



MOTIONS APPROVED

1. Motion to approve the Board agenda
2. Motion to approve the September Board meeting 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 request to serve wine at the Literary Lions Gala and at library events in 2008 and 2009

PRESENT

KCLS BOARD

Jessica Bonebright
Richard Eadie
Lucy Krakowiak
Rob Spitzer

KCLS Staff

Bruce Adams
Denise Bugallo
Linda Glenicki
Kay Johnson
Holly Koelling
Lauren Mikov
Bill Ptacek
Denise Siers
Greg Smith
Nancy Smith
Jeanne Thorsen
Julie Brand Williams

GUESTS

Thomas Bangasser
Truman O'Brien
Dick Sontgerath

CALL TO ORDER

Lucy Krakowiak called the meeting to order at 5:09pm.

PUBLIC COMMENT

Thomas Bangasser, Vashon Island resident, said he submitted a public records request a month ago. He said if the records he saw on the Vashon Library are complete, they are a tenth of the records of a normal real estate transaction. He has challenged the exclusion of the K2 letters of intent from the records he inspected. Thomas suggested that the Board take a closer look at the information being given to them on the project. He noted that he couldn't find a completed site selection criteria in the Vashon records he reviewed. Thomas indicated that most Vashon residents want the Library to remain in the town core at Ober Park or another location. He said the Library is the single largest governmental entity on the Island and it gets more voter and taxpayer attendance than any other facility. Thomas feels that moving the Library out of the town core would be a big mistake. He questions what is going on with the property rezone and said it appears that the project is going through a trapdoor. Thomas requested that the Board monitor and document the rezoning, water and economic issues of the project. He said he can find no justification for the fact that the project currently is showing a budget of \$6.2 million for a project that had an approved budget of \$4.2 million.

APPROVAL OF THE AGENDA

Rob Spitzer moved approval of the agenda. Jessica Bonebright seconded and the motion passed unanimously.

APPROVAL OF THE MINUTES

Jessica Bonebright moved approval of the September 23 Board meeting minutes. Rob Spitzer seconded and the motion passed unanimously.

FINANCE REPORT

Linda Glenicki reported that expenditures in September were \$7 million compared to a monthly budget average of \$7.6 million. Year-to-date expenditures are at 67.9% of budget with 75% of the year completed.

The following general fund items were called out:

- Supplies: Expenditures were \$243 thousand in September. KCLS has spent \$137 thousand year-to-date on gasoline and oil supplies, up 26% from \$108 thousand in 2007.

- Communications: Year-to-date expenditures are at 80% of budget, compared to 63.3% in September 2007. KCLS is awaiting e-rate reimbursements for 2008. Timing of these reimbursements is unpredictable, and KCLS expects it before the end of the year.
- Repairs and Maintenance: Expenditures in September of \$941 thousand included \$272 thousand for contracted services such as landscaping and janitorial, \$174 thousand for wayfinding furnishings and fixtures, and \$166 thousand for roofing work at the Federal Way Regional Library.

September revenues included property tax receipts of \$1.5 million. Investment interest shows negative \$138 thousand as the third restructuring event took place in September and paid out at a lower rate. The previous two restructuring events resulted in a payment of 60 cents on the dollar, but the third event resulted in 25 cents on the dollar, primarily due to the turmoil in the markets. That loss of \$182 thousand nets against the investment earnings, putting investment interest at positive \$137 thousand year-to-date. There is one more restructuring event, and KCLS anticipates that the loss will be less than the current year-to-date amount so that KCLS will finish in a positive position. Rob Spitzer asked if there is a way to delay that restructuring process. Linda replied that the fourth restructuring is happening through a different process than the previous three. KCLS anticipates a result of 50 cents on the dollar, since the underlying investments were of a higher quality than the previous three.

In the 307 fund, KCLS spent \$1.8 million in September, in keeping with the \$2 million a month trend. The largest expenditures were at the Burien Library for nearly \$1 million as that construction project is in full swing. Other expenditures included construction payments of \$531 thousand at Carnation and administrative cost reimbursements to the general fund of \$72 thousand for three employees whose time is devoted to bond projects. Linda explained that \$500 thousand was budgeted for the Vashon Library project in calendar year 2008, and the total project budget presented in the original ballot resolution was \$4 million. However, the original project budgets only totaled to \$152 million versus the \$172 million approved total. The difference is the amount necessary to cover inflation. In addition, KCLS anticipated other streams of revenue such as investments and property sales to also be available to allocate to the project budgets. As a project is ready to begin construction, KCLS comes to the Board for approval of the new project budget based on actual hard cost estimates at that point.

September expenditures in the 302 fund totaled \$156 thousand, with the major expenditure of \$103 thousand as the semi-annual payment on the Mercer Island Library capital lease. The final year of the Mercer Island lease will be 2009.

Linda noted that the Board need not approve the inter-fund transfer, as it is a budgeted transfer.

PAYMENT OF BILLS

Richard Eadie moved approval of Payroll Expenditures for September 2008 in the amount of \$2,246,568.17; Checks September 1-15 Chk#141690-141846; 182216-183276 and September 16-31 Chk#141847-142028; 183277-184340. Rob Spitzer seconded and the motion passed unanimously.

Jessica Bonebright moved approval of General Fund #0010 Expenditures for September 2008 in the amount of \$4,898,622.87; (Travel Advances) Chk #898-900, (9/8) Chk #120606-120617; 120618-120681, (9/9) Chk #120686-120744, (9/11) Chk #120753-120809; 120810-120820; 120821-120897, (9/15) Chk #120899-120989, (9/16) Chk #120992-121013, (9/17) Chk #121017-121028; 121029-121082; 121107-121138, (9/18) Chk #121139-121142; 121143-121153; 121155-121164, (9/23) Chk #121165-121231, (9/24) Chk #121232-121306, (9/25) Chk #121307-121365, (9/26) Chk #121382-121447, (9/29) Chk #121448-121458; 121459-121540, (10/1) Chk #121542-121641, (10/2) Chk #121656-121714; 121717-121720; 121721-121730, (10/6) Chk #121731. Richard Eadie seconded and the motion passed unanimously.

Rob Spitzer moved approval of Construction Bond Fund '88 #3020 Expenditures for September 2008 in the amount of \$156,339.20; (9/11) Chk #120898, (9/15) Chk #120988-120989, (9/16) Chk #121014-121015, (10/1) Chk #121642, (10/2) Chk #121715-121716. Jessica Bonebright seconded and the motion passed unanimously.

Richard Eadie moved approval of Capital Project Fund 2005 #3070 Expenditures for September 2008 in the amount of \$2,281,582.35; (9/8) Chk #120682-120685, (9/9) Chk #120745, (9/10) Chk #120746-120747, (9/15) Chk #120990, (9/16) Chk #120991; 121016, (9/17) Chk #121083-121085; 121089-121105; 121106, (9/18) Chk #121154, (9/25) Chk #121366-121375, (9/29) Chk #121541, (10/1) Chk #121643-121644;

121645-121654, (10/2) Chk #121655, (10/6) Chk #121732. Jessica Bonebright seconded and the motion passed unanimously.

Jessica Bonebright moved approval of Gift Fund #6010 Expenditures for September 2008 in the amount of \$5,511.92; (9/10) Chk #120748-120752, (10/17) Chk #121086-121088, (10/25) Chk #121376-121381, (10/6) Chk #121733. Richard Eadie seconded and the motion was discussed. Rob Spitzer noted that an entry of \$4,917 to the Gift Fund seems like a large entry. Linda Glenicki responded that the majority of what KCLS spends in the Gift Fund is for library materials going into the collection. The Gift Fund contains gifts of cash that were made to the Library. Richard Eadie said the amount seems consistent with other Gift Fund allocations over the years. Linda mentioned that there were several invoices in the Gift Fund on September 25, the largest of which was \$4,113.52 for German language children's books. Richard Eadie noted that the Fund is not for KCLS making gifts, but the receipt of gifts allocated to the Library. Linda explained that the Gift Fund is divided into sub-funds, as gifts are frequently given for a specific library. Jeanne Thorsen added that any gifts to the KCLS Foundation that indicate a gift to a specific library go into the Gift Fund. After discussion, the motion passed unanimously.

REQUEST TO SERVE WINE AT LITERARY LIONS GALA AND LIBRARY EVENTS IN 2008 AND 2009

Jeanne Thorsen presented the KCLS Foundation's annual request to serve wine at the Literary Lions Gala and close the Bellevue Regional Library early to set up for the event. The Foundation also would like to serve wine at the Redmond Library preview party in December 2008 and at five preview events in 2009. The preview events do not require closing the libraries early, as the buildings are not yet open to the public. Rob Spitzer mentioned that the Literary Lions Gala is a great event, and highly recommended it to the Trustees. *Rob Spitzer moved approval of the request to serve wine at the Literary Lions Gala and at library events in 2008 and 2009. Jessica Bonebright seconded and the motion passed unanimously.*

(Jessica Bonebright moved to alter the meeting agenda to make the Vashon presentation the first New Business item. Rob Spitzer seconded and the motion passed unanimously.)

VASHON SITE UPDATE

Kay Johnson said KCLS has been looking at alternatives for the Vashon Library and would like to present information regarding the K2 Commons option. KCLS is considering a piece of property on one corner of the K2 site, where KCLS could build a 20,000-square-foot library. Kay introduced K2 Commons representatives Truman O'Brien and Dick Sontgerath.

Truman O'Brien said Heritage Group Ltd. is an established firm with 30 years of experience focusing on the restoration of older properties. Truman said he joined the firm a year ago, and Dick Sontgerath became president of Heritage in 1985. Truman said he and Dick are both longtime Vashon Island residents. Truman was also a former Park District Commissioner and now is the President of the Vashon Community Care Center Board of Directors.

Truman noted that the K2 Commons ski manufacturing facility was established in 1960 by the Kirschner brothers. The factory, which made fiberglass skis, was in continuous operations until the mid-1990s, when K2 moved its manufacturing operations to China. Recently, the business operations of K2 moved to new facilities in Seattle, which left more than 18 acres of prime property. The property is off of the main highway in the middle of the Island, a mile from the town core and close to public schools.

Dick Sontgerath presented a slideshow of plans and renderings of the new K2 Commons project. He noted that the property is within walking distance of Vashon College and other public schools, adding that since the Vashon Allied Arts group just bought an adjoining corner, the area will become the cultural, educational, health and entertainment center for the Island. Dick pointed out that the Library is planned to be at the front and center of the property. Diagonally opposite from the Library will be the Highline Health Center, a 10,000-square-foot, state-of-the-art health center with a commitment to provide de facto emergency room service. The K2 Commons will also include an 8-lane bowling center, the new Vashon Island Sound Academy, 20 for-sale housing units, and an event and conference center. It is also planned for the property to include office space, lofts, a fitness center, kitchens, a spa, a hotel and an indoor playing field for soccer, lacrosse and other sports. An important part of the project will be a shuttle that will operate during library hours and go to and from the downtown area, senior center, schools and community care center. The shuttle will provide both scheduled and on-demand service and carry 8-10 passengers. K2 Commons also is located on a Metro bus line.

Truman stated that although it was a manufacturing facility, there are no significant environmental issues with the site, which has already passed phase one and phase two environmental assessments. Heritage has also accounted for environmental considerations in its proposed deal with KCLS and K2.

Rob Spitzer asked if there has been any falloff of tenant participation given the current financial market. Dick replied that the tenant roster is stable, since an investor group is providing the capital for the tenants, meaning the businesses can start out debt free. It is a unique situation, but it minimizes risk for the tenants. He said that Heritage has assembled a local investor group and the project will be financed with equity. So far, Heritage has collected 20% of the overall cost of the facility, and has until the end of the year to complete the purchase.

After Heritage purchases the K2 Commons, KCLS will purchase the Library site, and is guaranteed access to 32 parking stalls, which meets the code requirements for the structure. The K2 Commons originally had parking available for K2's 300 employees, so there is plenty of parking for the project. In comparison, the current Vashon Library has 25 parking stalls.

Truman noted that Heritage's agreement called for K2 to obtain the necessary zoning. K2 requested a zoning change for the site's comprehensive plan. Dick added that the King County Council approved the rezone and Heritage is waiting to hear that the change was signed by the County Executive.

Truman mentioned that since water is an issue on the Island, the proposed main structure has a flat roof with 130,000 square feet of surface, which collects 3.5 million gallons of rain a year. The project plans to convert a building on the south side of the property that is below grade into a 150,000-gallon cistern. Heritage has been speaking with the Department of Health about capturing, filtering, treating and storing rainwater, and the Group is confident that the idea will be approved. There are backup plans as well in case the proposal is not approved. Truman noted that the City of Seattle has approved rainwater treatment for Seattle businesses. Kay added that the property also has water shares available. Truman said that as a public entity, the Library will automatically get its own water share.

Kay said the Vashon Library project will be back before the Board of Trustees when all of the due diligences are in place and Heritage has its financing lined up. Bill mentioned that the Planning Committee discussed the most recent letter from the Vashon Park Department, and KCLS has drafted a response. Lucy Krakowiak stated that she has reviewed the response letter and supporting documentation, and she feels it expresses the Library's decision-making process on the project.

2009 PRELIMINARY OPERATING BUDGET

Bill Ptacek noted that the 2009 Preliminary Operating Budget is based on budget priorities organized around the concepts of service, involvement and accountability. The overall theme for the budget is "Prospects", demonstrating how KCLS will be relevant to peoples' lives. Bill said that at the upcoming budget meetings, he will review circulation, library usage, traffic counts and the collection. One project highlighted in the budget is the proposed Just-in-Time collection. Bill mentioned that patrons have indicated that KCLS might be weeding materials it shouldn't, and feedback from staff has been that the libraries have limited space for the collection. The Just-in-Time collection is a way to house duplicate copies of the collection offsite.

He also noted that the Board will hear a report on an independent cost/benefit analysis of KCLS' Automated Materials Handling systems.

Only one new position (Diversity Coordinator) is included in the 2009 budget.. Bill pointed out that the budget also contains a representation of what KCLS' 1,200-member staff looks like in terms of demographics and education. The budget presentation will also feature a recap of KCLS' Capital Bond projects.

Bill reported that there will be a special "virtual guest appearance" by Nancy Pearl, who will be helping KCLS with its reading initiative in 2009. Patrons will also have the opportunity to ask questions at the meetings.

Linda Glenicki said KCLS has had the goal of maintaining an ending fund balance above \$10 million in order to postpone the need for a levy lid lift. The budget shows that KCLS has been able to do exactly that, with a projected ending fund balance in 2008 of over \$20 million, \$17 million in 2009 and \$11.8 in 2010. She explained that the budgeted beginning fund balance for 2008 was \$20.5 million. Before adjustments, the budgeted ending fund balance was around \$12.4 million. However, KCLS adjusted this to reflect that the actual beginning fund balance was \$23.8 million. KCLS also forecasted under spending expenses by \$5 million, resulting in a projected 2008 ending fund balance of \$20.8 million. Linda confirmed that the 2009 and 2010 estimates also include a

projected underage, since KCLS historically doesn't spend 100% of what is budgeted. KCLS can only spend what it appropriates. She noted that KCLS has a reserve fund of \$400 thousand, used for worthy items KCLS didn't anticipate at the time the budget was developed. Historically, this has been used for emergency facilities repairs. Bill explained that the \$400 thousand historically was the cost to repair the largest roof in the system. He noted that KCLS does occasionally make expenditures from the reserve fund, such as ordering additional BioBags due to their popularity.

Rob Spitzer asked why KCLS doesn't budget each category for precisely what is needed and then have a larger contingency or reserve fund for unexpected items throughout the year, as opposed to projecting a large underage.

Linda replied that the main reason for the underage in payroll accounts in salaries and benefits is due to unfilled positions. Another element is that within each department, staff intends to spend everything they proposed in the budget. However, there are things they don't spend due to timing issues or changes in the scope of some projects. Bill added that another element unique to libraries is the ordering of materials. The Collection Management department may budget to order materials that they later find are no longer available. In terms of payroll, he noted that other organizations can use a vacancy credit, but this often results in underfunding personnel.

Linda believes that from year to year, the underage will shrink over time since KCLS has been holding the operating budgets to a 3% increase target while the CPI and expenditures have been higher. She anticipates the underage to decrease as KCLS gets closer to a \$10 million ending fund balance.

Rob said he has never seen a budget for a private organization with a projected underage. He noted that organizations basically project precisely what they think they will spend, which doesn't mean they can't exceed that amount if they provide for contingencies. Bill said KCLS' approach is typical for libraries.

Rob proposed that an organization has to have historical models and be accurate about what is being spent so that it knows what to budget in the future. Bill replied that KCLS does generate that information. All costs are assigned and all expenditures are coded into the category in which they were spent, so by the end of the year, KCLS knows what has been spent in each category.

Rob said that if, historically, there is a certain time period that it takes to fill a vacancy KCLS should know how many jobs will be filled and accurately project payroll expenditures. He feels that if KCLS budgets \$20 million for salaries while staff actually expects to spend \$18 million, but ends up spending \$20 million, he wouldn't notice anything unusual even though staff would. Rob said that under the current model, the budget is not fulfilling its role of giving accurate targets and providing accurate information.

Linda explained that KCLS measures this type of information by comparing the percentage of general fund expenditures budgeted in a particular year to the prior year. She said the model Rob described makes sense for private organizations because they are operating in a different mode than KCLS. Linda said this system is working for KCLS, and KCLS is getting the information it needs.

Rob indicated that if KCLS had a contingency pool included in the budget, KCLS could still appropriate the same amount. Bill responded that having a contingency pool wouldn't give the Board oversight to approve the budget. KCLS would have to create an additional process whereby the departments would compete for the contingency funds. He noted that the current process has been working for KCLS, and it gives the Board the opportunity to provide oversight better than a process, such as a contingency pool, that would dole out unallocated funds.

Richard Eadie mentioned that KCLS carries a large ending fund balance, but recognizes that this is a fund balance that is predicted to decrease over time. He said the idea is to keep the ending fund balance as high as possible to defer asking the taxpayers for a levy lid lift. Richard noted that KCLS needs to push the surplus forward as far as possible rather than allocating and spending all of it. He said KCLS is different because it has a fixed income, in a way, since the tax base produces a certain income and KCLS can make the choice of how to spend it. KCLS' financial planning strategy has been to maintain a high level of service, but also not to spend the entire budget to postpone asking for a levy lid lift.

Rob countered that the question of how to categorize the budget is different from how much KCLS spends and the size of the surplus. He thinks it makes sense to try to spend as little as possible to get good results. Rob said the point is how KCLS is labeling projected expenditures. He mentioned that because KCLS is overestimating on various categories, it is not clear if spending in some categories is higher than expected.

Richard reiterated that the primary source of the discrepancy between the budget and expenditures is salaries. In his experience, this is typical of government entities. Organizations accurately project what the total salaries would be and the savings are put into an emergency fund. Jessica Bonebright added that at nonprofit organizations with which she is familiar, there has been what some people call a "slush fund." Rob said KCLS could develop a procedure to deal with that. Jessica replied that it would have less visibility than the overall budget in most cases.

Bill Ptacek said KCLS has one time a year when all of the Administrative Planning Team (APT) is in direct competition for their department budgets. A lot of time and energy is expended in the budgeting process, and the APT members give up time from their regular operations to focus on the budget. Over the years, KCLS has identified commonly agreed-upon targets in different areas of the budget. Through the collaborative but competitive budgeting process, staff is able to put the targets into a plan of action for the next year. He said this is typical of a public agency, and KCLS does it really well. Rob said predictability of revenue means there should be fewer variations and need for reserves than in a model where there are greater variations.

Lucy Krakowiak mentioned that as an elected official for the City of Burien, she has seen KCLS' method before and it is common practice for public jurisdictions.

Rob said that over the years, KCLS would know more if the budget precisely matches expenditures. He suggested that the current system provides less information during the year because the Board won't know if KCLS is meeting real or exacerbated expectations. Richard noted that this is touching on transparency, and is a healthy discussion. He said that a good way to continue the budget discussion is to get people together who understand the different budget models.

Nancy Smith gave the example that Outreach Services budgeted \$40 thousand for a product for citizenship classes online, but the product didn't become available, so the \$40 thousand is an underage. Similarly, Outreach Services anticipated spending \$60 thousand to work with a local community college to provide ESL classes, but because of limited need for the classes, only spent \$35 thousand. Nancy noted that the department expected to spend the full amount, but as the year progressed, it wasn't necessary.

Lucy Krakowiak suggested that the Finance Committee could discuss the issue, and Rob and Richard could further examine budget issues with Linda and Bill.

PUBLIC SERVICES RESPONSE TO STAFF SURVEY

Holly Koelling introduced Denise Bugallo, Cluster manager of the Bothell, Lake Forest Park and Kenmore Libraries. Holly said over the Summer months, the Public Services Team (PST) and Cluster Managers designed a response to the 2007 Waldron interim staff survey.

Denise Bugallo reported that after receiving survey results and the PST's response, the Cluster Managers initially met in May to discuss how to approach the issues that were raised. They developed an action plan template for addressing each issue, and a timeline for the completion of the draft plan. The Cluster Managers assigned the 11 topics to small groups and then developed action plans. Denise noted that overall it was a healthy process for the Cluster Managers and helped synthesize all of the issues raised by the survey. It also helped the Cluster Managers focus on what they can do to continue making improvements.

Holly said the Cluster Managers and the PST worked together to develop 11 very detailed action plans. Since they were so detailed, the group then used the plans as secondary documents and distilled them down to five categories: communication, chain of command, scheduling, staff participation and teamwork, and emergency policies and procedures. Each of these categories has an overarching goal, three action items and the reasons behind the action items, followed by the definition of success. Holly said some of the action items are easy to do and have already been started, while others are very ambitious. The development of an implementation timeline will occur at the November meeting of the Administrative Planning Team and the Cluster managers.

Richard Eadie noted that all of the definitions of success involve keeping people informed. Holly Koelling confirmed that communication is an overarching theme for all categories.

Lucy Krakowiak mentioned that the Board Planning Committee discussed the timeline, as well as measuring success and determining whether to measure it with in-house staff or an outside organization such as Waldron. The Committee is awaiting the staff's response. She said that it would be great if the Board could address

measurement of success after the timeline has been developed. Holly said staff and the Board can explore how to measure improvement when the timeline is presented in December.

2009 CAPITAL BOND SALE

Linda Glenicki reported that KCLS anticipates needing to sell the next tranche of bonds in early 2009 when the funds in the 307 fund from the initial bond sale run out. Linda has begun planning work with KCLS' financial advisor. As many people are already aware, the municipal bond market is in turmoil, reflecting the larger economic issues in the country. The yield, the interest rate KCLS pays to bondholders, was around 4.1% in Summer 2005, when the first tranche was sold. In October, the yield spiked to 6%, and has since dropped to 5.45%. Linda noted that KCLS has the luxury of not needing to go out and sell the next tranche right away, and will monitor the fund balance to pinpoint the timing of the next sale. It also will begin the groundwork to complete the boilerplate documents needed for that sale. Hopefully, the markets will be calmer in January 2009.

Linda explained that interest rates for the bond directly affect the amount of money KCLS needs to levy from taxpayers on debt service. When KCLS first went to the ballot with the original bond sale, discussions involved keeping the levy below 8 cents per thousand dollars of assessed value. Since then, the assessed value growth has been as high as 10% per year, keeping KCLS well under the threshold of 8 cents per thousand. A higher yield may not be an issue, but KCLS would still like to keep it as low as possible. If KCLS finds that the yield is too high, the bond issue can be downsized.

Linda then reported that KCLS' financial advisor indicated that in the current market conditions it is more successful to sell a smaller bond issue, under \$50 million, than a larger one. Although initial estimates put the size of the next tranche at \$70 million, KCLS could decrease the bond issue and then sell the third tranche sooner than anticipated. The financial advisor also suggested that KCLS may want to choose a different method for the sale than before. Previously, KCLS held a competitive sale—an auction on the internet that went very quickly. The alternative is a negotiated sale where KCLS would issue a Request for Proposals to select an underwriter to develop and run the bond sale. At the time of the last sale, the competitive sale was the best option. Given the current market, however, KCLS could do better with a negotiated sale, which would allow more time and flexibility for the underwriter to place the sale in the market. Using a negotiated sale, KCLS could also take the sale off the table at any time. KCLS will make the decision about the method of sale closer to the time of the sale.

DIRECTOR'S REPORT

Bill Ptacek said KCLS is continuing discussions with the City of Renton regarding two options of either increasing funding of its own library service or annexing to KCLS. A drive is under way to collect signatures from the West Hill area, which includes the Skyway Library, for annexation to the City of Renton. If Renton annexes to KCLS, library services for the entire area, including Skyway and Fairwood, would need to be considered. Bill added that Renton also is interested in annexing the Fairwood area, and the Fairwood Library is the biggest issue in that community.

Bill mentioned that Nancy Smith and Gretchen Furber have been working on potential expansions for the ABC Express program. They have identified additional sites so that the service could be provided at 43 community sites, 145 childcare centers and 497 family childcare homes. Bill noted that KCLS also could find a way for ABC Express to work with the operations of community libraries. He said that the program is already well-received, and the expansion of it could give KCLS further opportunity to have a significant impact in the lives of children and families.

Bill then reported that the Seattle Police Department captured a suspect who stole 2,700 KCLS DVDs. The suspect had stolen the DVDs and attempted to sell them at a pawn show without removing the KCLS barcodes and identifying stickers. The DVDs have been returned to the collection, and the Seattle Police Department is deciding what to do with the suspect. KCLS discovered that some of the DVDs initially had been checked out and the rest were stolen without being checked out. Since the barcodes and stickers were still on the DVDs, it was easy for KCLS to return them to the collection.

Bill stated that circulation is up 6%, and strong circulation is evidence of the idea that when the economy is bad, people turn to libraries. He noted that throughout the System, more people also are coming to the library. Greg Smith noted that the new Greenbridge Library, a joint venture with the YWCA, will open on November 5 at 11am.

EXECUTIVE SESSION

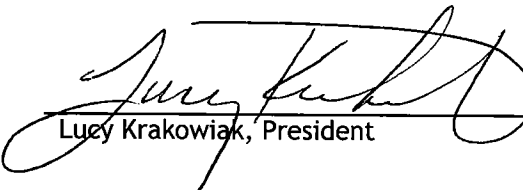
At 6:57pm, Lucy Krakowiak announced, per RCW42.30.110(1)(g), that an executive session to review the performance of a public employee would begin. The estimated duration of the executive session was one hour, 22 minutes. Jessica Bonebright, Richard Eadie, Bill Ptacek, Charlene Richards and Rob Spitzer were in attendance.

RETURN TO REGULAR SESSION

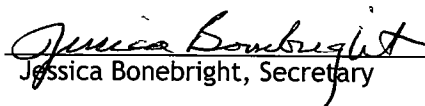
Lucy Krakowiak reconvened the meeting in regular session at 8:19pm.

ADJOURNMENT

Lucy Krakowiak adjourned the meeting at 8:20pm.



Lucy Krakowiak, President



Jessica Bonebright, Secretary