



MOTIONS APPROVED

1. Motion to approve the Board agenda
2. Motion to approve the October 27, 2009 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 a banking resolution
9. Motion to approve the new Vashon Library lease
10. Motions to approve Resolutions 2009-15, 2009-16 and 2009-17
11. Motion to approve the Capital Asset Policy
12. Motion to approve Purchasing Policy revisions
13. Motion to approve early closure of the Bellevue Library for Literary Lions Gala setup

CALL TO ORDER

Jessica Bonebright called the meeting to order at 5:11pm.

The Board commented on the recent renovation of the Service Center meeting room. Greg Smith noted that KCLS has a 10-year program for renovating public spaces. The public meeting room at the Service Center is booked nearly every evening, during the day and on weekends. David Scott-Risner, KCLS' interior design architect, created the new theme for the room. Changes include prismatic inserts in the outer windows, new paint, tinted window blinds, refurbishment of existing chairs, and new tables and chairs for the Board and APT members. KCLS staff worked around the meeting schedule and on nights and weekends to accomplish the renovation. The Board thanked the staff for their work on the improvements.

PUBLIC COMMENT

No public comments were made.

APPROVAL OF AGENDA

Linda Glenicki mentioned that a banking resolution needed to be added to the agenda and suggested it be placed right after the Finance Report. *Rob Spitzer moved approval of the agenda, with the amendment. Jim Wigfall seconded and the motion passed unanimously.*

APPROVAL OF MINUTES

Rob Spitzer noted that the location of the minutes needs to be updated. *Jim Wigfall moved approval of the October 27 Board minutes, as revised. Rob Spitzer seconded and the motion passed unanimously.*

GREENBRIDGE LIBRARY UPDATE

Donna McMillen, Cluster Manager for the Boulevard Park, Burien, Greenbridge, Vashon and White Center libraries, presented an update on the Greenbridge Library. KCLS is celebrating the one-year anniversary of the Greenbridge project with the King County Housing Authority and YWCA. The Greenbridge Library opened in November 2008. The goal of the project was to build community in the area and introduce library resources to infrequent or non-users of the Library. The 2,300-square foot Library space is warm, welcoming and friendly with moveable partitions and a meeting space shared between the Library and the YWCA.

The Library is set up with a browsing collection of more than 11,000 items, meaning that patrons can often find popular items on the shelves that they might otherwise have to obtain through holds. Computers are a popular

feature on the Library floor. Staff see computer use by adults and families with younger children during the day, and then by school-age children and teens after school hours. When the Library first opened, daytime computer usage was lighter, but now there is more continuous use throughout the day.

Demographically, the White Center area is one of the top ten regions in King County with the highest concentration of Hispanic and Latino residents, people claiming two or more races, and Pacific Islanders, Asians, African-Americans and Native Americans. The top three languages spoken in the area are Spanish, Vietnamese and Somali. The Library also sees numerous senior patrons, as senior housing is also part of the Greenbridge complex.

Since the Library's first full month of operation in December 2008, holds placed and delivered, foot traffic and use of other resources have increased. Use of the Library should continue to increase as more housing and small businesses open in the complex. So far, the staff has made contact in the community with schools, the Family Services Resident Council and YWCA, King County Housing Authority and the Sherriff's Department staff. Children's programming at the Library has included elementary school class visits and programs, Story Times and Spanish early literacy events. Sherriff's Department staff has mentioned to KCLS that in the past, Greenbridge was not seen as a safe area and had a lot of gang activity, but now experiences low levels of crime.

The Trustees noted that KCLS should hold a Board meeting at the Greenbridge Library at some point in the future. The Board and staff discussed the difference between statistics regarding check-ins and check-outs. Staff mentioned that check-ins and check-outs are usually similar figures. Donna McMillen also mentioned that many patrons in the area have switched their holds pickup location to the Greenbridge Library, since it is so convenient.

Sue Sherbrooke, CEO of the YWCA of Seattle, King and Snohomish counties, thanked Greg Smith and David Scott-Risner for helping the Library and YWCA have such a fabulous building. She noted that the partnership between YWCA and KCLS created a building that residents are proud to have in the community; when it opens each day, families are lined up to get in. Sue highlighted current partnerships and programs between the YWCA, the Library and other local organizations, such as adult education classes and job fairs. She invited the Trustees to the dedication of new artwork on the outside of the facility on Friday, December 5. Children who use the Library were asked to contribute the words that matter to them. Those words will be featured on pieces of bleachers taken from public schools and installed as artwork on the outside of the building. Bill Ptacek noted that Sue was the "glue" that kept the project together when it could have fallen apart, and the Board applauded Sue for her work.

Linda Glenicki explained that KCLS has a 20-year operating lease to be in the facility with an every five-year renewal structure. The cost of the project in the 307 fund was for KCLS' team doing the design work, and installing furnishings and equipment. While KCLS would prefer to own a facility rather than lease, the original capital plan didn't include enough funding for KCLS to own its portion of the Greenbridge facility. More importantly, the building is in an area of unincorporated King County that is subject to annexation to either Burien or Seattle. When the annexation issue is resolved, KCLS can explore options for restructuring the financing of the Greenbridge Library, and YWCA has expressed a willingness to do so.

FINANCE REPORT

KCLS spent \$7.8 million in the general fund in October, versus an average of \$8 million. This amount offsets the lower expenditures KCLS experienced in August and September.

The following general fund items were called out:

- Supplies: Of the \$303 thousand in expenditures in October, roughly \$66 thousand was for building maintenance, \$56 thousand was for computer equipment and \$13 thousand was for gas and oil for KCLS vehicles. Growth in supplies expenditures is down 13.6%. Spending on gas is down 40%, which is reflective of the movement in fuel prices.
- Repairs & Maintenance: Expenditures of \$707 thousand in October, higher than a typical month, included \$332 thousand for contracted services such as janitorial and landscaping, and \$86 thousand for the Library Express at Redmond Ridge.
- Capital - Furniture/Equipment/Software: Expenditures of \$85 thousand were for network management hardware for the Information Technology Services department.

Year-to-date expenditures are \$73.2 million, which is 75.6% of the budget. This is close to the percentage of budget spending at this time last year, at 83.3% of the way through the year.

October is a big month for revenues because the semi-annual property tax payments are due. In October, KCLS received \$30.5 million in revenue in current year taxes and \$75 thousand in delinquent tax payments. KCLS is slightly ahead of 2008 in current and delinquent tax collections. Timber revenue has been running slow but KCLS did receive \$15 thousand in October. KCLS is at 89% of budgeted revenues, slightly behind 2008, which could be because October 31 fell on a Saturday. The remaining tax revenues are expected to come in over the next two months.

Expenditures of \$4.3 million in the 307 fund were higher than the usual \$2-\$3 million per month. This is due in part to the fact that KCLS had to hold off on paying some invoices at the end of September while waiting for the new bond proceeds. Expenditures included large amounts on ongoing projects: \$1.6 million for the Sammamish Library, \$698 thousand for the Kirkland Library, \$513 thousand for the Federal Way Library and \$388 thousand for the Carnation Library for frontage improvements required by the City. Expenditures also included \$387 thousand in debt issuance costs related to the bond sale for underwriter, bond counsel, financial adviser and rating agency fees.

October 302 fund expenditures were \$9 thousand on the Kent and Redmond Library projects.

PAYMENT OF BILLS

Rob Spitzer moved approval of Payroll Expenditures in the amount of \$2,447,571.14; Checks October 1-15 Chk#145711-145834; 211070-212188 and October 16-31 Chk#145835-145961; 212189-213314. Lucy Krakowiak seconded and the motion passed unanimously.

Lucy Krakowiak moved approval of General Fund #0010 Expenditures for October 2009 in the amount of \$6,318,196.95; (Travel Advances) Chk #945-947, (10/2) Chk #1012004-1012005, (10/5) Chk #1012006-1012066, (10/6) Chk #1012067-1012092, (10/7) Chk #1012093-1012142, (10/8) Chk #1012143-1012221, (10/9) Chk #5000226-5000232;1012222-1012235;1012236-1012296, (10/13) Chk #1012297-1012353, (10/14) Chk #1012354-1012388, (10/15) Chk #1012389-1012425, (10/16) Chk #1012426-1012496; 5000233-5000243;1012497-1012522, (10/19) Chk #5000244-5000247; 1012523-1012533;1012534-1012577, (10/20) Chk #1012578-1012604, (10/21) Chk #1012605-1012660, (10/22) Chk #1012661-1012662, (10/23) Chk #5000248-5000253;1012663-1012680;1012681-1012760, (10/28) Chk #1012761-1012848; 1012849-1012874, (10/29) Chk #1012875-1012924, (10/30) Chk #5000254-5000263; 1012925-1012948, (11/2) Chk #1012949-1012989; 1012990-1013039, (11/3) Chk #1013040-1013073, (11/4) Chk #5000264-5000267;1013074-1013084;1013085-1013129, (11/5) Chk #1013130-1013184, (11/6) Chk #1013185-1013212; 5000268-5000281; 5000282. Jim Wigfall seconded and the motion passed unanimously.

Jim Wigfall moved approval of Construction Bond Fund '88 #3020 Expenditures for October 2009 in the amount of \$10,608.90; (10/5) Chk #3020016-3020017, (10/14) Chk #3020018-3020020, (11/2) Chk #3020021-3020022, (11/6) Chk #3020023. Rob Spitzer seconded and the motion passed unanimously.

Rob Spitzer moved approval of Capital Project Fund 2005 #3070 Expenditures for October 2009 in the amount of \$4,041,326.07; (10/15) Chk #3070222, (10/16) Chk #3070223-3070259, (10/20) Chk #3070260-3070261, (10/21) Chk #3070262-3070263, (10/22) Chk #3070264-3070271, (10/29) Chk #3070272-3070273, (11/2) Chk #3070274, (11/4) Chk #3070275-3070276, (11/5) Chk #3070277; 3070278-3070291, (11/6) Chk #3070292. Lucy Krakowiak seconded and the motion passed unanimously.

Lucy Krakowiak moved approval of Gift Fund #6010 Expenditures for October 2009 in the amount of \$2,280.71; (10/2) Chk #6010035, (10/14) Chk #6010036, (10/20) Chk #6010037-6010039, (10/29) Chk #6010040, (10/30) Chk #6010041-6010042. Jim Wigfall seconded and the motion passed unanimously.

BANKING RESOLUTION

Linda Glenicki explained that the County serves as KCLS' treasurer, collecting property tax revenues and maintaining bank accounts for the payments KCLS makes. The County recently issued a request for proposals for its banking services contract, and found a better deal through US Bank than the current contract with KeyBank. All of KCLS' payments, therefore, need to be moved to accounts with US Bank. The Board needs to approve a banking services resolution to indicate who has signature authority on the account for KCLS.

Lucy Krakowiak moved approval of the banking resolution. Jim Wigfall seconded and the motion was discussed.

Rob Spitzer noted that the resolution calls KCLS the "King County Library System," while the formal name of the System is "King County Rural Library District." Linda replied that "King County Library System" is KCLS' "doing business as" (dba) name, but staff will add the full legal name to the document as well. ***Rob Spitzer moved approval of the banking resolution, subject to clarification of which name is preferable. The motion passed unanimously.***

VASHON LIBRARY LEASE

In October, KCLS staff and attorney Dan Gottlieb met with Mike Collins, Chair of the Park District Board, and Wendy Braicks, Executive Director of the Park District, to identify the issues involved in the Library expansion project. Based on a summary provided by Mike Collins, Dan Gottlieb drafted a revised lease of the Library, which has been reviewed, approved and signed by the Vashon Park District Board. When KCLS receives the signed document, Bill Ptacek will sign on behalf of KCLS.

Kay Johnson reviewed the new lease. The initial term of the lease is 30 years, and KCLS has the right to renew the lease as long as the building is used as a library. KCLS has made a strong commitment to work with the Park District Board, staff and the Vashon community, and has agreed to attend two Park District Board meetings to review the plans for the expansion and hear public comments. The System will also hold the usual two public meetings at the Library to review the plans. The lease also addresses the Park District's concerns about utilities, surface water management and existing monuments. Kay reported that KCLS now has an amiable relationship with the Park District. KCLS also has the opportunity to continue joint use of parking with the Park District. The Library has 20 parking stalls and the Park District has an additional 40-50 stall lot nearby.

Rob Spitzer commended everyone involved on behalf of the Library System for working through this difficult process. He noted that staff did a great job of staying focused on the needs of the community and building the best Library possible. He noted that Exhibit B should reflect the new parcel. Kay Johnson replied that KCLS and the Park District haven't legally described the new parcel yet, and will make this change before Bill Ptacek signs the new lease.

Bill Ptacek mentioned that the early stages of the Vashon Library project have been an interesting process in which the Board has been heavily involved. KCLS thought that expanding the Vashon Library would be the best option to begin with, and when the Park District indicated that it would not support expansion, KCLS considered the K2 site as an alternative. The community expressed its concern to KCLS and the Park District reversed its opinion on expanding the Library. Bill noted that in the public sector, projects such as this take more time because of the additional element of public input.

Lucy Krakowiak expressed her gratitude for the hard work staff put into this process. She said this is a good example of a public process that resulted in a great Library for the community of Vashon.

Rob Spitzer moved approval of the new Vashon Library lease, with clarification of Exhibit B. Lucy Krakowiak seconded and the motion passed unanimously.

PROPERTY TAX RESOLUTIONS

Linda Glenicki presented the annual property tax resolutions, which were reviewed by the Finance Committee. Most years there are two resolutions, but this year there are three due to language in State law that carried over from before the passage of Initiative 747 (I-747). Before the Initiative passed, growth in KCLS' property tax revenues was limited to the lesser of the maximum allowable increase at the time of 6%, or the implicit price deflator. In 2001, I-747 reset the maximum limit at 1%. Each year since then, the price deflator has been higher than 1%, so KCLS has been limited to 1%. This year, however, the lesser amount is the deflator, which is 0.9915, a 0.85% reduction in the consumer prices as determined by the US Bureau of Economic Analysis. Using the implicit price deflator would result in a \$1.5 million shortfall compared to what KCLS would receive with the 1% increase. For KCLS to receive the 1% increase, the Board needs to find that there is substantial need to increase the levy rate up to the 1% allowed by I-747. The Board can make this finding through Resolution 2009-15.

Resolution 2009-16 is the standard resolution declaring that KCLS held budget hearings as required by State law and describing the regular levy amount.

Resolution 2009-17 contains the form that KCLS submits to the County and the Assessor's office. The form includes \$89 million for the expense fund, and the levy amounts for the 1988 bonds and the new bonds. Linda noted that the \$89 million listed on the form is more than KCLS will actually receive. Since the Board must approve the forms in November, before final revenue figures are available, KCLS is instructed by the Assessor's Office to overestimate the amount.

Lucy Krakowiak moved approval of Resolution 2009-15 that there is substantial need to increase the property tax limit factor. Rob Spitzer seconded and the motion passed unanimously.

Jim Wigfall moved approval of Property Tax Increase Resolution 2009-16. Lucy Krakowiak seconded and the motion passed unanimously.

Rob Spitzer moved approval of Resolution 2009-17. Jim Wigfall seconded and the motion passed unanimously.

CAPITAL ASSET POLICY

The draft Capital Asset Policy was previously reviewed by the Finance Committee. Elements of KCLS' current capital asset policies are located in various places and it was time to review and update the policies as well as consolidate them into one place. Staff consolidated the policies and updated them using information from a newly published book by the Government Finance Officers' Association (GFOA) regarding capital asset policies, and also the Washington State Budgeting, Accounting and Reporting System (BARS) manual. The draft policy was then reviewed by accounting firm Clark Nuber, whose feedback was incorporated. The State Auditor was then consulted to review the one difference in the policy versus the BARS manual regarding frequency of physical inventory procedures. Everything in the draft policy is consistent with the advice of the GFOA, and the only exception versus the BARS manual is the physical inventory policy.

The GFOA recommends no less than a five-year physical inventory cycle, which is KCLS' current practice, while the BARS manual suggests a one-year cycle, auditing all assets each year. Upon KCLS' request for feedback, the State Auditor's Office noted that it is fine for entities to vary from the annual process indicated in the BARS manual, if they have evaluated the situation and determined that their circumstances warrant the variation from a cost/benefit standpoint. In KCLS' case, the majority of tagged assets are public computers that are used in the libraries and thus always visible to staff and the public. It would be extremely difficult for someone to take one of the computers, and a theft would be noticed immediately by staff and patrons. KCLS also uses a five-year rotation due to the logistics of the auditing process. The auditing team must visit the libraries during the brief window between when staff is in the building but before it opens to the public, in order to avoid disruption of public computer use. Auditing the assets at each of the 45 libraries in one year would require hiring temporary auditing staff at additional cost. With the visible nature of KCLS' assets and low history of theft, and these logistical issues, the multi-year inventory approach is appropriate for KCLS.

Rob Spitzer asked what the relationship is between depreciation and how KCLS budgets to replace assets, given that KCLS doesn't pay taxes. Linda replied that there are two methods of accounting for government entities: the governmental fund basis and the full accrual basis. Depreciation is relevant for the accrual method. KCLS is required to prepare statements using both methods. However, all of KCLS' internal reporting and standard monthly board reports are on the governmental fund basis in which capital purchases are expensed in the year of purchase, so KCLS doesn't need to factor in depreciation. Based on a Trustee's question, Linda confirmed that KCLS budgets for replacement costs, which may or may not correspond with depreciation, but closely corresponds with KCLS' actual needs.

Lucy Krakowiak moved approval of the Capital Asset Policy. Jim Wigfall seconded and the motion passed unanimously.

PURCHASING POLICY REVISIONS

The four proposed revisions to KCLS' purchasing policies have also been reviewed by the Finance Committee. The first is the addition of language regarding signature authority for approval of invoices and purchase orders. It describes KCLS' existing practices, which previously had not been formally documented. This is a follow-up to the recommendations of the performance audit.

There are also updates to KCLS' small-works policy. The Legislature recently raised the threshold for small works projects from \$200 thousand to \$300 thousand. The update also incorporates language indicating that KCLS may

choose to participate in a government purchasing cooperative that maintains a small works roster rather than maintaining an internal roster. KCLS currently participates in eCityGov, a purchasing cooperative that consists of a large number of cities and other entities in King County that streamlines administration of rosters and provides access to a broad roster of small businesses. KCLS' participation in the cooperative has strengthened that broader roster by adding KCLS' large list of women- and minority-owned businesses.

The revisions also include new language allowing for the leasing of surplus real property. KCLS had discussed the possibility of leasing the Lake Hills Library, which is soon to be vacant, particularly in a time when the real estate market may not be in the best condition for a sale. There was previously no language on the possibility of leasing rather than selling the property. The new language details factors to consider when deciding whether it is appropriate to lease surplus property and the methods to do so. KCLS would use a public process either by a request for proposals or by hiring a broker through a competitive process. The policy includes language covering how KCLS would consider proposed lease terms and describing potential limitations due to bond financing constraints.

The final revision involves disposition of surplus artwork. Staff found through experience that the original policy wasn't practical, as it required three written estimates to sell a piece of artwork. This method might be workable for much more expensive pieces than those KCLS would typically surplus. KCLS polled other organizations to gather alternative approaches, and revised the language to delegate to the Art Oversight Committee the authority to determine whether to use the services of an art consultant, broker, auction house or other method to dispose of surplus artwork. The preferred method is often dependent on the type of artwork being sold. The Finance Committee had recommended adding a provision to ensure that Art Oversight Committee members are prohibited from purchasing any of the surplus art, and that language appears in the draft before the Board.

Jim Wigfall moved approval of the proposed Purchasing Policy revisions. Lucy Krakowiak seconded and the motion passed unanimously.

Lucy asked if the Board will receive a report from staff on the actions being taken to follow up on the performance audit. Linda Glenicki replied that a team of staff is working on the follow-up actions that KCLS committed to in the performance audit process, and that KCLS owes a follow-up report to the State Auditor by June 2010. The Board will see a copy of the report by that time.

EARLY CLOSURE OF BELLEVUE LIBRARY FOR LITERARY LIONS GALA SETUP

Bill Ptacek mentioned that this is the usual annual request from the KCLS Foundation to close the Bellevue Library at 4pm on Saturday, March 6, to prepare for the Literary Lions Gala. The Library is usually open until 6pm. This is a special year for the Gala, since Richard Russo has agreed to be the keynote speaker and waive his speaking fee, and the Foundation has been working hard to change how the event is organized. Bill noted that it is almost impossible for the Foundation staff and volunteers to prepare for the event in two hours. He asked the Board to approve closing the Library at 3pm instead. Bill noted that the extra hour would make a huge difference, and other libraries in the area would be open to accommodate patrons.

Jessica Bonebright recalled discussion of how hectic it is to prepare the Library for the event, and noted that the extra hour would be appreciated. She asked if patrons are given advance notice of the early closure. Bill replied that notices are posted well in advance. Rob Spitzer mentioned that it would be significant if all of the Trustees could attend the event.

Jim Wigfall moved approval of the request for the early closure of the Bellevue Library at 3pm on Saturday, March 6, to prepare for the Literary Lions Gala. Rob Spitzer seconded and the motion passed unanimously.

VOLUNTEER SERVICES PLAN UPDATE

Teresa (Terry) Claypool, Managing Librarian of the Bothell, Kenmore and Lake Forest Park Library cluster, is currently working in Community Relations as project coordinator for the Volunteer Services Plan. Terry noted that her assignment was a direct result of an employee suggestion through KCLS' "Write Idea" process. A staff member noted that unlike similar organizations, KCLS didn't have System-wide resources for its volunteer services. In 2008, a staff Task Force was created to take on this project. The team recommended that KCLS assign a full-time staff member to implement comprehensive tools and solutions to enhance KCLS' use of

volunteers. Terry has been working to design this System-wide program and hopes to be ready to implement it by June 30, 2010.

Since July, Terry has been focused on developing a strategic plan, creating connections outside of KCLS and engaging staff within KCLS. Most of the work so far has fallen under the first goal of the strategic plan: ensuring system-wide understanding of what volunteers can do and when best to use them. Each of the goals of the strategic plan has specific intended outcomes. KCLS will be able to measure the plan's success based on whether the outcomes are achieved. Outcomes include having a formal volunteer program with clearly defined expectations for all stakeholders, and attracting and retaining "adept" volunteers who will help build strong community support for KCLS. Terry has been creating connections with local cities, other library systems and the United Way Corporate Volunteer Council. She and Julie Brand also attended the Washington State Service Summit and learned that Washington ranks fifth in the country in number of hours volunteered and third in terms of the number of volunteers who stick to their commitments.

Terry noted that Volunteer Plan items that are complete or nearing completion include identifying a central point person to oversee KCLS' volunteer activities, improving recognition efforts, developing a departmental Volunteer Liaison and creating System-wide standards. A Volunteer Services Liaison is needed because there are currently 31 Managers, 50 Librarians and 9 staff members of other classifications supervising volunteers, with little cross-functional communication. At any one time, KCLS can have more than 700 active volunteers. Staff record between 2,500-2,800 volunteer hours per month. Since the estimate dollar value of a volunteer in Washington State is \$20.37, this equates to a volunteer workforce that contributes the work of an equivalent payroll of \$611-\$684 thousand each year. To help create System-wide standards for volunteers, a Volunteer Services Policy and Guidelines are being revised.

Work still in progress includes standardizing tools and forms, improving statistical reporting and creating a Volunteer Services intranet page for staff. Demographics on KCLS' volunteers are currently unavailable because some volunteer managers have tracked that information while others haven't. Standardizing statistical reporting will allow KCLS to better track demographic information. Activities still to come include developing and launching a public presence, aligning recruitment efforts with other activities and incorporating local and System-level volunteer recognition.

Bill Ptacek noted that overall, KCLS would like to create consistency in its volunteer management. He said that Terry and other staff working on this project have done an excellent job highlighting the need to improve volunteer management at KCLS and beginning the work to improve it. Lucy Krakowiak said that this is an exciting program that can be a real resource for KCLS. She hopes that KCLS can be an example for other organizations. Julie noted that the Washington Service Summit and contacts with other organizations have shown that there is not a great volunteer model out there, so one of the unstated goals of this project is to make KCLS a national model for volunteer management.

CAPITAL PLAN QUARTERLY PROGRAM REVIEW

Linda Glenicki noted that the capital plan program review "green sheet" is now at \$163.6 million, \$8 million less than the \$172 million target. Last quarter, the sheet was at \$169.7 million. The \$3.8 million premium on the recent bond issue and the \$2 million reduction in the Kenmore Library budget that the Board recently approved are now reflected on the sheet. The revised version also includes updated estimates-to-complete for active projects and updated property sales figures on the Sammamish and Lake Hills Library projects.

Rob asked about the status of the disposition of the old Lake Hills Library. Linda replied that KCLS just received construction bids for the tenant improvements to the new facility, and can now work on options for the old facility. The new purchasing policy revisions will make leasing one of those options. Rob hopes that the value of the property will be higher when the property is disposed. Greg Smith mentioned that KCLS hopes to open the new facility in early summer 2010. KCLS received 19 bids on the tenant improvement project, and the low bid was \$500 thousand under the original estimate.

Lucy Krakowiak asked what KCLS' strategy for future projects is, given that the capital plan numbers are looking better. Linda replied that the plan currently includes \$6 million of general fund coverage, which could be funded instead by the 307 fund. Bill noted that KCLS is following the Board's direction and the primary focus is to complete the original capital plan projects. He noted that new projects, such as a new library for the Sea-Tac area, will need to be evaluated in the future, especially after potential future annexations are resolved. He also mentioned that KCLS needs to ensure that it has the operating capacity for any new facilities.

DIRECTOR'S REPORT

Bill Ptacek reported that November has been an exciting month. KCLS is pleased about the progress on the Vashon Library project. He noted that Donna McMillen will serve as the liaison with the Vashon Library Committee, and she will respond to some recent questions from Bonnie de Steiguer, the Committee Chair. Bill said that KCLS has committed to hosting two public meetings on the project, and attending two Park District Board meetings.

Bill noted that the grand re-opening of the Kirkland Library will be Saturday, December 5, and it would be great to have a few Trustees there.

KCLS is not clear about the situation with Puget Sound Park. After the County asked KCLS to identify a few "mothballed" parks as candidates for further libraries, KCLS became interested in Puget Sound Park, which is located in an area set to annex to the City of Burien. The City of Burien and the Fire District were not able to take over the Park directly, but it would be a prime location for a new library. KCLS could build a library on the developable portion of the Park and the City of Burien could take over the Park itself. With a new library in the Park, KCLS could consider the consolidation of the White Center and Boulevard Park libraries. KCLS sent a letter of interest in the property to the County. Lucy Krakowiak noted that there seems to be some communication to iron out, especially with the County and the City of Burien. She said if the parties involved can be patient and work on it, it can be a win-win for KCLS and the City of Burien.

Bill said that KCLS is making progress on the Newcastle Library project. KCLS has reached an agreement with the City of Newcastle and Lorig, the developer, to go forward on the Library portion of the project while Lorig waits for funding for the housing phase. KCLS is hoping to submit documents for permit in January 2010. The project can be set up so that the housing portion and additional parking can be built after the Library and its parking is completed. Kay Johnson noted that KCLS will be using a public bid process and the prevailing wage to build half of the parking garage and the Library, and working with the architect so as not to incur expenses related to the housing project. If the housing is not built, the Library will look fine on its own. KCLS is negotiating with the developer for shared costs, such as the larger electrical room, required by the full Library and housing project. Part of the redesign of the project is that the housing will be moved further back on the site, and will cover 20% rather than 40% of the Library, greatly reducing the risk of costs.

EXECUTIVE SESSION

At 7:06pm, Jessica Bonebright announced, per RCW42.30.140(4)(b) and RCW42.30.110(1)(i), that an executive session to review and discuss the proposals made in labor negotiations and to discuss potential litigation would begin. The estimated duration of the executive session was one hour. Jessica Bonebright, Henry Farber, Lucy Krakowiak, Jed Moffitt, Bill Ptacek, Charlene Richards, Rob Spitzer, Linda Glenicki and Jim Wigfall were in attendance.

RETURN TO REGULAR SESSION

Jessica Bonebright reconvened the meeting in regular session at 8:10pm.

ADJOURNMENT

Jessica Bonebright adjourned the meeting at 8:10pm.

Jessica Bonebright, President

Rob Spitzer, Secretary

feature on the Library floor. Staff see computer use by adults and families with younger children during the day, and then by school-age children and teens after school hours. When the Library first opened, daytime computer usage was lighter, but now there is more continuous use throughout the day.

Demographically, the White Center area is one of the top ten regions in King County with the highest concentration of Hispanic and Latino residents, people claiming two or more races, and Pacific Islanders, Asians, African-Americans and Native Americans. The top three languages spoken in the area are Spanish, Vietnamese and Somali. The Library also sees numerous senior patrons, as senior housing is also part of the Greenbridge complex.

Since the Library's first full month of operation in December 2008, holds placed and delivered, foot traffic and use of other resources have increased. Use of the Library should continue to increase as more housing and small businesses open in the complex. So far, the staff has made contact in the community with schools, the Family Services Resident Council and YWCA, King County Housing Authority and the Sherriff's Department staff. Children's programming at the Library has included elementary school class visits and programs, Story Times and Spanish early literacy events. Sherriff's Department staff has mentioned to KCLS that in the past, Greenbridge was not seen as a safe area and had a lot of gang activity, but now experiences low levels of crime.

The Trustees noted that KCLS should hold a Board meeting at the Greenbridge Library at some point in the future. The Board and staff discussed the difference between statistics regarding check-ins and check-outs. Staff mentioned that check-ins and check-outs are usually similar figures. Donna McMillen also mentioned that many patrons in the area have switched their holds pickup location to the Greenbridge Library, since it is so convenient.

Sue Sherbrooke, CEO of the YWCA of Seattle, King and Snohomish counties, thanked Greg Smith and David Scott-Risner for helping the Library and YWCA have such a fabulous building. She noted that the partnership between YWCA and KCLS created a building that residents are proud to have in the community; when it opens each day, families are lined up to get in. Sue highlighted current partnerships and programs between the YWCA, the Library and other local organizations, such as adult education classes and job fairs. She invited the Trustees to the dedication of new artwork on the outside of the facility on Friday, December 5. Children who use the Library were asked to contribute the words that matter to them. Those words will be featured on pieces of bleachers taken from public schools and installed as artwork on the outside of the building. Bill Ptacek noted that Sue was the "glue" that kept the project together when it could have fallen apart, and the Board applauded Sue for her work.

Linda Glenicki explained that KCLS has a 20-year operating lease to be in the facility with an every five-year renewal structure. The cost of the project in the 307 fund was for KCLS' team doing the design work, and installing furnishings and equipment. While KCLS would prefer to own a facility rather than lease, the original capital plan didn't include enough funding for KCLS to own its portion of the Greenbridge facility. More importantly, the building is in an area of unincorporated King County that is subject to annexation to either Burien or Seattle. When the annexation issue is resolved, KCLS can explore options for restructuring the financing of the Greenbridge Library, and YWCA has expressed a willingness to do so.

FINANCE REPORT

KCLS spent \$7.8 million in the general fund in October, versus an average of \$8 million. This amount offsets the lower expenditures KCLS experienced in August and September.

The following general fund items were called out:

- **Supplies:** Of the \$303 thousand in expenditures in October, roughly \$66 thousand was for building maintenance, \$56 thousand was for computer equipment and \$13 thousand was for gas and oil for KCLS vehicles. Growth in supplies expenditures is down 13.6%. Spending on gas is down 40%, which is reflective of the movement in fuel prices.
- **Repairs & Maintenance:** Expenditures of \$707 thousand in October, higher than a typical month, included \$332 thousand for contracted services such as janitorial and landscaping, and \$86 thousand for the Library Express at Redmond Ridge.
- **Capital - Furniture/Equipment/Software:** Expenditures of \$85 thousand were for network management hardware for the Information Technology Services department.

Year-to-date expenditures are \$73.2 million, which is 75.6% of the budget. This is close to the percentage of budget spending at this time last year, at 83.3% of the way through the year.

October is a big month for revenues because the semi-annual property tax payments are due. In October, KCLS received \$30.5 million in revenue in current year taxes and \$75 thousand in delinquent tax payments. KCLS is slightly ahead of 2008 in current and delinquent tax collections. Timber revenue has been running slow but KCLS did receive \$15 thousand in October. KCLS is at 89% of budgeted revenues, slightly behind 2008, which could be because October 31 fell on a Saturday. The remaining tax revenues are expected to come in over the next two months.

Expenditures of \$4.3 million in the 307 fund were higher than the usual \$2-\$3 million per month. This is due in part to the fact that KCLS had to hold off on paying some invoices at the end of September while waiting for the new bond proceeds. Expenditures included large amounts on ongoing projects: \$1.6 million for the Sammamish Library, \$698 thousand for the Kirkland Library, \$513 thousand for the Federal Way Library and \$388 thousand for the Carnation Library for frontage improvements required by the City. Expenditures also included \$387 thousand in debt issuance costs related to the bond sale for underwriter, bond counsel, financial adviser and rating agency fees.

October 302 fund expenditures were \$9 thousand on the Kent and Redmond Library projects.

PAYMENT OF BILLS

Rob Spitzer moved approval of Payroll Expenditures in the amount of \$2,447,571.14; Checks October 1-15 Chk#145711-145834; 211070-212188 and October 16-31 Chk#145835-145961; 212189-213314. Lucy Krakowiak seconded and the motion passed unanimously.

Lucy Krakowiak moved approval of General Fund #0010 Expenditures for October 2009 in the amount of \$6,318,196.95; (Travel Advances) Chk #945-947, (10/2) Chk #1012004-1012005, (10/5) Chk #1012006-1012066, (10/6) Chk #1012067-1012092, (10/7) Chk #1012093-1012142, (10/8) Chk #1012143-1012221, (10/9) Chk #5000226-5000232;1012222-1012235;1012236-1012296, (10/13) Chk #1012297-1012353, (10/14) Chk #1012354-1012388, (10/15) Chk #1012389-1012425, (10/16) Chk #1012426-1012496; 5000233-5000243;1012497-1012522, (10/19) Chk #5000244-5000247; 1012523-1012533;1012534-1012577, (10/20) Chk #1012578-1012604, (10/21) Chk #1012605-1012660, (10/22) Chk #1012661-1012662, (10/23) Chk #5000248-5000253;1012663-1012680;1012681-1012760, (10/28) Chk #1012761-1012848; 1012849-1012874, (10/29) Chk #1012875-1012924, (10/30) Chk #5000254-5000263; 1012925-1012948, (11/2) Chk #1012949-1012989; 1012990-1013039, (11/3) Chk #1013040-1013073, (11/4) Chk #5000264-5000267;1013074-1013084;1013085-1013129, (11/5) Chk #1013130-1013184, (11/6) Chk #1013185-1013212; 5000268-5000281; 5000282. Jim Wigfall seconded and the motion passed unanimously.

Jim Wigfall moved approval of Construction Bond Fund '88 #3020 Expenditures for October 2009 in the amount of \$10,608.90; (10/5) Chk #3020016-3020017, (10/14) Chk #3020018-3020020, (11/2) Chk #3020021-3020022, (11/6) Chk #3020023. Rob Spitzer seconded and the motion passed unanimously.

Rob Spitzer moved approval of Capital Project Fund 2005 #3070 Expenditures for October 2009 in the amount of \$4,041,326.07; (10/15) Chk #3070222, (10/16) Chk #3070223-3070259, (10/20) Chk #3070260-3070261, (10/21) Chk #3070262-3070263, (10/22) Chk #3070264-3070271, (10/29) Chk #3070272-3070273, (11/2) Chk #3070274, (11/4) Chk #3070275-3070276, (11/5) Chk #3070277; 3070278-3070291, (11/6) Chk #3070292. Lucy Krakowiak seconded and the motion passed unanimously.

Lucy Krakowiak moved approval of Gift Fund #6010 Expenditures for October 2009 in the amount of \$2,280.71; (10/2) Chk #6010035, (10/14) Chk #6010036, (10/20) Chk #6010037-6010039, (10/29) Chk #6010040, (10/30) Chk #6010041-6010042. Jim Wigfall seconded and the motion passed unanimously.

BANKING RESOLUTION

Linda Glenicki explained that the County serves as KCLS' treasurer, collecting property tax revenues and maintaining bank accounts for the payments KCLS makes. The County recently issued a request for proposals for its banking services contract, and found a better deal through US Bank than the current contract with KeyBank. All of KCLS' payments, therefore, need to be moved to accounts with US Bank. The Board needs to approve a banking services resolution to indicate who has signature authority on the account for KCLS.

Lucy Krakowiak moved approval of the banking resolution. Jim Wigfall seconded and the motion was discussed.

Rob Spitzer noted that the resolution calls KCLS the "King County Library System," while the formal name of the System is "King County Rural Library District." Linda replied that "King County Library System" is KCLS' "doing business as" (dba) name, but staff will add the full legal name to the document as well. ***Rob Spitzer moved approval of the banking resolution, subject to clarification of which name is preferable. The motion passed unanimously.***

VASHON LIBRARY LEASE

In October, KCLS staff and attorney Dan Gottlieb met with Mike Collins, Chair of the Park District Board, and Wendy Braicks, Executive Director of the Park District, to identify the issues involved in the Library expansion project. Based on a summary provided by Mike Collins, Dan Gottlieb drafted a revised lease of the Library, which has been reviewed, approved and signed by the Vashon Park District Board. When KCLS receives the signed document, Bill Ptacek will sign on behalf of KCLS.

Kay Johnson reviewed the new lease. The initial term of the lease is 30 years, and KCLS has the right to renew the lease as long as the building is used as a library. KCLS has made a strong commitment to work with the Park District Board, staff and the Vashon community, and has agreed to attend two Park District Board meetings to review the plans for the expansion and hear public comments. The System will also hold the usual two public meetings at the Library to review the plans. The lease also addresses the Park District's concerns about utilities, surface water management and existing monuments. Kay reported that KCLS now has an amiable relationship with the Park District. KCLS also has the opportunity to continue joint use of parking with the Park District. The Library has 20 parking stalls and the Park District has an additional 40-50 stall lot nearby.

Rob Spitzer commended everyone involved on behalf of the Library System for working through this difficult process. He noted that staff did a great job of staying focused on the needs of the community and building the best Library possible. He noted that Exhibit B should reflect the new parcel. Kay Johnson replied that KCLS and the Park District haven't legally described the new parcel yet, and will make this change before Bill Ptacek signs the new lease.

Bill Ptacek mentioned that the early stages of the Vashon Library project have been an interesting process in which the Board has been heavily involved. KCLS thought that expanding the Vashon Library would be the best option to begin with, and when the Park District indicated that it would not support expansion, KCLS considered the K2 site as an alternative. The community expressed its concern to KCLS and the Park District reversed its opinion on expanding the Library. Bill noted that in the public sector, projects such as this take more time because of the additional element of public input.

Lucy Krakowiak expressed her gratitude for the hard work staff put into this process. She said this is a good example of a public process that resulted in a great Library for the community of Vashon.

Rob Spitzer moved approval of the new Vashon Library lease, with clarification of Exhibit B. Lucy Krakowiak seconded and the motion passed unanimously.

PROPERTY TAX RESOLUTIONS

Linda Glenicki presented the annual property tax resolutions, which were reviewed by the Finance Committee. Most years there are two resolutions, but this year there are three due to language in State law that carried over from before the passage of Initiative 747 (I-747). Before the Initiative passed, growth in KCLS' property tax revenues was limited to the lesser of the maximum allowable increase at the time of 6%, or the implicit price deflator. In 2001, I-747 reset the maximum limit at 1%. Each year since then, the price deflator has been higher than 1%, so KCLS has been limited to 1%. This year, however, the lesser amount is the deflator, which is 0.9915, a 0.85% reduction in the consumer prices as determined by the US Bureau of Economic Analysis. Using the implicit price deflator would result in a \$1.5 million shortfall compared to what KCLS would receive with the 1% increase. For KCLS to receive the 1% increase, the Board needs to find that there is substantial need to increase the levy rate up to the 1% allowed by I-747. The Board can make this finding through Resolution 2009-15.

Resolution 2009-16 is the standard resolution declaring that KCLS held budget hearings as required by State law and describing the regular levy amount.

Resolution 2009-17 contains the form that KCLS submits to the County and the Assessor's office. The form includes \$89 million for the expense fund, and the levy amounts for the 1988 bonds and the new bonds. Linda noted that the \$89 million listed on the form is more than KCLS will actually receive. Since the Board must approve the forms in November, before final revenue figures are available, KCLS is instructed by the Assessor's Office to overestimate the amount.

Lucy Krakowiak moved approval of Resolution 2009-15 that there is substantial need to increase the property tax limit factor. Rob Spitzer seconded and the motion passed unanimously.

Jim Wigfall moved approval of Property Tax Increase Resolution 2009-16. Lucy Krakowiak seconded and the motion passed unanimously.

Rob Spitzer moved approval of Resolution 2009-17. Jim Wigfall seconded and the motion passed unanimously.

CAPITAL ASSET POLICY

The draft Capital Asset Policy was previously reviewed by the Finance Committee. Elements of KCLS' current capital asset policies are located in various places and it was time to review and update the policies as well as consolidate them into one place. Staff consolidated the policies and updated them using information from a newly published book by the Government Finance Officers' Association (GFOA) regarding capital asset policies, and also the Washington State Budgeting, Accounting and Reporting System (BARS) manual. The draft policy was then reviewed by accounting firm Clark Nuber, whose feedback was incorporated. The State Auditor was then consulted to review the one difference in the policy versus the BARS manual regarding frequency of physical inventory procedures. Everything in the draft policy is consistent with the advice of the GFOA, and the only exception versus the BARS manual is the physical inventory policy.

The GFOA recommends no less than a five-year physical inventory cycle, which is KCLS' current practice, while the BARS manual suggests a one-year cycle, auditing all assets each year. Upon KCLS' request for feedback, the State Auditor's Office noted that it is fine for entities to vary from the annual process indicated in the BARS manual, if they have evaluated the situation and determined that their circumstances warrant the variation from a cost/benefit standpoint. In KCLS' case, the majority of tagged assets are public computers that are used in the libraries and thus always visible to staff and the public. It would be extremely difficult for someone to take one of the computers, and a theft would be noticed immediately by staff and patrons. KCLS also uses a five-year rotation due to the logistics of the auditing process. The auditing team must visit the libraries during the brief window between when staff is in the building but before it opens to the public, in order to avoid disruption of public computer use. Auditing the assets at each of the 45 libraries in one year would require hiring temporary auditing staff at additional cost. With the visible nature of KCLS' assets and low history of theft, and these logistical issues, the multi-year inventory approach is appropriate for KCLS.

Rob Spitzer asked what the relationship is between depreciation and how KCLS budgets to replace assets, given that KCLS doesn't pay taxes. Linda replied that there are two methods of accounting for government entities: the governmental fund basis and the full accrual basis. Depreciation is relevant for the accrual method. KCLS is required to prepare statements using both methods. However, all of KCLS' internal reporting and standard monthly board reports are on the governmental fund basis in which capital purchases are expensed in the year of purchase, so KCLS doesn't need to factor in depreciation. Based on a Trustee's question, Linda confirmed that KCLS budgets for replacement costs, which may or may not correspond with depreciation, but closely corresponds with KCLS' actual needs.

Lucy Krakowiak moved approval of the Capital Asset Policy. Jim Wigfall seconded and the motion passed unanimously.

PURCHASING POLICY REVISIONS

The four proposed revisions to KCLS' purchasing policies have also been reviewed by the Finance Committee. The first is the addition of language regarding signature authority for approval of invoices and purchase orders. It describes KCLS' existing practices, which previously had not been formally documented. This is a follow-up to the recommendations of the performance audit.

There are also updates to KCLS' small-works policy. The Legislature recently raised the threshold for small works projects from \$200 thousand to \$300 thousand. The update also incorporates language indicating that KCLS may

choose to participate in a government purchasing cooperative that maintains a small works roster rather than maintaining an internal roster. KCLS currently participates in eCityGov, a purchasing cooperative that consists of a large number of cities and other entities in King County that streamlines administration of rosters and provides access to a broad roster of small businesses. KCLS' participation in the cooperative has strengthened that broader roster by adding KCLS' large list of women- and minority-owned businesses.

The revisions also include new language allowing for the leasing of surplus real property. KCLS had discussed the possibility of leasing the Lake Hills Library, which is soon to be vacant, particularly in a time when the real estate market may not be in the best condition for a sale. There was previously no language on the possibility of leasing rather than selling the property. The new language details factors to consider when deciding whether it is appropriate to lease surplus property and the methods to do so. KCLS would use a public process either by a request for proposals or by hiring a broker through a competitive process. The policy includes language covering how KCLS would consider proposed lease terms and describing potential limitations due to bond financing constraints.

The final revision involves disposition of surplus artwork. Staff found through experience that the original policy wasn't practical, as it required three written estimates to sell a piece of artwork. This method might be workable for much more expensive pieces than those KCLS would typically surplus. KCLS polled other organizations to gather alternative approaches, and revised the language to delegate to the Art Oversight Committee the authority to determine whether to use the services of an art consultant, broker, auction house or other method to dispose of surplus artwork. The preferred method is often dependent on the type of artwork being sold. The Finance Committee had recommended adding a provision to ensure that Art Oversight Committee members are prohibited from purchasing any of the surplus art, and that language appears in the draft before the Board.

Jim Wigfall moved approval of the proposed Purchasing Policy revisions. Lucy Krakowiak seconded and the motion passed unanimously.

Lucy asked if the Board will receive a report from staff on the actions being taken to follow up on the performance audit. Linda Glenicki replied that a team of staff is working on the follow-up actions that KCLS committed to in the performance audit process, and that KCLS owes a follow-up report to the State Auditor by June 2010. The Board will see a copy of the report by that time.

EARLY CLOSURE OF BELLEVUE LIBRARY FOR LITERARY LIONS GALA SETUP

Bill Ptacek mentioned that this is the usual annual request from the KCLS Foundation to close the Bellevue Library at 4pm on Saturday, March 6, to prepare for the Literary Lions Gala. The Library is usually open until 6pm. This is a special year for the Gala, since Richard Russo has agreed to be the keynote speaker and waive his speaking fee, and the Foundation has been working hard to change how the event is organized. Bill noted that it is almost impossible for the Foundation staff and volunteers to prepare for the event in two hours. He asked the Board to approve closing the Library at 3pm instead. Bill noted that the extra hour would make a huge difference, and other libraries in the area would be open to accommodate patrons.

Jessica Bonebright recalled discussion of how hectic it is to prepare the Library for the event, and noted that the extra hour would be appreciated. She asked if patrons are given advance notice of the early closure. Bill replied that notices are posted well in advance. Rob Spitzer mentioned that it would be significant if all of the Trustees could attend the event.

Jim Wigfall moved approval of the request for the early closure of the Bellevue Library at 3pm on Saturday, March 6, to prepare for the Literary Lions Gala. Rob Spitzer seconded and the motion passed unanimously.

VOLUNTEER SERVICES PLAN UPDATE

Teresa (Terry) Claypool, Managing Librarian of the Bothell, Kenmore and Lake Forest Park Library cluster, is currently working in Community Relations as project coordinator for the Volunteer Services Plan. Terry noted that her assignment was a direct result of an employee suggestion through KCLS' "Write Idea" process. A staff member noted that unlike similar organizations, KCLS didn't have System-wide resources for its volunteer services. In 2008, a staff Task Force was created to take on this project. The team recommended that KCLS assign a full-time staff member to implement comprehensive tools and solutions to enhance KCLS' use of

volunteers. Terry has been working to design this System-wide program and hopes to be ready to implement it by June 30, 2010.

Since July, Terry has been focused on developing a strategic plan, creating connections outside of KCLS and engaging staff within KCLS. Most of the work so far has fallen under the first goal of the strategic plan: ensuring system-wide understanding of what volunteers can do and when best to use them. Each of the goals of the strategic plan has specific intended outcomes. KCLS will be able to measure the plan's success based on whether the outcomes are achieved. Outcomes include having a formal volunteer program with clearly defined expectations for all stakeholders, and attracting and retaining "adept" volunteers who will help build strong community support for KCLS. Terry has been creating connections with local cities, other library systems and the United Way Corporate Volunteer Council. She and Julie Brand also attended the Washington State Service Summit and learned that Washington ranks fifth in the country in number of hours volunteered and third in terms of the number of volunteers who stick to their commitments.

Terry noted that Volunteer Plan items that are complete or nearing completion include identifying a central point person to oversee KCLS' volunteer activities, improving recognition efforts, developing a departmental Volunteer Liaison and creating System-wide standards. A Volunteer Services Liaison is needed because there are currently 31 Managers, 50 Librarians and 9 staff members of other classifications supervising volunteers, with little cross-functional communication. At any one time, KCLS can have more than 700 active volunteers. Staff record between 2,500-2,800 volunteer hours per month. Since the estimate dollar value of a volunteer in Washington State is \$20.37, this equates to a volunteer workforce that contributes the work of an equivalent payroll of \$611-\$684 thousand each year. To help create System-wide standards for volunteers, a Volunteer Services Policy and Guidelines are being revised.

Work still in progress includes standardizing tools and forms, improving statistical reporting and creating a Volunteer Services intranet page for staff. Demographics on KCLS' volunteers are currently unavailable because some volunteer managers have tracked that information while others haven't. Standardizing statistical reporting will allow KCLS to better track demographic information. Activities still to come include developing and launching a public presence, aligning recruitment efforts with other activities and incorporating local and System-level volunteer recognition.

Bill Ptacek noted that overall, KCLS would like to create consistency in its volunteer management. He said that Terry and other staff working on this project have done an excellent job highlighting the need to improve volunteer management at KCLS and beginning the work to improve it. Lucy Krakowiak said that this is an exciting program that can be a real resource for KCLS. She hopes that KCLS can be an example for other organizations. Julie noted that the Washington Service Summit and contacts with other organizations have shown that there is not a great volunteer model out there, so one of the unstated goals of this project is to make KCLS a national model for volunteer management.

CAPITAL PLAN QUARTERLY PROGRAM REVIEW

Linda Glenicki noted that the capital plan program review "green sheet" is now at \$163.6 million, \$8 million less than the \$172 million target. Last quarter, the sheet was at \$169.7 million. The \$3.8 million premium on the recent bond issue and the \$2 million reduction in the Kenmore Library budget that the Board recently approved are now reflected on the sheet. The revised version also includes updated estimates-to-complete for active projects and updated property sales figures on the Sammamish and Lake Hills Library projects.

Rob asked about the status of the disposition of the old Lake Hills Library. Linda replied that KCLS just received construction bids for the tenant improvements to the new facility, and can now work on options for the old facility. The new purchasing policy revisions will make leasing one of those options. Rob hopes that the value of the property will be higher when the property is disposed. Greg Smith mentioned that KCLS hopes to open the new facility in early summer 2010. KCLS received 19 bids on the tenant improvement project, and the low bid was \$500 thousand under the original estimate.

Lucy Krakowiak asked what KCLS' strategy for future projects is, given that the capital plan numbers are looking better. Linda replied that the plan currently includes \$6 million of general fund coverage, which could be funded instead by the 307 fund. Bill noted that KCLS is following the Board's direction and the primary focus is to complete the original capital plan projects. He noted that new projects, such as a new library for the Sea-Tac area, will need to be evaluated in the future, especially after potential future annexations are resolved. He also mentioned that KCLS needs to ensure that it has the operating capacity for any new facilities.

DIRECTOR'S REPORT

Bill Ptacek reported that November has been an exciting month. KCLS is pleased about the progress on the Vashon Library project. He noted that Donna McMillen will serve as the liaison with the Vashon Library Committee, and she will respond to some recent questions from Bonnie de Steiguer, the Committee Chair. Bill said that KCLS has committed to hosting two public meetings on the project, and attending two Park District Board meetings.

Bill noted that the grand re-opening of the Kirkland Library will be Saturday, December 5, and it would be great to have a few Trustees there.

KCLS is not clear about the situation with Puget Sound Park. After the County asked KCLS to identify a few "mothballed" parks as candidates for further libraries, KCLS became interested in Puget Sound Park, which is located in an area set to annex to the City of Burien. The City of Burien and the Fire District were not able to take over the Park directly, but it would be a prime location for a new library. KCLS could build a library on the developable portion of the Park and the City of Burien could take over the Park itself. With a new library in the Park, KCLS could consider the consolidation of the White Center and Boulevard Park libraries. KCLS sent a letter of interest in the property to the County. Lucy Krakowiak noted that there seems to be some communication to iron out, especially with the County and the City of Burien. She said if the parties involved can be patient and work on it, it can be a win-win for KCLS and the City of Burien.

Bill said that KCLS is making progress on the Newcastle Library project. KCLS has reached an agreement with the City of Newcastle and Lorig, the developer, to go forward on the Library portion of the project while Lorig waits for funding for the housing phase. KCLS is hoping to submit documents for permit in January 2010. The project can be set up so that the housing portion and additional parking can be built after the Library and its parking is completed. Kay Johnson noted that KCLS will be using a public bid process and the prevailing wage to build half of the parking garage and the Library, and working with the architect so as not to incur expenses related to the housing project. If the housing is not built, the Library will look fine on its own. KCLS is negotiating with the developer for shared costs, such as the larger electrical room, required by the full Library and housing project. Part of the redesign of the project is that the housing will be moved further back on the site, and will cover 20% rather than 40% of the Library, greatly reducing the risk of costs.

EXECUTIVE SESSION

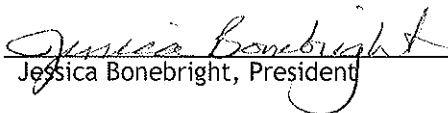
At 7:06pm, Jessica Bonebright announced, per RCW42.30.140(4)(b) and RCW42.30.110(1)(i), that an executive session to review and discuss the proposals made in labor negotiations and to discuss potential litigation would begin. The estimated duration of the executive session was one hour. Jessica Bonebright, Henry Farber, Lucy Krakowiak, Jed Moffitt, Bill Ptacek, Charlene Richards, Rob Spitzer, Linda Glenicki and Jim Wigfall were in attendance.

RETURN TO REGULAR SESSION

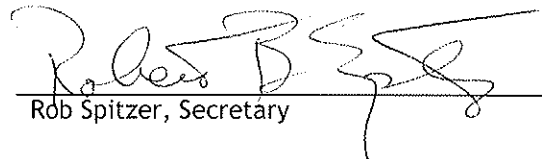
Jessica Bonebright reconvened the meeting in regular session at 8:10pm.

ADJOURNMENT

Jessica Bonebright adjourned the meeting at 8:10pm.



Jessica Bonebright, President



Rob Spitzer, Secretary