



King County Library System Board of Trustees Meeting

KCLS Service Center
5pm ♦ October 25, 2017

PRESENT

KCLS BOARD

Pamela Grad
Robin McClelland
Lalita Uppala
Jim Wigfall

KCLS Staff

Julie Acteson
Beth Castleberry
Jenny Engstrom
Maria Hatcher
Holly Koelting
Tess Mayer
Cynthia McNabb
Jed Moffitt
Annie Poyner
Bruce Schauer
Greg Smith
Stephen Smith
Jim Wood

MOTIONS APPROVED

1. Board Meeting agenda
2. September 27, 2017 Board meeting minutes
3. Payroll expenditures
4. General Fund #0010 expenditures
5. Construction Bond Fund 1988 #3020 expenditures
6. Capital Project Fund 2005 #3070 expenditures

CALL TO ORDER

President Jim Wigfall called the meeting to order at 5:07pm.

APPROVAL OF AGENDA

Robin McClelland moved approval of the Board Meeting agenda. Pamela Grad seconded and the motion passed unanimously.

APPROVAL OF BOARD MINUTES

Pamela Grad moved approval of the September 27, 2017 Board Meeting minutes. Lalita Uppala seconded and the motion passed unanimously.

PUBLIC COMMENT

There was no public comment.

STUDY ZONE

Now in its 17th year, Study Zone is an after-school homework assistance program that utilizes volunteers to provide tutoring to students. During the 2016-2017 program year, 329 Study Zone volunteers provided a total of 12,415 hours of tutoring services to 11,019 students at 38 KCLS locations. The number of students served has remained fairly stable for the last several years. Public Services Specialist Annie Poyner coordinates the program and said that Study Zone will be featured in a book published by the American Library Association, which is a revised version of the same book that Annie used to develop KCLS' program in 2001.

2018 PRELIMINARY BUDGET

As discussed in the Finance Committee meeting, Interim Finance Director Jim Wood said that the 2018 Preliminary Budget includes a financial forecast that illustrates how KCLS' general-fund balance will be affected over the next three to four years.

The actual beginning fund balance for 2017 is \$2.8M higher than projected (\$55.6M versus \$52.8M) due to higher than expected revenues from property sales, investment interest, and Foundation reimbursements, and lower than expected salary expenditures due to unfilled positions. The ending fund balance for 2017 is anticipated to be higher than originally budgeted due to the sale of the Foster Library, additional e-rate reimbursements, and a \$1.8M transfer from the general fund to the 307 Fund that is deferred until 2018.

Revenue forecasts are based on assessed values provided by the King County Assessor's office. The figure will continue to be updated prior to approval of the Final Budget in December as new information is received from the Assessor. Although assessed values have increased 11.5 percent over the previous year, state law limits property-tax revenue growth to one percent over the prior year plus new construction.

Revenue from property taxes is estimated to increase \$3.2M. New construction revenue remains flat at an estimated \$1.8M. Other revenue estimated at \$4.1M includes library fines, Foundation funding, e-rate reimbursements, investment interest and other miscellaneous sources.

The Preliminary Budget includes an assumed three-percent Cost of Living Adjustment (COLA), contingent upon Board approval, and \$1.4M for substitute salaries. Total benefits of \$22M, which includes statutory, FICA and all medical plans, reflects a seven percent increase in benefits costs. The total budget for personnel also includes additional salary costs to implement recommendations from a recently completed classification/compensation study.

Total estimated operating expenditures in 2018 are \$48.9M. An increase in the Facilities budget of \$3.2M is largely due to \$2.1M in expenditures related to ideaX space renovations at Bellevue and Federal Way Libraries, but will be partially offset by an \$800K contribution from the KCLS Foundation. Other expenditures are for upkeep and maintenance costs for 49 libraries, and estimated increases in maintenance contracts that will be renewed in 2018.

The Collections Management Services budget remains flat and the Information Technology Services budget increased slightly.

The Programs budget, which increased from \$1.7M to \$2M, is funded in part by the KCLS Foundation.

A decrease in the Administration budget reflects the discontinuation of Overdrive Media Stations at Sea-Tac Airport; reduced legal and consulting fees reflecting the completion of contract negotiations and the classification/compensation study.

Building Leases remain flat.

All construction bond projects are anticipated to be completed in 2018. The \$2.5M transfer from the general fund to the 307 Fund includes the \$1.8M deferred to 2018. There are no anticipated expenses in the project fund in 2019.

Overall, budgeted expenditures of \$127M will exceed estimated revenues of \$122M by approximately \$5M. The anticipated shortfall will be absorbed by the general fund.

Jim invited audience members to attend the 2018 public budget hearings on November 7-9.

FINANCE REPORT

General-fund salary expenditures for September were \$5.9M. Year-to-date expenditures of \$54M reflects 72 percent of the budget expended compared to 75 percent of the budget year completed. Year-over-year growth of 5.9 percent reflects payout of retroactive wages resulting from recently implemented collective bargaining agreements.

Operating expenditures of \$29M year to date reflect 67.5 percent of the total budget. Professional Services expenditures of \$3.4M include legal and consulting fees associated with labor negotiations and the classification/compensation study. Reserve funds of \$300K remain unspent.

Year-to-date general fund revenue is \$68M and represents 57 percent of the budget. KCLS will receive the second semi-annual tax payment in October. Other year-to-date revenue includes Timber (\$30K); Contracts (\$340K); erate (\$490K); and Foundation revenue (\$332K).

Expenditures in the 307 Fund for September include \$16K for Boulevard Park and \$68K for Kent Panther Lake.

Expenditures in the 302 Fund include trailing expenditures for Library Connection @ Southcenter (\$63K) and Tukwila (\$11K). KCLS anticipates carrying over some expenditures into next year's budget, but expects to close out the fund with an approximate \$300K surplus, which will be transferred back into the general fund.

APPROVAL OF MONTHLY EXPENDITURES

Robin McClelland moved approval of Payroll expenditures for September in the amount of \$4,077,944.33: Sep 1-15 Ck#170817-170893; 350001-351253; Ck#170894-170963;370001-371235 and Sep 16-30 Ck#170964-171032;390001-391230. **Pamela Grad seconded and the motion passed unanimously.**

Pamela Grad moved approval of General Fund #0010 expenditures for September in the amount of \$5,773,902.42: Travel Advances - Ck#1273-1276; (09/11) Ck#5008387-5008421;1100034-1100061; (09/12) Ck#5008422-5008446;1100062-1100086; (09/13) Ck#5008447-5008449;1100087-1100091; (09/13) Ck#1100092-1100153; (09/14) Ck#1100154-1100188; (09/15) Ck#1100189-1100333; (09/19) Ck#1100334-1100344; (09/20) Ck#1100345-1100446;1100447-1100494; (09/20) Ck#5008450-5008476; (09/22) Ck#1100495-1100574; (09/27) Ck#5008477-5008496;1100575-1100590; (09/28) Ck#5008497;5008498-5008500;1100591-1100593; (09/28) Ck#1100594-1100690;1100691-1100714; (09/29) Ck#1100715-1100717; (10/02) Ck#1100718-1100761; (10/03) Ck#1100762-1100769; (10/04) Ck#5008501-5008502;1100770-1100855; (10/04) Ck#5008503;5008504
Voids - Ck#. **Lalita Uppala seconded and the motion passed unanimously.**

Lalita Uppala moved approval of Construction Bond Fund 1988 #3020 expenditures for September in the amount of \$72,069.09: (09/15) Ck#3021103; (09/22) Ck#3021104; (09/28) Ck#3021105-3021107; (10/04) Ck#3021108. **Robin McClelland seconded and the motion passed unanimously.**

Robin McClelland moved approval of Capital Project Fund 2005 #3070 expenditures for September in the amount of \$84,044.66: (09/14) Ck#3073727-3073729; (09/15) Ck#3073730; (09/20) Ck#3073731; (09/28) Ck#3073732-3073733; 3073734-3073735;3073736. **Pamela Grad seconded and the motion passed unanimously.**

DIRECTOR'S REPORT

Steve Smith said he's made 120 library visits in his six months as Interim Library Director, having visited almost all libraries at least twice. His visits are always unannounced and it gives him an opportunity to observe staff helping patrons. He said KCLS is an extremely good System and everyone should be proud to be part of it.

The Board of Trustees will call a special meeting on November 15 to interview the finalists for the Library Director position. The Search Committee interviewed five semi-final candidates and narrowed the pool to three. The finalists will be interviewed on November 14 by the KCLS Leadership Team, a panel of KCLS staff, and a panel of community stakeholders. The staff and community panels comprise an excellent mix of positions and geographical representation, all with ties to libraries and the communities KCLS serves. The panels will not conduct interviews. Their interaction with the candidates will be conversational and their feedback will be helpful to the Board in making its selection.

Public Budget Hearings are scheduled November 7-9 at the Maple Valley, Kenmore, and Renton Highlands Libraries, respectively. Jim Wigfall, Robin McClelland, and Pamela Grad will represent the Board at each meeting.

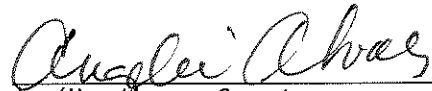
The Urban Libraries Council selected its 2017 Top Innovators and KCLS' Rainbow Teen Advisory Board program was awarded Honorable Mention in the category of Positioning the Library. There were more than 250 submissions and ULC selected a winner and honorable mention in ten categories. Teen Services Librarian Stephanie Zero developed the program and received the award in person at a ceremony at the ULC Forum in Saint Paul, Minnesota.

KCLS' new leadership development program, KCLS LEADS, kicked off on October 4. A group of 24 staff members will participate in the five-month course that covers a variety of leadership topics. All staff are welcome to apply for the program and it is not necessary to hold a traditional leadership position to be eligible to participate.

ADJOURNMENT

The meeting adjourned at 5:57pm.

Jim Wigfall, President


Angélica Alvarez, Secretary
