



MOTIONS APPROVED

1. Motion to approve the Board agenda
2. Motion to approve the July 31, 2007 minutes
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 the Public Meeting Policy as amended
9. Motion to approve the 2008 Budget Priorities

PRESENT

KCLS BOARD

Judge LeRoy McCullough
Jessica Bonebright
Judge Richard Eadie
Lucy Krakowiak

KCLS Staff

Bill Ptacek
Bruce Schauer
Greg Smith
Charlene Richards
Kay Johnson
Jed Moffitt
Julie Brand Wallace
Linda Glenicki
Nancy Smith
Victor Hernandez
Hester Kremer
Rayna Holtz
Jennifer Wiseman
Lauren Mikov

GUESTS

Michael Nelson
Barbara Spindel
Phyllis Forister
Margaret Nelson
Lori Robinson
Yoshiko Saheki

CALL TO ORDER

LeRoy McCullough called the meeting to order at 6:01pm, allowed the Board members to introduce themselves and acknowledged members of the KCLS Staff.

PUBLIC COMMENT

Noting that he recently lost his eighth race for public office, Michael Nelson said his race platform has been to provide employment for everyone, as well as easy, pleasant access to knowledge. He said library systems, college campuses and technical schools are critical for raising the educational level in the community. He added that libraries should be a place where people want to go and where it is easy for them to go. He said he loves towers, which ancient people used for surveying the countryside. He also said he found the Vashon Library's park setting pleasant. He acknowledged that KCLS is limited financially, but asked KCLS to consider expanding the Vashon Library two or more stories upward to leave room for parking, wildlife and farmland.

Margaret Nelson said that KCLS' "Strategic Planning Guidelines for Library Improvement Modifications" document lists proposed construction start dates of 2008 for seven library projects and 10 for 2009. She noted that the document also says that "cost-cutting options" during construction may include providing library services at nearby library locations versus "incurring the expense of leased or trailer space." She stressed that not everyone in King County owns a car, which can impede getting to the designated library. She added that in some cases the library designated for holds pickup is too far to walk to, dangerous to ride a bike to, and may be without access via public transportation. She also said Bill Ptacek had emailed her regarding the Woodmont Library closure and applauded the attempts staff made to provide temporary services. She suggested that KCLS lease or purchase additional bookmobiles or convert buses to provide local service to the communities of the closed libraries. She requested that in addition to transferring holds pickup to a "nearby" location, KCLS should provide a bookmobile that rotates between the vicinities of closed community libraries to give access to the browsing collection. She said KCLS staff could determine optimal hours for each location and that the vehicle could rotate in a regional area. Then the vehicle could be sold or leased to another library district after construction is completed. Margaret Nelson noted that the 2008 Budget Priorities include "provide convenient access to library services and resources." She concluded by stating that providing bookmobile services, paid for from the General Funds, fits this budget priority and maintains contact between the community and KCLS.

APPROVAL OF THE AGENDA

Lucy Krakowiak moved approval of the agenda. Jessica Bonebright seconded and the motion passed unanimously.

APPROVAL OF THE MINUTES

There having been no changes to the draft July 31, 2007 minutes, they were deemed approved.

FINANCE REPORT

Linda Glenicki reviewed current finances noting July expenditures were \$6.8 million, versus a monthly budget average of \$7.2 million. She said that year-to-date expenditures are \$45 million (52.1% of the budget versus 58.3% of the year completed). This compares to July year-to-date expenditures in 2006 of \$43.7 million, which represented 53.3% of the budget. The following General Fund items were called out:

- **Benefits:** Expenditures show a 14.4% growth over prior year. This increase was budgeted for based on expected increases in Public Employees' Retirement System (PERS) contributions. In July there was an increase in the required contribution for PERS from 5.46% to 6.13%. In July, there was an increase in the employer contribution from 5.46% to 6.13%. That rate will increase to 8.31% in July 2008 and to 9.1% in 2009 (versus 3.69% in July 2006). These increases are required by actuarial models to meet the needs of the PERS fund.
- **Professional Services:** Expenditures included work on the redesigned website; Dewey and Sketch production services; and Berk & Associates work on the Renton Cross-Use project and the Future Services Delivery project.
- **Capital Materials:** Expenditures of \$1 million included \$742,000 for books to be distributed throughout the System.

July revenues were \$770,000 bringing year-to-date revenues to \$44 million (53.2% of the budget). KCLS received \$37,000 in timber revenues bringing year-to-date revenues over budget for the year in that category and greater than the entire amount received in 2006. KCLS also received the semiannual payment from the Institutions.

Expenditures in the 307 Fund were \$1.7 million for July (\$8 million year-to-date). Linda Glenicki noted that expenditures total one quarter of the 2007 budget. Significant payments included construction progress payments for Covington (\$533,000), Fall City (\$98,000), Shoreline (\$330,000), and Snoqualmie (\$84,000). In addition, \$124,000 was paid to URS for project management services.

Expenditures in the 302 fund for July were \$136,000 with the largest item being a progress payment on work on the Black Diamond project.

Richard Eadie asked why investment interest was so high. Linda Glenicki explained that KCLS has received 143.9% of budget year-to-date because the interest rate in the County pool (5.0%) exceeds the conservative return budgeted. Richard Eadie asked what effect the interest rate has on bond funds. Linda Glenicki responded that the more interest KCLS can earn on bond funds, the better, with one exception. She explained that because KCLS issued tax-exempt bonds we can only earn interest up to the rate of the bond yield, which is 4.11%. Every five years, KCLS will have to accumulate interest earned beyond the bond yield and refund the overage in earnings to the IRS.

PAYMENT OF BILLS

Lucy Krakowiak moved approval of Payroll Expenditures in the amount of \$2,190,233.45; Checks July 1-15th Chk#152309-153369; 136904-137075 and July 16-30th Chk#153370-154429; 137076-137255. Jessica Bonebright seconded and the motion passed unanimously.

Jessica Bonebright moved approval of General Fund #0010 Expenditures July 2007 in the amount of \$4,942,282.54; (Travel Advances) Chk #837-838, (7/6) Chk #105223-105303; 105314-105326; 105327-105368, (7/10) Chk #105382-105427, (7/13) Chk #105548-105560; 105561-105622, (7/16) Chk #105628-105692, (7/17) Chk #105708-105720, (7/18) Chk #105721-105764; 105765-105803, (7/19) Chk #105804-105805; 105806-105859; 105868-105873; 105874-105888, (7/25) Chk #105889-105920; 105921-105956, (7/26) Chk #105958-106037; 106038-106044, (7/27) Chk #106045-106058, (7/30) Chk #106059; 106060-106098; 106105, (8/1) Chk #106108-106129, (8/2) Chk #106130-106198; 106200-106208, (8/3) Chk #106209-106218; 106219-106231; 106232-106235; 106236, (8/6) Chk #106237-106310; 106312-106342, (8/7) Chk #106343-106380, (8/8) Chk #106402-106410; 106411-106463; 106466; 106467-106472, (8/13) Chk #106489-106532; 106533-106623, (8/14) Chk #106626-106627; 106628, (Voids) Chk #105885; 105961. Richard Eadie seconded and the motion passed unanimously.

Richard Eadie moved approval of Construction Bond Fund '88 #3020 Expenditures July 2007 in the amount of \$138,592.72; (7/10) Chk #105428-105431, (7/12) Chk #105543, (8/7) Chk #106381-106382. Lucy Krakowiak seconded and the motion passed unanimously.

Lucy Krakowiak moved approval of Capital Project Fund 2005 #3070 Expenditures for July 2007 in the amount of \$1,690,641.74; (6/5) Chk #104334-104336, (6/6) Chk #104400-104401, (6/8) Chk #104510-104513, (6/11) Chk #104539-104555, (6/14) Chk #104611, (6/15) Chk #104673-104675, (6/19) Chk #104701-104702, (6/20) Chk #104741, (6/21) Chk #104816; 104817, (6/22) Chk #104841, (6/27) Chk #104939-104947, (6/28) Chk #105094, (6/29) Chk #105095, (6/13) Chk #105546. Jessica Bonebright seconded and the motion passed unanimously.

Jessica Bonebright moved approval of Gift Fund #6010 Expenditures for July 2007 in the amount of \$6,578.12; (7/6) Chk #105307-105313, (7/13) Chk #105626-105627, (7/19) Chk #105863-105867, (7/30) Chk #106099-106104. Richard Eadie seconded and the motion passed unanimously.

REVISIONS TO PUBLIC MEETING POLICY

Jessica Bonebright explained that the Planning Committee worked to clarify the Public Meeting Policy to make it clear that the Board wants public comment and questions only at the designated time at the beginning of meetings rather than during Board business. She encouraged members of the public to preview the material to be presented in preparation for the meeting and reminded them that questions will be accepted in writing at any time during the meeting. Finally, she said that a section describing the public forums, a subject not previously reflected in the policy, had been added. ***Jessica Bonebright moved approval of the Public Meeting Policy as amended. Lucy Krakowiak seconded and the motion passed unanimously.***

2008 BUDGET PRIORITIES

Linda Glenicki explained that every year, the budget process starts with the development of priorities. With the Board's approval of those priorities, staff will build a detailed preliminary budget, which is presented to the Board in October. Unlike in the past, when the priorities were simply a ranked list, she said the priorities have been organized into key themes: Access, Engage, Outreach and Align (the full list is available at: <http://www.kcls.org/about/board/2007/082807agenda/AttachmentD.pdf>).

Bill Ptacek added that these are not new themes, but several reflect concepts such as those from the Patron Experience Transformation Project, and incorporate them into the priorities. He reiterated that if the Board approves these priorities, they become the general template for how we build the budget, as well as determine what we accomplish in that year. The Board members expressed support for the priorities. ***Lucy Krakowiak moved approval of the 2008 Budget Priorities. Richard Eadie seconded and the motion passed unanimously.***

VASHON LIBRARY COMMUNITY STUDY

Bill Ptacek introduced Victor Hernandez, Manager of the Burien, Boulevard Park, White Center and Vashon library cluster. Victor Hernandez introduced local library staff Rayna Holtz and Hester Kramer who presented the community study (<http://www.kcls.org/about/communitystudies>).

CAPITAL PLAN STRATEGIES

Bill Ptacek said that there has been discussion with the Finance and Planning committees about a strategic approach to managing the Capital Plan in light of the current environment of increasing construction costs. He explained that the draft document was being presented to the Board in anticipation of the Public Forum in September, at which members of the public will be encouraged to comment. He also said the strategies will also be incorporated into the November budget presentations.

Julie Brand Wallace said that KCLS has been developing a strategic approach for making decisions about construction projects to best meet service needs while pursuing aggressive cost controlling measures and prioritizing funding in areas with projected growth. She explained that the Capital Plan Strategies document addresses optimizing funding in the current construction environment and outlines the cost controlling measures currently being considered. She explained that it was formatted, based on Jessica Bonebright's suggestion, to compare the original Capital Bond language with the potential modifications for each project (and rationale for

