment of current year taxes. The overage in miscellaneous revenues is driven by the settlement payment of \$75,000 for the Kent Regional Library roof issue.

Linda Glenicki said the 2004 Ending Fund Balance will give KCLS a strong cash position for 2005. The Board will be asked to approve a budget adjustment resolution later this year, which will reflect final beginning fund balance figures. Richard Eadie asked if the Business Office could determine how much of the timber revenues come from public versus private timber and what is driving the increases, which have historically fluctuated.

PAYMENT OF BILLS

Charlotte Spitzer moved approval of Payroll Expenditures in the amount of \$2,127,168.58; Checks December 1-15th Chk #: 87907-88936; 124867-125083 and December 16-31st Chk #: 88937-89975; 125084-125308. Richard Eadie seconded and the motion passed unanimously.

Richard Eadie moved approval of General Fund #0010 Expenditures December 2004 in the amount of \$6,583,654.41; (Travel Advances) Chk #717-722, (12/6) Chk #72199-72335; 72336-72450, (12/7) Chk #72462-72464, (12/8) Chk #72465-72590, (12/10) Chk #72591-72704, (12/14) Chk #72711-72795, (12/20) Chk #72797-72805; 72806-72809; 72810-72956, (12/21) Chk #72963-73055, (12/23) Chk #73065-73171, (12/28) Chk # 73174-73248, (1/3) Chk #73251, (1/4) Chk # 73252-73406; 73409-73419; 73420-73423; 73424, (Voids) Chk # 72293; 72802. Charlotte Spitzer seconded and the motion passed unanimously.

LeRoy McCullough moved approval of Construction Bond Fund '88 #3020 Expenditures December 2004 in the amount of \$101,250.02; (12/6) Chk #72451-72456, (12/10) Chk #72705-72708, (12/14) Chk #72796, (12/20) Chk #72957-72961, (12/21) Chk #73056-73060, (12/23) Chk #73172-73173, (12/28) Chk #73249-73250, (1/4) Chk #73407-73408; 73425. Charlotte Spitzer seconded and the motion passed unanimously.

Charlotte Spitzer moved approval of Gift Fund #6010 Expenditures for December 2004 in the amount of \$5,807.68; (12/6) Chk #72457-72461, (12/10) Chk #72709-72710, (12/21) Chk #73061-73064, (1/4) Chk #73426. LeRoy McCullough seconded and the motion passed unanimously.

Richard Eadie moved approval of the Issaquah Library Capital Facility Area Fund #381 (ILCFA) Expenditures for December 2004 in the amount of \$7,410.83; (12/20) Chk #72962, (1/4) Chk #73428. Charlotte Spitzer seconded and the motion passed unanimously.

LeRoy McCullough moved approval of the Redmond Library Capital Facility Area Fund #380 (RLCFA) Expenditures for December 2004 in the amount of \$9,136.04; (1/4) Chk #73427. Charlotte Spitzer seconded and the motion passed unanimously.

RESOLUTION 2005-01 - SURPLUS FURNITURE AND EQUIPMENT

Linda Glenicki referred the Board to a listing of furniture and equipment to be declared surplus and explained KCLS would dispose of the computer equipment via a sealed bid process. All other items will be sent to the Washington State Department of General Administration that sells the items and remits a portion of sales to KCLS. She noted that KCLS' Purchasing Policy stipulates that items be brought before the Board for surplus resolution on at least a semi-annual basis. Charlotte Spitzer moved approval of Resolution 2005-01. LeRoy McCullough seconded and the motion passed unanimously.

BOARD NOMINATION FOR ART OVERSIGHT COMMITTEE

LeRoy McCullough nominated Charlotte Spitzer to serve on the Art Oversight Committee. Richard Eadie seconded and the motion passed unanimously.

PERMISSION TO SERVE WINE AT THE LEADERSHIP DONOR EVENT

Jeanne Thorsen explained that the Leadership Donor Event will provide an opportunity for KCLS, the United Way and the KCLS Foundation to recognize this year's leadership donors to the Workplace Giving Campaign. The event will take place at the Service Center and attendance will be limited to invited guests. With approval of this request, the KCLS Foundation will provide the wine and acquire the appropriate permit. **Charlotte Spitzer moved approval of these requests. Richard Eadie seconded and the motion passed unanimously.**

PUBLIC DISCLOSURE COMMISSION (PDC) UPDATE

Bill Ptacek introduced attorney Stephen Smith with Preston Gates & Ellis, LLP, who provided a summary of facts regarding the Public Disclosure Commission's investigation of the September 14th bond election.

On November 18, 2004, Will Knedlick filed a "45-Day Citizen Action Letter" with the Office of the Attorney General and the Office of the King County Prosecutor. The letter alleged KCLS officials used District facilities to promote passage of the September 14th Bond Measure:

- ◆ By producing and distributing information about the Capital Bond Measure that misinformed voters about fact central to casting an informed vote;
- ◆ By repeatedly using District assets, facilities and personnel to promote misinformation;
- ◆ By making wrongful gifts of public property to fund its associated campaign operation;
- ◆ By wrongfully exploiting the prestige of the state's judiciary to boot-strap credibility for its misstatements concerning the ballot proposition.

Stephen Smith noted that the complaint letter was delayed in shipment to the Attorney General and further delayed in transmission from the Attorney General to the PDC. The PDC also postponed notifying KCLS of the complaint and impending investigation, which is important in light of the requirement to respond to the complaint within 45 days. From December 8 through January 14, KCLS representatives were beset by at least six written requests for information and documentation, two interviews under oath and a number of informal, undocumented interviews of library and KCLS Foundation staff. On January 13, PDC staff issued a 52-page "Report of Investigation," followed by a 12-page letter to the Commission stating that *"the multi-faceted effort undertaken by the King County Library System went beyond its normal and regular conduct and its communications were not a fair and balanced presentation in the facts."* While the PDC staff found Will Knedlick's original accusations had no merit, they issued the following recommendation:

"Staff believes that the Commission's penalty authority is not sufficient in this matter, and recommends that the Commission, in accordance with RCW 42.17.360, report the 'apparent violations' regarding Bill Ptacek and the King County Rural Library District to the Office of the Attorney General for appropriate action."

KCLS staff will join Stephen Smith in Olympia as the PDC staff present their recommendation to the Commission on Tuesday, January 25. If the Commission refers this matter to the Attorney General, he/she may prosecute or decline to do so. If the Attorney General does not bring charges, the citizen complainant must be notified.

Stephen Smith has engaged the PDC staff in settlement discussions in an attempt to resolve the dispute issue(s). He argued that the alleged violations are "factually inaccurate, incomplete and legally erroneous" and that the penalty being sought (a \$20,000 fine to be paid out of personal, not organizational funds, and the admission of wrongdoing) is arbitrary and capricious. Similar cases against public entities bore only a \$3,500 fine and no admission of wrongdoing.

Stephen Smith highlighted the fact that RCW 42.17.130 stipulates that public facilities may not be used to support or oppose a candidate or ballot proposition. In its interpretation of the law, however, the PDC holds that it is not only the right, but the responsibility of local government to inform the general public of the operational and maintenance issues facing local agencies. This includes informing the community of the needs of the agency that the community may not realize exist. Local governments may expend funds for this purpose provided that the preparation and distribution of information is not for the purpose of influencing the outcome of an election. In enforcing the law, the PDC is to consider and analyze activities engaged in by public offices including the normal and regular conduct and the timing, tone, and tenor of activities in relation to ballot measure elections. As a result, KCLS provided the PDC with informational materials produced and distributed for other major policy initiatives (2000 library card, 2002 levy lid lift election and 2002 library choices) that exhibit the use of brochure flyers, book bags, consultants, direct mail postcards and videos are part of KCLS "normal and regular conduct."

In that the preparation and distribution of information can not be for the purpose of influencing the outcome of an election, the PDC alleges the materials for the bond measure were promotional, not informational.

Stephen Smith explained that the Commission has jurisdiction limited to \$2,500 in penalties and pointed out the penalty for alleged wrongdoings has no bearing from case law. In response to an inquiry from the Board, he also explained that Bill Ptacek is named as the defendant per State statute which refers to actions by "any person appointed to or employed by any public office or agency."

Charlotte Spitzer said every effort was made to ensure that print materials and presentations were strictly informational. LeRoy McCullough asked what precedent would be established from this case. He warned that settlement would be dangerous for the organization's credibility and potentially harmful to other organizations and their efforts in the future. Bill Ptacek emphasized that after failure of the February 2003 bond measure, KCLS was given a public mandate to effectively present impartial and fact-based information. *The Board requested that KCLS does not explicitly or implicitly imply wrongdoing and consult the Board before taking further action in this case.*

2004 YEAR IN REVIEW

Bruce Adams and Nancy Smith presented the 2004 Year in Review, which was also presented in print format (www.kcls.org/about/2004%20Year%20in%20Review.pdf). They highlighted the some of the following activities:

- ❑ Passage of the September 14th Bond Measure
- ❑ Expansion of service with the Library Connection @ Southcenter and launch of ABC Express
- ❑ System-wide implementation of Self-Checkout
- ❑ 8% increase in circulation (more than 17.1 million items)
- ❑ Decrease in the average age and increase in the turnover rate of the collection
- ❑ First library in the U.S. to offer downloadable audio books in MP3 format
- ❑ Major renovations at five community libraries
- ❑ Conversion to the new Integrated Library System - Millennium
- ❑ Refunded \$6.8 million of general obligation bonds resulting in \$243,000 taxpayer savings
- ❑ Signed first collective bargaining agreement with newly organized Local 1857
- ❑ Implemented a competency-based selection process and employment pools
- ❑ Provided tuition assistance to 13 staff members totaling \$41,919.06
- ❑ Through November 24, 2004, KCLS experienced a 37% increase in news media coverage
- ❑ KCLS Foundation provided \$1.1 million in support for LCSC, literacy and lifelong learning programs

MP3 DOWNLOAD DEMONSTRATION

Jed Moffitt provided a brief demonstration of this new service, noting that KCLS is the first public library in the nation to provide downloadable audio books in MP3 format. He applauded CMS and Web Services staff for their work in launching the service and explained that it's the beginning of a major trend in delivery of content, especially media content.

BOARD COMMITTEE ASSIGNMENTS FOR 2005

Wai-Fong Lee assigned Charlotte Spitzer and LeRoy McCullough to the Planning Committee. Richard Eadie and Lucy Krakowiak (if confirmed by the County Executive) were assigned to the Finance Committee.

BOND FINANCING TEAM UPDATE

Linda Glenicki said KCLS selected Gottlieb, Fisher & Andrews, PLLC to serve as bond counsel and Susan D. Musselman and Alan Dashen, whose firms submitted a joint proposal, as financial advisors. She noted that KCLS staff has met with the financial advisors to begin drafting cash flow projection schedules.

INTERLOCAL AGREEMENT WITH CITY OF BURIEN

Bill Ptacek presented a memo from attorney Dan Gottlieb outlining the matters to be addressed by an interlocal agreement to be negotiated between KCLS and the City of Burien related to a proposal for the acquisition, design, financing and operation of a joint municipal and library facility. The outline highlighted matters required by the Interlocal Cooperation Act, Chapter 39.34 RCW.

DIVERSITY IN PROCUREMENT AND CONTRACTING

As a follow-up to a previous discussion, Linda Glenicki highlighted three options recommended by the attorney that would allow KCLS to remain in compliance with I-200:

1. Incorporate an "unbundling process" to make projects small enough to solicit responses from smaller firms
2. Develop requirements that bidders show evidence of efforts to include disadvantaged, women or minorities
3. Create an approved bidding pool where: 1) a certain percentage of firms must be owned by disadvantaged, women or minorities; 2) identify and communicate specific expectations for firms to achieve internally

Bill Ptacek suggested the attorneys develop and present a program under the third option at the next meeting.

DIRECTOR'S REPORT

Bill Ptacek referred the Board of Trustees to his written report and introduced Greg Smith, the new Associate Director of Facilities Management Services who spent the past 18 years overseeing the branch buildings for Washington Mutual in the Pacific Northwest. He reminded the Board that after the bond measure passed, Kay Johnson became the Associate Director of Facilities Development (new construction), while Facilities Management Services became focused only on maintenance and repairs, as well as buildings and grounds.

PUBLIC SERVICES REPORT

Bruce Adams highlighted KCLS' involvement in Families and Children Early Support (FACES), a consortium of public agencies that meet to discuss issues and events affecting families with children. He added that early literacy training will begin in February with a guest speaker from West Bloomfield Township Public Library. Bill Ptacek mentioned that the year ended with circulation of more than 17.1 million items, but noted that Queens Borough Public Library is rumored to have circulated 17.8 million items in 2004.

COLLECTION MANAGEMENT SERVICES REPORT

Bruce Schauer briefly highlighted the following:

- ❑ Anna Seaberg prepared and presented a class in Millennium searching for the Order Department
- ❑ Brenna Shanks hosted the WashYARG (Washington Young Adult Review Group) meeting
- ❑ Kirk Barrett, Rose Wheeler and Becky Norman were honored at the annual Service Awards Reception

FACILITIES MANAGEMENT SERVICES REPORT

Greg Smith highlighted:

- ❑ **Black Diamond Library:** This site is scheduled for a WAVE in the first quarter of 2005. It was determined that FMS needed to supply power, data and a table for print management. Bid for the work and furniture for the printer are being finalized.
- ❑ **Bothell Regional Library:** This site is scheduled for an interior renovation this year. FMS personnel met with library staff to walk through the existing space plan. An architect will be solicited to develop a floor plan that improves sightlines and accentuates library services.
- ❑ **Kent Regional Library:** The interior upgrade has been completed, including lighting installation, installation of planters near the circulation desk and Technical Furniture is finishing up the end panels. Bid specifications for painting the building interior are being developed.
- ❑ **Kirkland Library:** The window wall to be replaced after a driver ran into building was delayed because the material arrived damaged.
- ❑ **Newport Way Library:** New drapes are on order and will be installed upon arrival in late January
- ❑ **Muckleshoot Library:** The Muckleshoot Bureau of Indian Affairs is in the process of upgrading signage on the main road. KCLS expressed interest in being on this new sign.

NEW CONSTRUCTION REPORT

Kay Johnson highlighted:

- ❑ **Black Diamond:** KCLS continues negotiations with the City of Black Diamond, the seller and neighbor of the location for the new library. In January, KCLS submitted a revised short plat application and provided the

seller with an amended sales agreement. The short plat application was revised because the City required KCLS to obtain a "buy-off" from the neighbor north of the proposed library who opposed the entrance road. The seller of the property, who has some stake in the road being built, has provided a commitment letter to the neighbor to restrict future development access to the shared entrance road from his property.

- Greenbridge (aka Park Lake) Library: Planning sessions have been held with the YWCA and other service providers to develop the building plans for the future Library Connection @ Greenbridge.
- Snoqualmie Library: During the past two months, discussions have occurred with City staff, the Snoqualmie Library Advisory Board and owners with available sites.

EXECUTIVE SESSION

At 7:23pm, President Wai-Fong Lee announced, per RCW 42.30.110(1)(g), that an executive session to review the performance of a public employee would begin. The estimated duration of the executive session was 15 minutes. Richard Eadie, Wai-Fong Lee, LeRoy McCullough and Charlotte Spitzer were in attendance.

RETURN TO REGULAR SESSION


President Wai-Fong Lee reconvened the meeting in regular session at 7:38pm.

ADJOURNMENT

President Wai-Fong Lee adjourned the meeting at 7:39pm.



Wai-Fong Lee, President



Charlotte Spitzer, Secretary