

**SPOKANE COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING MINUTES: AUGUST 15, 2017**

The Board of Trustees of Spokane County Library District met in regular session in the public meeting room at Medical Lake Library, 321 E. Herb St., Medical Lake, WA, at 4:00 p.m., on Tuesday, August 15, 2017.

Present: John Craig - Chair
 Mark Johnson - Vice Chair
 Wes Teterud - Trustee
 Kristin Thompson - Trustee
 Nancy Ledebor - Executive Director and Secretary

Excused: Sonja Carlson - Trustee

Also Present: Jane Baker, Communication & Development Officer; Kristy Bateman, Library Services Manager; Toni Costa, Chief Human Resources Officer; Carlie Hoffman, Library Services Manager; Rick Knorr, Chief Financial Officer; Aileen Luppert, Managing Librarian; Cecelia McMullen, Library Supervisor; Christie Onzay, Librarian; Gina Rice, Customer Experience Manager; Patrick Roewe, Deputy Director; Andrea Sharps, Collection Services Director; Doug Stumbough, IT Director; Amber Williams, Strategic Initiative Librarian; and Patty Franz, Administrative Assistant.

Guests: PCG Consultants Robert Greene and Peter Ronza; and Spokane Valley Resident Tim Hattenburg.

Call to Order (Item I.) Chair John Craig called the meeting to order at 4:00 p.m. and welcomed everyone in attendance.

Agenda (Item II.) Mr. Johnson moved and Ms. Thompson seconded to approve the agenda. The motion was approved.

Approval of the Regular and Special Meeting Minutes, July 18, 2017 (Item III.A.) Mr. Craig called for corrections to the July 18 regular and special meeting minutes. The minutes stand approved as corrected.

Approval of Payment Vouchers, July 2017 (Item III.B.) Ms. Thompson moved and Mr. Teterud seconded approval of the July 2017 bill payment vouchers as follows:

Fund	Voucher/Payroll Numbers	Subtotal	Total
July - L01	52464-52617 and W00462-W00472	\$568,448.88	\$568,448.88
	07102017PR and 07252017PR	\$359,431.12	\$359,431.12
		Total	\$927,880.00

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**Approval of
Payment Vouchers,
July 2017
(Item III.B.)**

Fund	Capital Projects Fund	Subtotal	Total
July-L08	9588– Baldwin Signs (BE signage)	\$2,509.28	\$2,509.28
L08		Total	\$2,509.28

There were no questions. The motion was unanimously approved.

**Unfinished Business
Compensation Study
Presentation
(Item III.C.1)**

COMPENSATION STUDY PRESENTATION. CHRO Toni Costa introduced Pontifex Consulting Group (PCG) consultants Robert Greene and Peter Ronza. Via PowerPoint, Mr. Greene provided background of the review that PCG conducted of the District's current compensation structure. PCG collected and analyzed competitive data and found the District's structure was reasonable and similar to other library districts. The District's current salary schedule is competitive for hiring/minimum salaries, yet behind in its maximum ranges. Thus, adding additional steps could help support growth and retention of employees. PCG also recommended consolidating job ranges. The District Leadership Team weighed in on the PCG analysis, and aligned District jobs to market for external competitiveness. The District's compensation philosophy was also taken into account. Mr. Greene noted the consultants' purpose was not to determine if individual employees were paid adequately for their contributions, or if there was internal equity.

Discussion and Q&A ensued among the Board of Trustees and consultants. In response to Mr. Johnson's query, Mr. Greene suggested that the focus be cost of labor, not cost of living or inflation. In response to Ms. Thompson's query, Mr. Greene said he did not have access to cost of labor data for libraries over recent years. Ms. Thompson asked if cost of labor for Spokane in general should be taken into account for this study. Mr. Ronza suggested the Employment Cost Index (ECI) as a free and reliable resource for regional cost of labor information. He noted the best way to save on labor costs is to attract and retain employees. Ms. Costa said year-to-date exit interviews demonstrated that overall employee experience ratings have gone up. Year-to-date turnover is only 8% and internal churn is up, which speaks well for the District's retention rate. CFO Rick Knorr noted that excluding library pages, 60% of employees are at the top of their salary ranges. In response to Mr. Craig's query, Mr. Knorr said the District's policy follows CPI-W as a guide for COLA increases. In regard to COLA increases approved by the Board, Ms. Ledeboer noted the District is comparable to the pace of ECI. In response to Ms. Thompson, Ms. Costa said salary increases are administered on employment anniversaries; a merit system is not in place.

Via PowerPoint, CHRO Toni Costa provided an overview of the District Leadership Team's recommendations for implementation of a revised

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compensation structure, should the Board approve the new plan. She noted the new plan was based on more than salary, as it is also a benefits plan, with an emphasis on training to create a culture of learning. Regarding the use of banding for administrative and operations support positions, she noted classification was based on job descriptions, not individuals. Ms. Costa distributed copies of the Current and Proposed Wage Scales. Mr. Knorr reported the recommendation for January 1, 2018, was to consolidate the current 22 ranges in six steps to 12 bands/ranges in 8 steps. The exception would be the bands that include Leadership Team positions, which would remain at 6 steps.

Ms. Ledebouer pointed out cost projections for 2018 are based on 2% COLA increases that would be subject to Board approval. In response to Mr. Teterud's query, Mr. Greene said he had no recommendations for rewarding employees at the top of their pay ranges, as such plans are dependent on organizational policy and fiscal resources. Ms. Ledebouer noted annual COLA increases are dependent on the same. Additionally, Mr. Knorr said the new plan is affordable and sustainable, yet is not revenue neutral. Annual cost increases by 2021 are forecasted at \$71,262. Ms. Ledebouer pointed out that Mr. Knorr's forecast does not factor in turnover; therefore, the projection was based on a worst-case scenario. Further discussion ensued regarding the fiscal impact of implementation as well as the impact on staff. Ms. Costa reviewed the recommended communication plan for staff. An overview of the new plan will be posted online, staff meetings will be held, and Ms. Costa will hold one-on-one meetings with staff as well. Ms. Costa said she considers this plan as fair, balanced, sustainable, and the right direction to enable the District to grow.

In response to Ms. Thompson's query, Ms. Ledebouer said the District has rarely expended its entire budget and surpluses could be found to maintain a balanced budget. A levy lid lift could also be a consideration in the future.

Mr. Craig suggested that action on this topic be deferred until September and asked the Leadership Team to gather staff feedback and report back. Ms. Ledebouer recommended a decision by September to allow sufficient time to prepare the draft 2018 budget and not raise angst of the unknown among staff.

Mr. Johnson confirmed the impact on the 2018 budget would be minimal and going forward, COLA could be used to achieve budget balances. He commented that the plan has great stratification and would be good for the District.

Mr. Greene said PCG will be available through next year to assist with implementation as needed or to provide additional assistance.

Mr. Johnson moved and Mr. Teterud seconded to table a motion until September to allow further review of the Compensation Study. Ms. Thompson requested caution regarding communication with staff, as

there is no guarantee the board will approve the plan. Ms. Ledebouer said the Leadership Team will not speculate.

Trustee Craig called for a recess from 5:09 to 5:14 p.m. PCG consultants Green and Ronza were excused from the meeting.

Unfinished Business
Spokane Valley
Library Update
(Item III.C.2)

SPOKANE VALLEY LIBRARY UPDATE/EXPLORING OPTIONS WITH CITY OF SPOKANE VALLEY. Ms. Ledebouer reported that following the July meeting, she relayed to Spokane Valley City Manager Mark Calhoun that although the Board of Trustees did not approve the interlocal amendment, they would remain open to conversation and would be willing to revisit the amendment should new circumstances warrant reopening the issue. In addition, Ms. Ledebouer reported that she, Ms. Baker, Mr. Roewe, and staff from Spokane Valley Library attended the City Council meeting on Tuesday, July 25, for which the amendment was part of the agenda. Ms. Ledebouer said the City Council demonstrated its commitment to the library project at Balfour Park with its 5:1 approval of the amendment. At this time, the city of Spokane Valley is focused on completion of its new city hall, yet offered to hold a planning workshop to kick off future public meetings and community engagement. Ms. Ledebouer also noted it was inspiring to hear from eight members of the community who spoke persuasively and passionately about the library.

Chair Craig acknowledged guest Tim Hattenburg, who signed in prior to the meeting, and opened the meeting for public comment before the Board of Trustees entered into discussion. Mr. Hattenburg said he supported efforts toward three previous bond issues and was present to speak again in favor of a future bond issue. He further said the difference this time is the three to four members of City Council who are now supportive of the library project, along with the mayor and deputy mayor. He noted redistricting to create a new LCFA might also help pass a future bond. He further expressed his view that there likely wouldn't be another chance for the site currently slated for a new library, as empty spaces are quickly becoming apartment buildings and parking lots. He asked the Board to strongly and seriously consider the interlocal agreement amendment, as he believes the project will become something for which to be proud.

In response to Ms. Thompson, Ms. Ledebouer said the dedication, ribbon cutting and new City Hall open house is scheduled for October 7, and the Library District plans to be there to talk about the potential of a new library. Staff will also be at Valleyfest, Sept. 22-24, to ask for community feedback. Regarding those who spoke at the City Council meeting on July 25, Mr. Teterud commented there was nothing said for which to disagree. He said the issue of concern is the successful passing of a future bond issue. He further shared that even now after hearing council members' comments, he isn't entirely convinced about their commitment to the library project. Ms. Ledebouer added that Mayor Higgins and Deputy Mayor Woodard are

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**Unfinished Business
Spokane Valley
Library Update
(Item III.C.2)**

supportive of the project as an economic driver. Mr. Craig added that they are unequivocally supportive and the amendment would give the District more time to develop a new approach to raise funding. Mr. Johnson noted the board will have time to consider the amendment following the public meeting held by the city of Spokane Valley at the end of September. After further discussion by all members, trustees agreed by consensus to reconsider the amendment to the interlocal agreement at the October 17 meeting. There was no further discussion.

**New Business
Financial
Management Policy
(Item III.D.1.)**

FINANCIAL MANAGEMENT POLICY. Ms. Thompson moved and Mr. Johnson seconded to approve the Financial Management policy as revised and presented. CFO Rick Knorr briefly reviewed the proposed revisions to the policy, which involved reordering of certain clauses and general clarifications. Mr. Knorr pointed out for the General Operating Fund, under Minimum Unassigned Fund Balance, the policy states at least 15% of total annual expenditures, excluding inter-fund transfers, should be maintained at year-end. He noted that in his monthly reports he emphasizes cash on hand as opposed to a percent of total annual expenditures. In response to Mr. Johnson's query, Mr. Knorr said the policy does not force the District to borrow, while maintaining that option if needed. Ms. Ledebor said the District maintains a healthy reserve and would know in advance should borrowing become necessary.

There was no further discussion.

The motion was unanimously approved.

**New Business
Recognition of
Retiring Executive
Director Nancy
Ledebor
(Item III.D.2.)**

RECOGNITION OF RETIRING EXECUTIVE DIRECTOR (RESOLUTION 17-04). Mr. Johnson moved and Ms. Thompson seconded to approve Resolution No. 17-04, Authorizing Lifetime Resident Card Privileges for Retiring Executive Director Nancy Ledebor.

Mr. Craig said it was his pleasure to read the resolution in recognition of Ms. Ledebor's innovative leadership over the past five years. Her contributions included increased community engagement through quality programming; partnerships that were responsive to the needs of the community; opening of The BookEnd, the District's new library in the Spokane Valley Mall; renovation of North Spokane Library that created new public spaces for learning and collaboration; and increased open hours at Airway Heights and Medical Lake libraries. Ms. Ledebor has served the District since March 1, 2012, and will retire September 1, 2017. Ms. Ledebor expressed appreciation for the opportunity to serve the District and extended her gratitude to former board chair Mr. Hattenburg for hiring her. There was no further discussion.

The motion was approved.

**Overview
IT Security
(Item III.E.)**

OVERVIEW IT SECURITY. IT Director Doug Stumbough provided an overview of IT security. He said the threat of cyberattacks is real and growing, as it is estimated a company is hit every 40 seconds. He provided examples of ransomware attacks earlier this year that hit 200,000 different systems mostly in the UK and Europe. Closer to home, ransomware attacks shut down libraries in Indiana and Missouri, affecting computers and ILS. Mr. Stumbough pointed out IT security has three components: protection, detection, and reaction, and elaborated on the three. The first component is to protect or prevent an attack before it happens with technology hardware, as well as physical protection of machinery. Mr. Stumbough explained the importance of patches, updates, upgrades, and backups, noting those environments lacking routine maintenance were of particular risk to the WannaCry attack. He also explained the importance of minimizing exposure by limiting permission and access. Detection of external (global) and internal (Wi-Fi, USB ports, staff departures) threats is the second component. And reaction, the third component, is to mitigate any damage done. Isolate the situation to evaluate, eliminate the threat, and determine how to prevent in the future. In response to Mr. Teterud, Mr. Stumbough said if there were an electromagnetic pulse (EMP) attack in the area, the District would experience a hardware deficit. He noted, however, that District hardware is under warranty. Mr. Stumbough also responded to questions about diversified grids and other aspects of physical protection for the District. Trustees expressed thanks for the informative report. There was no further discussion.

**Discussion Items,
Possible Action
Future Board
Meeting Agenda
Items (Item IV.A.)**

Chair Craig reviewed forthcoming agenda items for the next two months. The September meeting will be held at Spokane Valley Library. Among other agenda items, the Compensation Study will be revisited for motion consideration, and the Emergency Closure of Facilities policy will be reviewed. The agenda for the October meeting scheduled at Argonne Library will include motion consideration for the city of Spokane Valley/SCLD Interlocal Agreement amendment. There was no further discussion.

**Trustees'
Reports
(Item V.A.)**

There were no reports.

**Executive Director's
Report, July 2017
(Item V.B.)**

The Executive Director's written report for July 2017 provided prior to the meeting included information on the Business Office, Finance and Facilities, Collection Services, Human Resources, Information Technology, and Community Activities. Ms. Ledebouer noted she had nothing further to add, other than this was her final monthly report as executive director of the Library District. There was no further discussion.

**Public Services
Report, July 2017
(Item V.C.)**

Deputy Director Patrick Roewe and Library Services Manager Kristy Bateman provided a written report prior to the meeting for July 2017, with data for customer use measures, programming and library activities. In addition, Mr. Roewe further updated trustees on the exclusion of a member

from all 11 libraries for a period of one year for assaulting and intimidating library staff. He noted that although rare, police reports were filed and the member was banned from city libraries as well. In response to a query from Mr. Craig, Mr. Roewe said at this time, it isn't known if criminal charges were filed. There was no further discussion.

**Communication
Report, July 2017
(Item V.D.)**

Communication & Development Officer Jane Baker provided a written report prior to the meeting for July 2017 communication activities. In addition, Ms. Baker reported the fall Engage magazine is anticipated to be in libraries next week. There was no further discussion.

**Fiscal Report,
July 2017
(Item V.E.)**

Revenue and Expenditure Statement through July 31, 2017.

<u>Fund 001</u>	
Revenues	\$ 6,775,290
Expenditures	\$ 6,800,443
Ending Fund Balance	\$ 4,550,683
Fund Budget Expended	55.88%

Chief Financial Officer Rick Knorr had nothing further to add. There was no further discussion.

**Spotlight
Medical Lake Library
(Item V.F.)**

Library Supervisor Cecelia McMullen and Community Librarian Christie Onzay provided highlights of Medical Lake Library and the community it serves. Ms. McMullen introduced herself and noted her first impression of Medical Lake as a new employee was that members love their community library. Multi-generations of families and friends consider the library a safe, comfortable, and happy place to meet for a cup of coffee, game of chess, use a computer, or checkout items. Another popular activity for school-aged tours is to experience the book drop from inside and out. Ms. McMullen also noted how the District service model—for staff to connect from outside the desk—fits well at Medical Lake. Ms. Onzay reported on increased collaboration with Medical Lake School District. Reading buddies are in place and once a month library staff conducts a program at the elementary school onsite child care. Ms. Onzay participates in Family Literacy Night, and helped to bring Finch Robots for a special after-school science program. And next week, she and Ms. McMullen will attend an all-staff meeting to talk about library services. As part of Reimagine Medical Lake, the middle school is now open on Saturdays to serve as a community center. Ms. Onzay offered STEM-related building activities once a month. She noted families also attended to use the gym for basketball and volleyball. Library staff further connects with community through participation in the Founders Day Parade, Small Business Saturday, the Winter Festival and other events. Staff was invited to the community church to offer Love Talk Play activities for young families. Ms. McMullen said the library display cabinet draws a lot

of attention and offers another way to connect with community, as members display their collections and achievements. Storytime and other programming continue to be popular. Members are excited about early literacy and hands-on STEM activities offered in the library that can be incorporated at home. Ms. McMullen said the library has a successful and dedicated Friends group, and staff has accepted the challenge to continue relevant programming for the entire community that Friends help to support. Ms. Onzay shared a varied list of upcoming programs for fall, noting there was something for everyone and all ages. Trustees expressed thanks for the great work and informative report. There was no further discussion.

**Public
Comment
(Item VI.)**

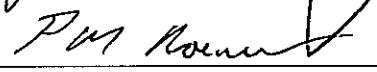
Guest Tim Hattenburg commented how fortunate for the Library District to have had Mike Wirt, Nancy Ledebor, and now Patrick Roewe to serve as its executive director. There was no additional public comment.

**Adjournment
(Item VII.)**

Chair Craig adjourned the meeting at 6:29 p.m. The next Board Meeting is scheduled for Tuesday, September 19, 2017, at 4:00 p.m., in the public meeting room at Spokane Valley Library.



John Craig, Chair



Patrick Roewe, Secretary to the Board of Trustees