



**BOARD OF TRUSTEES
PIERCE COUNTY LIBRARY SYSTEM
REGULAR MEETING, OCTOBER 15, 2008**

CALL TO ORDER

Chair Allen Rose called to order the regular meeting of the Pierce County Rural Library District Board of Trustees on September 10, 2008, 3:32 pm. Board members present were Eugene Matsusaka and Budd Wagner. J.J. McCament and Paul Chasco were excused.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Minutes of the September 10, 2008 Regular Meeting of the Board of Trustees
2. September 2008 Payroll, Benefits and Vouchers in the total amount of \$1,934,753.46
 - a. Payroll Warrants 2731 - 2743 dated 09/05/08 – 09/22/08 in the amount of \$5,814.03
 - b. Payroll Disbursement Voucher dated 09/05/08 in the amount of \$529,878.30
 - c. Payroll Disbursement Voucher dated 09/08/08 in the amount of \$632.45
 - d. Payroll Disbursement Voucher dated 09/22/08 in the amount of \$532,140.42
 - e. Accounts Payable Warrants: 604299 – 604598 dated 09/03/08 – 09/30/08 in the amount of \$866,288.26.

Mr. Wagner moved for approval of the consent agenda. Mr. Matsusaka seconded the motion and it was approved.

BOARD MEMBER REPORTS

There were no reports.

OFFICER REPORTS

Productivity Report: Mr. Wagner noted that he had reviewed the productivity report prepared by Georgia Lomax. He asked if there were any comparative data or benchmark information available. Ms. Lomax responded that she will be requesting data from other libraries. Mr. Wagner would like quantitative data to go along with the qualitative data and operating standards.

Visioning Session: Neel Parikh reported that the Strategic Visioning Session with library stakeholders had been rescheduled from the date in November to February 12, 2009 and asked Board members to attend.

City of Fife: Ms. Parikh reported that the City of Fife has requested that the library conduct an open house on November 20th to discuss library services with Fife residents. Steve Worthington, City Administrator, told Ms. Parikh that he does not believe the city will hold a public hearing regarding annexation in 2008, but might in early 2009. Fife's role in the library's Facilities Master Plan will need to be determined as the process moves forward.

Peninsula Property: Ms. Parikh reported that an appraisal has been completed on property next to the Peninsula Branch. The Board will discuss the matter at the November meeting in Executive Session.

Tacoma Reciprocal Borrowing: In review of the quarterly report on reciprocal borrowing between Pierce County Library System and Pierce County Library System, Chair Rose noted that based on population, more Tacoma residents per capita are using PCLS than PCLS residents using Tacoma.

UNFINISHED BUSINESS

1. University Place Project: Lorie Erickson reported that weekly meetings are being held with University Place city representatives. Steel delivery is still delayed until November 3rd, but it should not impact the construction schedule. Work is moving ahead on the condominium documents and good progress was made. Meetings have also been held on LEED related issues. The city is continuing contract negotiations with a developer for the Town Center project.

Capital Campaign: Update: Lynne Hoffman reported that a donor cultivation event will be held in November. The campaign is preparing for its public phase. \$318,980 has been pledged to the project.

2. Facilities Master Plan:

Approval of Contract with Group 4: Ms. Parikh reported that the team has been working on the community involvement process and has successfully reduced the consultant cost by half. It was important to get value from the consultants time and therefore, a number of tasks were identified to be accomplished by PCLS staff. A contract has been negotiated with the consultants. A pre-planning meeting was held with the consulting firm and it was a good start. Cliff Jo reported on the process used to develop the contract and specific terms of the contract.

Mr. Wagner moved for approval of the contract with Group 4 and to authorize signature by Neel Parikh, pending clarification of the strategic visioning item as evaluated by and acted on by the Executive Director. Mr. Matsusaka seconded the motion and it passed.

Community Involvement: Ms. Parikh described the public involvement process for the Facilities Master Plan. The goal is to create a process that involves key stakeholders to identify library service needs. Stakeholders would also evaluate and provide feedback on draft plans and help the library to develop solutions and potential partnerships to meet those service needs. Community members in regions currently served by a branch and remote locations will be included. A key element of the process will be stakeholder meetings in five regions of the district. These meetings will include government officials and key community leaders and organizations. The consultants will work with the library to plan and lead the meetings for stakeholder groups. Staff will be conducting community meetings at all branches and at least two community locations. Staff and volunteers will conduct the surveys, designed with consultant feedback.

Board Involvement: Ms. Parikh asked about the level of involvement the Board would be comfortable with, individually and as a Board. One board member will attend each stakeholder regional meeting and one community meeting. All will attend the visioning session. Ms. Parikh recommended that a Community Advisory Committee not be formed until it was time to vet the deliverables.

3. 2009 Budget: Mr. Jo presented the 2009 balanced budget. The levy lid cash reserves are now being used to balance the budget in order to keep the levy promise that enhanced services would be sustainable. Revenue from new construction was lower than anticipated and COLA for salaries and general operating increases were higher than expected. \$493,813 will be used from the cash reserves in to balance the 2009 budget. In 2008, funds were set aside for a future levy lid lift and that amount was increased by \$20,000 in case it is necessary to have a levy lid lift election sooner than initially planned. Investment revenue has dropped dramatically as the interest rate continues to drop.

Ms. Parikh noted that the highest priority was to maintain the levy promises in the most efficient manner possible. PCLS set aside \$3.7 million from the levy funds in 2007 to be used to sustain services. Projections show that those funds will sustain the services for five years. This budget does not include funds or expenses should Fife annex to the library system in 2010. There is a greater demand for network capacity and bandwidth from both public use and staff training methods, such as web conferencing. The library will also be focusing on needs assessment activities in conjunction with the Facilities Master Plan and working on internal process improvements. Mr. Jo reported that the IPD is 4.52%. As it is higher than 1%, the Board does not need to take action.

Capital Improvement Plan: The Capital Improvement Plan contains funds for purchase of land to expand the Peninsula Branch, the new University Place, a Facilities Master Plan, some minor facility improvements and technology projects, as well as funds set aside for a bond election. Mr. Wagner asked if there are plans for a future levy lid election. Ms. Parikh noted that the levy rate and cash to sustain current services will have to be considered in making that decision. The library will continue to monitor this situation, but 2011 seems to be the likely time.

4. 2009 – 2010 Cash Flow: Mr. Jo distributed a 2009 cash flow projection chart. The document is used for planning budgets, to ensure that operations are sustainable and to strategically plan funding initiatives. Revenues increase approximately 2% - 4% per year, but expenses increase 4% - 6% per year. Several key factors affected this year and future year budgeting for cash. New construction came in considerably lower, reflecting current economic realities, and costs for most purchases have increased considerably. Further, the 2009 COLA was the highest the library has experienced in a number of years and forced implementation of the Library Agreement ceiling of 5%. For the next 3 years, the fund balance is calculated between 34.4% and 23.8% of the following year's revenues. 20% is the floor for the fund balance. Anything lower means funds are no longer available to sustain operations. By 2012, the fund balance is calculated to fall to 15%. There will not be enough funds in 2013 to pay for operations without significantly changing revenues or reducing expenditures.

NEW BUSINESS

1. Set 2009 Board Meeting Schedule: Mr. Wagner moved to accept the 2009 Board of Trustees schedule of meetings as presented. Mr. Matsusaka seconded the motion and it passed.

2. Resolution 2008-10, To Revise the Capital Improvements Fund Budget of Estimated Expenditures for 2008: Mr. Jo requested the Board approve amendment of the Capital Improvements Fund in order to fund the emergency purchase of a UPS/battery backup system for IT. The current system is overloaded and nearing failure. The cost is \$63,000. It is also necessary to increase the budget for the high-speed color copier project by \$47,000. Although the capital procurement cost is higher than the \$100,000 originally estimated, purchasing this will preclude the need for leasing a system, which saves the Communications department \$22,000 of annual lease costs. It will also save approximately \$7,000 in departmental operating costs.

Mr. Wagner moved for adoption of Resolution 2008-10, to revise the capital fund budget of estimated expenditures for 2008. Mr. Matsusaka seconded the motion and it passed.

EXECUTIVE SESSION

Mr. Wagner moved to enter into executive session at 5:06 pm for 10 minutes to discuss evaluation of the Executive Director. Mr. Matsusaka seconded the motion and it passed. The Board reopened to public session at 5:15 pm.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

The meeting was adjourned at 5:17 pm on motion by Mr. Wagner, seconded by Mr. Matsusaka.

Secretary

Chair