

**BOARD OF TRUSTEES
PIERCE COUNTY LIBRARY SYSTEM
REGULAR MEETING, OCTOBER 16, 2013**

CALL TO ORDER

Chair Linda Ishem called to order the regular meeting of the Pierce County Rural Library District Board of Trustees at 3:33 p.m. Board members present were J.J. McCament (arrived late), Allen Rose, Robert Allen and Donna Albers.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Minutes of the September 11, 2013 Regular Meeting of the Board of Trustees
2. September 2013 Payroll, Benefits and Vouchers in the total amount of \$2,143,380.07
 - a. Payroll Warrants 3462-3476, dated 09/01/13 – 09/30/13 in the amount of \$7,392.83
 - b. Payroll Disbursement Voucher dated 09/06/13 in the amount of \$563,587.63
 - c. Payroll Disbursement Voucher dated 09/20/13 in the amount of \$712,494.27
 - d. Accounts Payable Warrants 620920-621129 dated 09/01/13 – 09/30/13 in the amount of \$844,279.91
3. Approval of the Holiday Policy
4. Approval of the Programming Policy

Moved by Mr. Rose, seconded by Mr. Allen to approve the consent agenda. Motion carried unanimously.

BOARD MEMBERS REPORT

Ms. Neel Parikh, Director, introduced and welcomed Rosalind Nguessan as Senior Finance Specialist. Members of the Board also welcomed her.

Clifford Jo, Finance and IT Director, provided information regarding the GFAO Distinguished Budget Award and displayed the plaque. He noted it was a group effort and a result of a compilation of work done by many. Board members commended Mr. Jo for producing the budget and receiving the award.

Ms. Parikh provided miniature IMLS medal lapel pins to Board members and noted they will also be distributed to staff.

Ms. Parikh informed Board members that Linda Farmer has accepted the position of Marketing and Community Relations Director and will begin work on November 1, 2013.

OFFICERS REPORT

1. **August Dashboard:** The Board had no questions regarding the Dashboard.
2. **September 2013 Financial Report:** Dale Hough, Finance Manager, noted the Library received \$500,000 more than anticipated, and in October the Library will receive 31% of the \$9 million budget. Mr. Hough responded to questions from the Board regarding funds received stating this is likely due to delinquent real estate property tax payments.
3. **SEC Decision - Municipal Advisors:** Ms. Parikh provided an overview of the item noting that the final language of the rule exempts appointed officials of governmental entities from the definition of municipal advisor. Members of the Board stated their pleasure with the decision.
4. **2013 GFOA Distinguished Budget Award:** Mr. Jo presented the award analysis to members of the Board. He responded to questions regarding comparisons of the comments received last year to the current year and how feedback shapes the development of the narrative. Mr. Jo noted as time goes on, the document will be improved in response to the feedback received. Ms. Parikh informed the Board that the budget has become a “living document” within the Library’s strategies, efficiencies, philosophies and values.

Ms. Parikh indicated work will be done to incorporate departmental metrics as well as system-wide metrics to expand the use of the document beyond management, making it useful across the organization.

5. **2011-2012 Fiscal Audit:** Ms. Parikh asked if any Board members would like to be present during the audit entry or exit interview. Mr. Hough informed the Board an entrance review would take place within a week and that he is currently receiving baseline information. Ms. Albers said she would sit in for educational purposes.
6. **HVAC Rebate:** Lorie Erickson, Facilities Director, briefed Board members on the item. Mr. Jo noted the actual rebate is calculated and issued after installation. The estimated rebate amount is \$80,000.
7. **Fife Turnaround:** Ms. Ishem expressed her concern about the absence of lighting in the new turnaround and parking area and asked if it is too dark in the location. Sally Porter Smith, Customer Experience Director, mentioned lighting has been ordered and will be installed soon. It was also noted that portable barricades would be made available to keep vehicles out of the area after dusk.
8. **Tacoma Community House Citizenship Grant:** Ms. Parikh provided information on the TCH grant partnership.

UNFINISHED BUSINESS

1. **Review of Regular 2014 Draft Revenue and Expenditure:** Ms. Parikh provided a brief overview of the item. It was noted as the growth trend continues, PCLS will recover well. Discussion ensued regarding pension rates. Mr. Jo said participation in the program is mandatory, the State sets the rates for the employee/employer contributions, and the employer's cost has increased significantly since 2003.

Mr. Jo briefed the Board on the item, noting that maintenance and operations costs had the largest increase due to University Place condominium fees. He responded to questions from the Board regarding the Collections and Materials budget, which has been cut by \$20,000, e-book acquisitions, the cost, and how to reduce the costs in other budget items to add new e-books. Mr. Jo recommended using \$128,000 in cash reserves rather than making further cuts. Ms. Parikh noted she will follow up on the collection and report to the Board at a future meeting.

Mr. Jo noted line items on revenues increased by 3.7% and other areas may be increased. Personnel increased approximately 1.58%, and the same percentage will be used in calculating reduction in salaries to match actuals. This year 3% is about the right number, higher is over expending. He stated the Library should be coming out on the positive side. He noted that a portion of the 3.7% increase was contributed by the Foundation.

Mr. Jo responded to questions regarding the Affordable Care Act and its effect on competitive prices, noting that we are working with our broker and are looking at Association of Washington Cities (AWC). Discussion ensued regarding what affordable healthcare means, and what other organizations are doing as a result of the Affordable Care Act. Discussion ensued regarding appropriate percentages for the budget and impacts to the budget resulting from the Affordable Care Act and retirees. Ms. Parikh responded to questions regarding the UP Condominium Agreement, efficiencies and costs, noting costs at University Place appear to be higher than other similarly-sized branches due to the parking garage and atrium.

Discussion ensued regarding utility providers, the new tax that could possibly be imposed by the City of Tacoma and the impact it could have on PCLS. Ms. Parikh informed the Board that the Reading and Materials analysis and reorganization continues and the process will begin in the IT Department soon.

a) 2014 Preliminary Levy Certification

Mr. Jo noted that the amount came in close to our expectation. Final analysis suggested 3.11%; the actual amount was 3.4%. He stated we have to catch up the budget revenues and expenditures and in theory, next year the gap should be closed. The Library is able to levy at 50 cents until we reach the 50 cent limit, which will be several years out. Although the certification is preliminary, the County doesn't expect much change in the final number.

b) 2013 Implicit Price Deflator (IPD) for 2014 Property Tax Levy

Mr. Jo briefed Board members on the item.

c) Review of 2014 Revenue and Expenditures Draft

Mr. Jo provided an overview of the item and responded to questions from the Board.

d) Review of 2014 Capital Plan Draft

Mr. Jo informed the Board that major maintenance projects are coming to an end and within the next few years, a new cycle will begin to maintain our buildings, such as upgrades to restrooms and furnishing replacements.

Ms. Parikh stated the Foundation stepped up and supported the budget. She informed members of the Board that the Friends and Foundation are doing a fundraising project at the South Hill branch like the Key Center project.

Ms. Parikh responded to questions regarding the Technology Plan designated in the amount of \$250,000 in the capital budget stating she wanted to be realistic about what might be spent for virtualization, mobile computing, etc. and the technology planning process will determine costs. Ms. Parikh said recruitment, with assistance from a consultant, for the new Digital Experience Director will begin soon. She said the budget was put together without the presence of three Directors, therefore additional projects were not included, but this may change at the mid-year budget review.

Discussion ensued regarding an automatic materials handling system, which is a machine that automatically checks in books and sorts them for re-shelving and reserves. It was noted that the machine requires a significant amount of space and would only work in larger locations; however, would save staff time. This item will be studied over the next two years to gain a better understanding.

It was also noted that staff is looking into upgrading to energy-efficient lights. Discussion ensued regarding the return on investment and reductions in staff time by eliminating the need to change bulbs as often.

e) 2014 – 2018 Cash Flow Chart

Mr. Jo provided an overview of cash flow chart attachment, which shows some of the projections, and provided explanations regarding the information.

2. Succession Planning: Vision of the Library's Future Summary Report:

Consultant Catherine McHugh noted she interviewed community leaders, the Board, Customer Experience Team and Administrative Team staff and has provided a summary report of those meetings.

Ms. McHugh reviewed the summary report calling attention to the external constraints. Community leaders indicated that the constrained budget environment is what we have to continue to look forward to over the next five years. She informed the Board that technology was another item of interest. The Library needs to keep its finger on the pulse of technological advancements, which will not only require funding for equipment, but restructuring the skill sets of staff.

Ms. McHugh indicated the County is going to be demographically broader as population increases, which will be reflected in the changes and needs of the community. With increased diversity and volume, PCLS will need to continue to seek out feedback and adapt. Discussion ensued regarding the different ways businesses are operating relating to the services they provide and how changes are being driven by technology and customer uses.

Ms. McHugh stated that partnering is becoming even more important and will begin look different than we presently know and will create a more efficient way to spend public dollars. It was also noted that public entities will be tasked with pooling resources, learning from other each other and thinking systemically to develop solutions.

Ms. McHugh responded to questions from the Board. Discussion ensued regarding the need to avoid getting caught up in fads and provide a rational assessment, dealing with rapid change and how it affects different groups.

Members of the Board noted their appreciation of Ms. Parikh's leadership and her ability and willingness to learn and make changes based on new information.

Ms. McHugh stated that given the recent turnover, it is critical that the Library continue to develop leadership talent and maintain, deepen and evolve the talent that is here now. It is imperative that strong strategic focus on customer service, staff, management, union and cross functional teams continue as PCLS evolves. She suggests that the incoming Director will need to aim at leadership development, relevancy, innovations and cultural leadership. Discussion ensued regarding how the data provided by Ms. McHugh's report can be used.

Ms. McHugh explained that the next part of the process will focus on competencies; she plans to have individual conversations with members of the Board to prepare a preliminary report. She noted she will develop a structure for the Board to prepare for the conversations and that more work with staff will occur. She will provide a report to the Board in December.

3. Philosophy Policy:

Ms. Parikh provided an overview of the item and noted Ms. Lomax intended to capture and use the things that the Board discussed at the last meeting. In the draft, it was noted that the policy gave the impression that the Library is in a supporting role of the public rather than a leadership element and should include that the Library adds value to the community at large. Discussion ensued regarding the possibility of adding the "democracy" statement and the need for a statement showing the Library as a place (building, meeting rooms) and not simply a service. Ms. Parikh stated although we often say what is available, we also do things and reach out to address specific needs, such as providing assistance to people in working with the new Affordable Healthcare Act. She noted staff would revise the policy and provide a new draft to the Board.

NEW BUSINESS

1. Confidentiality Policy:

Ms. Parikh briefed Board members on the item. She noted this is an updated policy that Ms. Lomax revised by reorganizing portions of the original policy and adding other policy elements.

Moved by Mr. Allen, seconded by Mr. Rose to approve the Confidentiality Policy as written. Motion carried unanimously.

2. Set 2014 Board Meeting Schedule:

Ms. Parikh reviewed the meeting schedule with the Board. A change in the schedule moving the March 12 meeting to March 19, 2014 was made. Moved by Ms. McCament seconded by Mr. Allen to approve the 2014 meeting schedule, as amended. Motion carried unanimously.

3. Affordable Care Act:

Ms. Jaime Prothro, Customer Experience Manager, Customer Services, provided an overview of the item. She informed Board members that staff has begun offering public

information opportunities, which are being relatively well-attended. She stated we are now a member of the National Network of Libraries and Medicine. Early on it was determined that in person assistance would be needed by the public. We have since partnered with other organizations that want to help, but previously didn't have a place to offer this service. She explained that ongoing data gathering will capture information regarding customers' web, digital and hard mediums to track progress, which will be provided to the Board at a later date.

4. Director Evaluation: Review Procedures:

Ms. Parikh noted that her job description is up-to-date, the Board has the evaluation forms and she will present her accomplishments to them for review.

Ms. Parikh distributed the ULC session packet to Board members and provided an overview of the day's schedule. It was also noted it is the same day as the Board meeting.

Discussion ensued regarding the Director evaluation process.

EXECUTIVE SESSION

No executive session was held.

ANNOUNCEMENTS

There were no announcements

ADJOURNMENT

Moved by Mr. Rose, seconded by Mr. Allen to adjourn the meeting at 5:56 p.m. Motion carried unanimously.

Neel Parikh, Secretary

Linda Ishem, Chair