



MOTIONS APPROVED

1. Motion to approve the Board Agenda as amended
2. Minutes from August 29, 2006 were deemed approved
3. Motion to approve Payroll expenditures
4. Motion to approve General Fund #0010 expenditures
5. Motion to approve Construction Bond Fund '88 #3020 expenditures
6. Motion to approve Capital Project Fund 2005 #3070 expenditures
7. Motion to approve Gift Fund #6010 expenditures
8. Motion to approve Resolution 2006-06 - Disposition of Surplus Real Property (Snoqualmie)
9. Motion to approve Resolution 2006-07 - Surplus Computer Equipment
10. Motion to approve the addition of a new category to the Capital Plan titled "Project Management" and the reallocation of funds from the "New Inventory/Catalog System" line to this new category.

PRESENT

KCLS BOARD

Judge LeRoy McCullough
Judge Richard Eadie
Lucy Krakowiak
Jessica Bonebright

KCLS Staff

Bill Ptacek
Linda Glenicki
Charlene Richards
Nancy Smith
Denise Siers
Bruce Adams
Jed Moffitt
Kay Johnson
Greg Smith
Jennifer Wiseman

GUESTS

Jim Bowen
Lisa Johnson
Lori Robinson
Margaret Nelson
Barbara Spindel
Susan Veltfort
Ann McCreery
Yoshiko Saheki

CALL TO ORDER

Lucy Krakowiak called the meeting to order at 5:15pm.

PUBLIC COMMENT

On behalf of the patrons of 19 libraries, Jim Bowen said concerns about clustering adversely affecting the service and culture of the libraries has been expressed to the Board from September 2005 through the present. He said KCLS has had various iterations of clustering between 2001 through 2005 for about 20 libraries, with the remaining libraries being clustered in the January 2006. At that time, all staff (excluding pages) was required to rotate among libraries in their cluster. He noted that in August 2006 KCLS reached an agreement with Local 1857 on a structure that would require fewer employees to rotate among libraries (effective January 2007). In addition, Waldron & Company was hired by KCLS to evaluate clustering. Jim Bowen then quoted a research report titled *Future Service Delivery Project* disseminated September 12, 2006: "This project will provide the foundation for a long-range staffing model that when implemented in the 5 to 10 year future can best meet the needs of King County's many and varied communities." Jim Bowen said patrons have heard that the Director has "pressed" the team to complete this so that this "long-range staffing model" can be used for the new libraries when they open. Jim Bowen asked what Waldron & Company would be evaluating (the current cluster structure or the 2007 structure), about the timeline for the Future Service Delivery Project and whether patrons would be given an opportunity to input. He asked if the Board was aware of the Future Service Delivery Project and if KCLS had the project in mind, why clustering was executed on the remaining libraries in 2006. Finally, he asked the Board if they were aware the number of times different libraries have had different clustering structures.

Lisa Johnson said that at last month's Public Forum, she read comments on behalf of Radhika Kumar. She expressed concern about the manner in which those comments were edited and the resulting tone they took in the minutes. She asked the Board if there was some way that public comments or materials handed in can be recorded unedited in the minutes. She said this would make them available for those who want to research past comments. As an alternative she suggested that the meetings be taped so there is documentation on file.

Margaret Nelson said no alarm went off on July 21 or 22 when someone broke into the Federal Way 320th Library and stole a computer. She noted that this was because it had been turned off for some time by KCLS administration. During another break-in on September 8, she said two more computers were stolen, including one from the staff room that may have contained sensitive patron identity information. She said the police were dumbfounded when the staff told them the alarm was not turned on. She pointed out that in Federal Way there is no fine for false alarms in government buildings, like libraries. The Federal Way City Council and police feel it is better to know when someone may be destroying taxpayer assets by breaking and entering public property,

and stop them, rather than to let them do it unimpeded. Referring to a July 28 letter from Greg Smith, Margaret Nelson said that "inconsistent" alarm systems throughout the System is an administrative management problem that should have been dealt with long ago by placing similar and functioning alarm systems in all libraries. She suggested that clustering, with an increased number of staff unfamiliar with the buildings, could have caused "constant problems with malfunctions [and] loss of entry codes..." as Greg Smith reported. She quoted an August 10 letter from Bill Ptacek, which stated that "the annual cost of maintenance and repair of the security alarm systems in the libraries was not cost effective with the minimal amount of materials and equipment lost over the years...The insurance deductible of \$5,000 per incident is much less than maintenance or replacement of the systems." Margaret Nelson compared the insurance deductible with the cost incurred after a disastrous arson fire in the 1970s. She also asked how many other KCLS libraries have undetected break-ins and how much has been stolen or vandalized unnoticed. Margaret Nelson asked which libraries have no alarm systems and which libraries have been told to turn theirs off. She wondered if KCLS' insurance company knows and if all break-ins are reported to the police and the insurance company. Margaret Nelson reiterated the usefulness of alarms in detecting intruders, vandalism or other criminal activity. She said that not providing functional alarms is a sign of a lack of respect for the safety of the staff and patrons who enter the buildings, as well as to the taxpayers who bear the cost of the facilities and contents. She asked the Board to instruct staff to re-alarm KCLS libraries.

Richard Eadie said that he is seeing an increase in the systematic theft of laptop computers in his profession. He wondered if the presence of computers and/or laptops in libraries is generating a different level of interest among thieves. As the technology in the libraries continues to change, Richard Eadie said it would be worthwhile to conduct a new cost-benefit analysis for the use of alarm systems and suggested that some benefit may be realized related to insurance premiums or such.¹ Greg Smith estimated the value of what was just stolen on September 8 at about \$2,300. Lucy Krakowiak expressed interest in seeing a record of what's been stolen, as well as the potential costs for security systems, including the cost of false alarms.²

Barbara Spindel, a Newport Way Library patron speaking as a representative of an ad hoc committee of patrons from several libraries, said she was pleased to see the addition of two "action items" to the agenda last month. She said it's in everyone's best interests to be able to identify items that have come under discussion and require action. From a public standpoint, she said it would be helpful if the minutes could reflect the action items decided upon by the Board so patrons can evaluate the actions taken. She said waiting until the week before the next meeting when the minutes are distributed is too long and suggested that the Board consider identifying what items require action at the end of a meeting and make that list available shortly afterwards. Referring to a list of 11 such items compiled and sent to the Board by the ad hoc committee of patrons on August 31, she expressed appreciation for those items that were taken care of. She also said she hopes that by identifying those action items not on tonight's agenda that patrons may be able to document what follow up, if any, was taken. For example, she said the technical problems opening Board attachments on library computers has been partially resolved, noting that attachments can't be opened using the computer defaults. She also said the report on Director Ptacek's performance was supposed to be presented tonight, but is not on the agenda. Finally, she said patrons feel strongly that Waldron & Company should report directly to the Board or a sub-committee of the Board. In order for the evaluation of clustering to have credibility with the public, she said it is important that the consultant be divorced from the management structure of KCLS. She noted that this issue is not on the agenda. She asked the Board to make an effort to identify action items for future meetings.

APPROVAL OF THE AGENDA

The following action items were added to the agenda: Site Selection Update. *Richard Eadie moved approval of the agenda as amended. Jessica Bonebright seconded and the motion passed unanimously.*

APPROVAL OF THE MINUTES

There having been no changes to the draft August 29, 2006 minutes, they were deemed approved.

FINANCE REPORT

Linda Glenicki reviewed current finances noting August expenditures were \$5.7 million versus a monthly budget average of \$6.8 million. Year-to-date expenditures are \$49.4 million (60.3% of budget versus 66.7% of the year completed). This compares to August year-to-date expenditures in 2005 of \$48.1 million (60.5% of the budget). The following General Fund items were called out:

- ◆ **Staff Development:** Year-to-date expenditures for staff development of \$369,000 are 41% higher than last year due mainly to the increase in consulting fees for the Employee Involvement Project.

- ♦ **Advertising:** Expenditures are showing a decrease of 41.9% versus prior year due to program timing. This year a significant portion of the advertising budget is being used for Ready to Read Day on November 4.

August revenues were \$719,000 bringing year-to-date revenue to \$42.8 million (53.9% of budget). The \$47,000 in Other Taxes reflects leasehold excise taxes, which are levied on rentals of government property. Credit card payments in August were 24.6% of total payments, which is a slight increase over recent trend.

August expenditures from the 307 Capital Project Fund 2005 were \$218,000 bringing year-to-date spending to \$4.2 million (10.5% of the 2006 budget). The largest expenditure was \$122,000 at Burien for design and development work. August expenditures in the 302 Fund were \$47,000 related to the installation of the material check-in and sortation equipment at the Bellevue Regional Library.

PAYMENT OF BILLS

Richard Eadie moved approval of Payroll Expenditures in the amount of \$2,145,679.31; Checks August 1-15th Chk #: 129261-130308; 132879-133072 and August 16-31st Chk #: 130309-131356; 133073-133254. Jessica Bonebright seconded and the motion passed unanimously.

Jessica Bonebright moved approval of General Fund #0010 Expenditures August 2006 in the amount of \$5,553,242.84; (Travel Advances) Chk #797, (8/4) Chk #94366-94437, (8/7) Chk #94446-94450, (8/8) Chk #94451-94564, (8/10) Chk #94571-94647; 94652-64662, (8/11) Chk #94663-94708, (8/15) Chk #94709-94760, (8/16) Chk #94761-94826; 94827-94837, (8/18) Chk #94838-94849; 94850-94853; 94854-94888, (8/21) Chk #94896-94897, (8/23) Chk #94898-95011; 95021-95094; 95095-95098, (8/25) Chk #95099-95139, (8/31) Chk #95140-95146; 95147-95218; 95219-95287, (9/1) Chk #95298-95308; 95309-95312, (9/6) Chk #95313, (Voids) Chk #94562. LeRoy McCullough seconded and the motion passed unanimously.

LeRoy McCullough moved approval of Construction Bond Fund '88 #3020 Expenditures August 2006 in the amount of \$49,045.48; (8/8) Chk #94565-94566, (8/31) Chk #95288-95289. Richard Eadie seconded and the motion passed unanimously.

Richard Eadie moved approval of Capital Project Fund 2005 #3070 Expenditures for August 2006 in the amount of \$218,812.39; (8/8) Chk #94567-94570, (8/17) Chk #94889-94895, (8/23) Chk #95012-95016, (8/31) Chk #95290-95293. Jessica Bonebright seconded and the motion passed unanimously.

Jessica Bonebright moved approval of Gift Fund #6010 Expenditures for August 2006 in the amount of \$4,770.19; (8/4) Chk #94438-94445, (8/10), Chk #94648-94651, (8/23) Chk #95017-95020, (8/31) Chk #95294-95297, (9/6) Chk #95314, (Voids) Chk #94443. LeRoy McCullough seconded and the motion passed unanimously.

DISPOSITION OF SURPLUS REAL PROPERTY (SNOQUALMIE) - RESOLUTION 2006-06

Kay Johnson said Resolution 2006-06 declares "certain real property" in Snoqualmie "surplus to the current and anticipated needs of the District" since KCLS will build a new/expanded Snoqualmie Library on a different site on Snoqualmie Ridge. KCLS' Purchasing Policy stipulates that the Board must determine by resolution that the property is no longer required for library district purposes before three (3) market value appraisals of the property can be obtained. KCLS will then conduct a public hearing on the advisability of proposed sale before the property can be sold. If the property is sold, the price must exceed 90% of the average of the three appraisals. Bill Ptacek noted that the City of Snoqualmie (half owners of the current library building), have expressed interest in buying KCLS' half. Lucy Krakowiak acknowledged a letter received from the Snoqualmie City Administrator to that effect. *LeRoy McCullough moved approval of Resolution 2006-06. Jessica Bonebright seconded and the motion passed unanimously.*

RESOLUTION 2006-07 - SURPLUS COMPUTER EQUIPMENT

Linda Glenicki said KCLS' Purchasing Policy stipulates that items be brought before the Board for surplus resolution on at least a semi-annual basis. She noted, however, that the procedure for disposing of this surplus computer equipment has changed. She explained that KCLS used to dispose of all surplus computer equipment via a sealed bid process. Based on an anonymous employee suggestion, KCLS has altered to process to first remove pieces that are known to be broken from the lot before it is auctioned. KCLS then pays a recycling firm a small fee to dispose of the broken computer equipment in an environmentally responsible manner. In the past, KCLS had no control or visibility into how broken equipment was disposed of. Richard Eadie added that bidders

may now be willing to pay more for the equipment lots since they know all the pieces are operational. *Jessica Bonebright moved approval of Resolution 2006-07. Richard Eadie seconded and the motion passed unanimously.*

CAPITAL BUDGET REVIEW - OUTSOURCE PROJECT MANAGEMENT

In order to most efficiently manage the scope of the bond program (varied sizes of projects and jurisdictions), Kay Johnson recommended that the Board approve funding to hire a project management team. She explained that this team would serve as the Owner's Representative in the field; meeting with contractors and helping to negotiate contracts. She clarified that these consultants would only work on bond-related construction projects. Bill Ptacek pointed out that at the time of the previous bond measure, KCLS hired permanent staff. Because project volumes vary and will occur on a fixed timeline, KCLS staff felt it would be better to utilize a project management team as needed, than to hire additional staff that would have to be laid off later.

After stepping down as chair, Lucy Krakowiak moved that a new category be added to the Capital Plan titled "Project Management" and that the funds from the "New Inventory/Catalog System" line be reallocated to this new category. Jessica Bonebright seconded the motion.

Questions were raised about the \$2 million currently allocated for the "New Inventory/Catalog System." Bill Ptacek explained that Millennium, purchased by Innovative Interfaces, is the new inventory/catalog system, which has already been paid for out of operating funds. Richard Eadie asked if KCLS will be able to track the cost of outsourcing project management throughout the life of the bond. Bill Ptacek affirmed. Richard Eadie also asked if the actions undertaken by the project management team are actions performed by Union members. Charlene Richards said KCLS does not have this type of position, thus it is not part of the bargaining unit. LeRoy McCullough asked how the \$2 million would be allocated. Kay Johnson said that staff will negotiate with the project management team each year, but will only utilize them as long as the funding lasts (estimated four to five years). As the point-person for the project management team, she said she will be able to manage how much money the company allocates for tasks, who they assigned to tasks and the hourly rates. She also said KCLS has a master contract for services, through which KCLS can assign work on a project-by-project basis. Work orders for each project will include a scope statement and will outline KCLS' financial obligation. She added that the project management team is in daily contact with KCLS staff and that staff will closely track expenditures and report to the Board. Linda Glenicki noted that these expenditures will also be tracked as line item in the 307 Capital Project Fund 2005 report. Richard Eadie expressed concern that the \$2 million budget for project management will be expended early in the Capital Plan and that the projects at the end of the decade will not benefit from these services. Kay Johnson pointed out that the projects in the Capital Plan were scaled in such a way that the most complex projects, requiring extraordinary technical expertise, are weighted toward the beginning of the plan. She explained that the projects towards the end of the program can be completed using in-house expertise. Richard Eadie asked that a copy of the master agreement with the project management team and/or a high level summary of the services they're anticipated to provide, be presented at the next Board meeting.³ *Following discussion, the motion passed unanimously.*

SITE SELECTION REVIEW

Kay Johnson provided a brief update on searches for library sites in Kenmore, Sammamish and Vashon. She said KCLS has an option on property currently home to the Kenmore Post Office. KCLS is also pursuing options on a number of other sites in Kenmore including the current fire station and a large lot of vacant land (much of which is under native growth protection). Richard Eadie asked staff to consider the location of the local schools in Kenmore and their relation to the location of the library since Highway 522 is such a busy arterial. In Sammamish, she explained that the Sammamish Commons site will meet KCLS' minimum site requirements, but is costly due to extensive site work and under building parking construction that would be necessary. As a result, KCLS is looking at the limited alternative sites available, including one across the street from the Sammamish Commons. Bill Ptacek said KCLS has committed to giving City officials an indication about the site in the near future. During the past month, Kay Johnson said staff has also explored the idea of expanding the current Vashon Library as a preferred alternative to exchanging location with the Vashon Parks District, due in large part to the tremendous increase in construction costs. It appears the only solution within KCLS' resources is to redevelop and expand the current building. A public meeting is being planned to discuss this option with local residents. LeRoy McCullough asked that the Board look at the list of capital projects during their retreat.⁴

CO-DEVELOPMENT PARTNERSHIPS: BURIEN, VASHON & SAMMAMISH

Bill Ptacek said that in a number of jurisdictions KCLS is being asked to consider co-development. In addition, he noted that partnering may be a better way to utilize budget dollars, allowing the parties involved to do more together than they could have alone. He said KCLS has already done this in Burien, but explained that in some situations, KCLS may have to pursue a co-development partner. He introduced Jay Reich (Preston, Gates & Ellis) and Dan Gottlieb (Gottlieb, Fisher & Andrews) to further discuss how to deal with these situations.

Jay Reich said that because public/private partnerships vary widely any financial or legal conclusions must be based on facts. He explained that co-development is being considered for a number of fundamental reasons, including: 1) reducing the cost of development (shared land costs; dual functionality of parking; common costs of systems like HVAC, etc); 2) enhancing the functionality and design of projects (critical masses create more dynamic spaces), as well as integrated parking and entrances; 3) potential for shifting risks (i.e. developer takes risk for construction and cost override for condominium units). He noted, however, that there are inherent complications that may temper potential enthusiasm for co-developing.

Dan Gottlieb said that using bond proceeds for co-development is legitimate and often beneficial. He cautioned, however, that these projects have a number of challenges, including: 1) finding a mutually beneficial balance with people from a different development culture and with their own agendas; 2) ensuring compliance with State law (i.e. libraries have more flexibility under public works procurement law, but as projects proceed KCLS may want to adjust their procurement policies to match development needs); 3) ensuring that what you do is constitutionally permissible and doesn't violate funding requirements or gift of public funds. Dan Gottlieb assured the Board that legal counsel can aid staff in evaluating these co-development opportunities.

Jessica Bonebright asked for clarification regarding potential adjustments to procurement policies. Dan Gottlieb said State law creates requirements for the procurement of public works. He also said State law gives the Board power to develop its own rules in policy. He explained that KCLS has categories related to public works in its current procurement policies that mirrors statute for cities and counties. While these categories work well now, and because public works law doesn't contemplate partnership, Dan Gottlieb said KCLS' policies may not work as well in a co-development situation. He pointed out that it may be necessary for the Board to consider adopting a policy allowing KCLS to take advantage of public/private partnerships as they related to acquiring public works. LeRoy McCullough asked if construction risks are assumed by a co-development partner, does KCLS assume their liability. Dan Gottlieb said that KCLS would only be responsible for liability on the portion of the project that is yours. He advised that knowing your partner(s), as well as protective agreements is important. Bill Ptacek pointed out that KCLS may consider co-development for projects in Lake Hills, Kenmore and Sammamish.

BOARD REPRESENTATIVE FOR ARCHITECT SELECTION PANELS: NEWCASTLE AND DUVAL

Kay Johnson explained that KCLS will need members from the Board of Trustees to serve on the Architect Selection Panels for the following projects: Newcastle and Duval libraries. Jessica Bonebright and LeRoy McCullough offered to check their schedules for these selection panels tentatively scheduled for Friday, October 20 and Thursday, November 2.

2006 DIRECTOR'S PERFORMANCE REVIEW

As the longest-serving Board member, Richard Eadie said KCLS has not historically conducted a written review of the Director. He said the process consisted of an oral discussion of what was done well, areas to address, etc. He noted that in May 2006, the Board again met with the Director to discuss performance. He said the Board discussed ways to improve communication between the Director and the staff, the Board and the public. Richard Eadie pointed out that a number of steps, including moving the Board meetings to the large meeting room and the institution of public forums have positively impacted communication. He also said KCLS doesn't have a very diverse workforce, so the Board discussed permissible ways to increase diversity in the workforce and in procurement. In addition, the Board talked about a key responsibility of the Board, administered by the staff: proper management and allocation of bond fund proceeds. He said the Board is committed to maintaining communication in this area through the end of the decade-long plan and to conducting an ongoing examination of progress and use of funds as circumstances change. Richard Eadie emphasized that despite the areas identified for improvement, the Board recognized KCLS is a very fine library system due to the work of the Administration and employees. He concluded by stating that this was the process undertaken and that the Board had a fairly lengthy, frankly-spoken meeting with the Director to address these issues.

LeRoy McCullough reiterated that during the appraisal the Board had candid comments to share, both positive and in the area of improvement. He noted that the issue of communication seemed to be priority, as it related to a number of stakeholders including the staff and public. He said the Board asked the Director to work more diligently in involving the public before roll-out. Lucy Krakowiak said the Board also talked about creating a formal evaluation process, as well as holding a planning retreat. Richard Eadie said it is important the public recognize that a system was in place when Board members arrived, but emphasized that the Board is committed to creating a more structured format. LeRoy McCullough noted that the Human Resources department has aided in constructing a draft template for the Director's Evaluation based on similar processes and procedures used nationally. The Board will further discuss this draft template at the Planning Retreat on Friday, October 13.

DIRECTOR'S REPORT

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

- ◆ The information in the Board packet has been simplified to highlight key areas of information/activities and progress. He pointed out that directly following the agenda is the Director's Report (a narrative overview, highlighting important monthly System-wide activities), followed by the Dashboard (a statistical snapshot of monthly activity measures). These two reports will be emailed to Board members before the packets are mailed to allow more time to digest information.
- ◆ On Saturday, September 16, Julie Wallace, Greg Smith and Bill Ptacek joined LeRoy McCullough at a dinner being hosted by Tabor 100 (a Pacific Northwest Association of African-American businesspeople and entrepreneurs). Staff was able to make a number of contacts at this event, as well as learn about ways to increase participation by under-utilized contractors in KCLS construction activities.
- ◆ For Banned Books Week, KCLS contracted with Book-It Repertory Theatre to make presentations in high schools about banned books. The Book-It Repertory Theatre conducted these presentations in a number of schools; however, they were asked not to present at Kentwood High School because the principal was concerned about potential controversy.
- ◆ The SAT preparation classes, funded with support from the KCLS Foundation, have been so popular that the sessions at the Valley View, Foster and Kent Regional libraries are completely filled. KCLS plans to expand the program next year by hiring more instructors.

Finally, Bill Ptacek recognized the 15 staff members who participated in the 2006 Day of Caring (on their own time). These staff members spent the day performing outdoor landscaping and clean up around the century old school building of El Centro de La Raza's Jose Marti Child Development Center in South Seattle.

OTHER ITEMS


LeRoy McCullough inquired about the changes to filtering of social networking websites. Bill Ptacek explained that MySpace.com, a popular Internet networking site heavily used by young people has been blocked by the filtering system. By popular demand, and because most of the libraries polled indicated that patrons had found ways to access it anyway, KCLS is unblocking the site. Bill Ptacek added that this will allow the teen librarians to set up a number of programs and services for that age group. Several libraries around the U.S. have instituted successful programs utilizing MySpace.com. LeRoy McCullough and Richard Eadie expressed concern about the inappropriate uses of MySpace.com by predators. While they acknowledged that filtering may or may not address that issue, they also asked that staff keep the Board apprised of the information distributed to parents alerting them of possible dangers of this and other social networking websites.⁵

Jed Moffitt apologized to patrons who had difficulty accessing Board-related attachments on patron computers in the library. He explained that he and his staff had tested the format and that it is now working on patron PCs.

Lucy Krakowiak recommended that the Board consider a process for responding to public comments at their Board Planning Retreat on Friday, October 13.⁶

ADJOURNMENT

LeRoy McCullough adjourned the meeting at 7:11pm.



LeRoy McCullough, Secretary

Charlotte Spitzer, President

ACTION ITEMS

- ¹ Conduct a new cost-benefit analysis for the use of alarm systems and determine if insurance premiums can be positively affected by having alarm systems in place.
- ² Compile a record of KCLS losses due to break-ins, as well as the potential costs for security systems including the cost of false alarms.
- ³ Provide the Board with a copy of the master agreement with the project management team and/or a high level summary of the services they're anticipated to provide at the next Board meeting.
- ⁴ Review the Capital Plan at the Board Planning Retreat.
- ⁵ Report to the Board regarding how parents and children are alerted to the change in filtering, and possible dangers of Myspace.com and other social networking websites.
- ⁶ Add "Process for Providing Feedback to Public Comment" to Board Planning Retreat agenda.