



AGENDA
Special Meeting
Library Board of Trustees
Tuesday, August 8, 2017
2:00 p.m.
Library Turrentine Room

CALL TO ORDER

Roll Call: President Ron Guiles, Trustee Elmer Cameron, Trustee Mirek Gorny, Trustee Gary Knight, Trustee Mayra Salazar

ORAL COMMUNICATIONS

The public may address the Board of Trustees on any item which is not on the agenda at this time, provided the item is within the subject matter jurisdiction of the Library Board of Trustees. (Refer to the last page for instructions.)

APPROVAL OF MINUTES

1. Approval of minutes from the Library Board of Trustees Meeting on July 11, 2017.

CURRENT BUSINESS

2. Review the City of Escondido's Response to the San Diego County Grand Jury Report Regarding Escondido Public Library.
3. Library Board of Trustees Discussion on Outsourcing Escondido Public Library Services.

OTHER REPORTS

Interim Director of Library and Community Services and Principal Librarian

ADJOURN

(List of Special Programs and Library Events continue on Page 2)



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Date & Time	Location	Event
August 1 1:00 p.m.	Turrentine Room	<i>Escondido Writers Group</i>
August 1 6:00 p.m.	Turrentine Room	<i>Explore Space @ Your Library</i> <i>The Great American Eclipse of 2017</i>
August 8 6:00 p.m.	Turrentine Room	<i>2nd Tuesday Book Club: The Nightingale</i> by Kristin Hannah
August 11 11:00 a.m.	Turrentine Room	<i>Kids! San Diego Poetry Annual Summer Workshop (Ages 7-12)</i>
August 22 6:00 p.m.	Turrentine Room	<i>Explore Space @ Your Library</i> <i>Palomar Telescope Bridge to the Stars</i>
August 24 3:30 p.m.	Turrentine Room	<i>World of Reptiles: EcoVivarium of Escondido</i>
August 26 10:30 a.m.	Turrentine Room	<i>Rincon Literario: The Water Knife/Cuchillo de agua</i> by Paolo Bacigalupi
September 4 All Day	All Library Facilities	Closed for Labor Day
September 5 1:00 p.m.	Turrentine Room	<i>Escondido Writers Group</i>



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UPCOMING MEETING SCHEDULE

Library Board of Trustees Meetings are scheduled the second Tuesday of the month in the Library Board Room. Meetings begin at 2:00 PM.

<i>Day</i>	<i>Date</i>	<i>Time</i>	<i>Location</i>
Tuesday	September 12, 2017	2:00 p.m.	Library Board Room
Tuesday	October 10, 2017	2:00 p.m.	Library Board Room
Tuesday	November 14, 2017	2:00 p.m.	Library Board Room

ADDRESS THE LIBRARY BOARD OF TRUSTEES

Please complete a *Speaker Form* and hand it to the Library Division Coordinator. Submit the *Speaker's Form* prior to Oral Communications or the discussion of an agenda item, including items on the Consent Calendar. Comments are generally limited to 3 minutes. Note: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker.

Oral Communication: The public may address the Board of Trustees on any item which is not on the agenda during Oral Communications, provided the item is within the subject matter jurisdiction of the Library Board of Trustees. Speakers are limited to only one opportunity to address the Board under Oral Communications. State law prohibits the Library Board from discussing or taking action on such items, but the matter may be referred to the Director of Library and Community Services/staff or scheduled on a subsequent agenda. Note: Depending on the number of requests, comments may be reduced to less than 3 minutes per speaker and limited to a total of 15 minutes. Any remaining speakers will be heard during Oral Communications at the end of the meeting.

Agenda Item: The public may address the Library Board of Trustees on any agenda item, including items on the consent calendar.

Handouts: Handouts for the Library Board of Trustees should be given to the Library Division Coordinator.



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To address the Board, when called, please STATE YOUR NAME FOR THE RECORD.

AGENDA, STAFF REPORTS, AND BACK-UP MATERIALS ARE AVAILABLE:

- Online at <https://www.escondido.org/LBT-agendas.aspx>
- Additional online posting at library.escondido.org/library-board-of-trustees.aspx
- In the City Clerk's Office at City Hall.
- In Escondido Public Library (239 South Kalmia Street) during regular business hours.

AVAILABILITY OF SUPPLEMENTAL MATERIALS AFTER AGENDA POSTING:

Any supplemental writings or documents provided to the Library Board of Trustees regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 201 North Broadway during normal business hours, or in the Library Board Room while the meeting is in session.

Please Turn Off All Cell Phones While The Meeting Is In Session

ESCONDIDO PUBLIC LIBRARY HOURS

Monday & Tuesday	10:00 a.m. – 8:00 p.m.
Wednesday, Thursday & Friday	10:00 a.m. – 6:00 p.m.
Saturday	10:00 a.m. – 5:00 p.m.

**Escondido Public Library Board of Trustees
Board Meeting Minutes
Tuesday, July 11, 2017, 2:00 p.m.**

CALL TO ORDER: Trustee Guiles called the meeting to order at 2:00 p.m.

Members Present: Trustees Ron Guiles, Mirek Gorny, Elmer Cameron, Gary Knight, and Mayra Salazar.

Members Absent: None.

Staff Present: Cynthia Smith, Interim Director of Library and Community Services; Joanna Axelrod, Principal Librarian; Jeffrey Epp, City Manager; Michael McGuiness, City Attorney; and Ty Paulson, Minutes Clerk.

ORAL COMMUNICATIONS: None.

MINUTES

Moved by Trustee Knight, seconded by Trustee Cameron, to approve the minutes of the May 23, 2017, meeting. Motion carried unanimously.

CURRENT BUSINESS:

2. Presentation on Library Outsourcing from Library Systems & Services

Jeffrey Epp, City Manager, provided some background history for this item and noted that the City was looking at LS&S as a possible means to operate the library in the future as a way to save the City money. He then provided a brief overview of the CalPERS system and noted that one way to save money was to utilize part-time employees and contractors. He stated that the first order of business was for the Board of Trustees to receive the presentation from LS&S, have discussion, and receive public input.

An audience member asked if there was a timeline. City Manager Epp replied in the negative.

Ed Garnett, Vice President of Business Development for Library System Services (LS&S); and Dana Braccia, Vice President of Operations for LS&S, presented an overview of their company and noted that their mission centered solely on libraries. They indicated that they align themselves with the library services and the City's mission statement, work with volunteers, and take direction from the City leadership and Library Board of Trustees. They stated that the jobs would remain local with every library employee being offered a job at the same compensation with exceptional benefits and growth opportunities. Their structure was to provide

centralized/shared business functions, shared knowledge and resources, as well as provide analytical and selection tools for collection. They indicated that they had expertise with grants, new construction, and remodeling. They then provided some customer comments about their company.

They said that LS&S employs around 1,000 employees and 140 are MLS degreed librarians.

Trustee Cameron questioned whether there were any Friends of the Library incorporated groups operating at other LS&S facilities. Ms. Braccia replied in the affirmative, noting that operations would remain the same.

Trustee Cameron requested a list of the 501 (c) (3) organizations LS&S works with. Ms. Braccia noted they would provide this to the Board. She also stated that any funding supplements would continue to go to the same programs.

Trustee Knight asked how LS&S achieved their cost efficiencies. Mr. Garnett stated that cost efficiencies were realized through national economies of scale due to their size and ability to negotiate group pricing. Additional cost savings occurred through centralized functions in Riverside County Library

Trustee Knight asked what the percentage cost savings achieved was. Mr. Garnett stated that it varied between 5% and 15%. Ms. Braccia noted that additional cost savings could be realized by streamlining back office work.

Trustee Knight said that such a change as outsourcing might be warranted because of a problem. He stated that he was not aware of any problems in operating Escondido Public Library.

City Manager Epp noted that the City was conducting a cost analyses for providing library services, and that while LS&S could provide a job at the same level of compensation, they could not provide a defined pension plan.

An audience member stated that this was the main point that needed to be discussed.

City Manager Epp noted that City employees were required by law to be members of the California Public Employees Retirement System (CalPERS). He then provided a brief overview of the differences between a CalPERS pension and a 401K. He stated that the existing library employees would be taken care of.

Trustee Guiles asked whether LS&S had experience in passing a bond measure to construct a new library building. Ms. Braccia replied in the negative but noted they did have experience in conducting surveys and citizen involvement. Mr. Garnett cited an example of supporting an initiative to receive bond funding with Riverside County Library.

Trustee Guiles asked Mr. Garnett what the typical running time of their contracts is. Mr. Garnett replied that contracts typically run for 5 years.

Trustee Guiles asked how many entities had dropped out or discontinued their contacts with LS&S. Mr. Garnett referenced two instances but did not provide the names of the libraries. He noted that most of their customers renewed their contract.

Trustee Guiles asked Mr. Garnett who would interact with City Council. Mr. Garnett replied that typically, the library director or Ms. Braccia would communicate with City Council. Trustee Knight asked who would handle any issue with operations. Mr. Garnett replied that a Regional Director would handle such matters.

Trustee Knight and Ms. Braccia discussed how community issues would be addressed.

Trustee Salazar and Ms. Braccia discussed the ordering process for materials as well as creating new and existing programs. Ms. Braccia provided an overview of their collection operations. Ms. Braccia said that analytic software provides a centralized report that is delivered to the library monthly. LS&S employs a team of selectors and all they do is select materials. Staff members receive the reports and can make changes.

Trustee Salazar asked if the collection list would be geared toward the community. Ms. Braccia replied in the affirmative.

Trustee Salazar and Mr. Garnett discussed the pay and benefits program for staff.

Trustee Salazar questioned whether detailed specifics regarding the cuts, cost savings, and benefits would be reviewed before any contract was made. City Manager Epp noted that today's meeting was informational and a timeline has not been set. The City's cost analysis of Library operations is being conducted by the Finance Department and due in a few weeks. The level of acceptable cost savings would need to be determined.

City Manager Epp noted more information would be available on the City's website.

Trustee Knight asked if the costs associated with CalPERS would be part of the analysis and questioned whether actual CalPERS-related cost savings would even be seen for five, seven, or 10 years, until existing staff retire. City Manager Epp stated that he did not have the answer at this time. He also indicated that the City had a legal obligation to meet and confer with the City employees, which they were very mindful of.

ORAL COMMUNICATIONS: Taken out of Order

Gayle Powers, Escondido, requested that the Board consider holding its meetings during the hours when more public would be available, especially with regard to significant topics. She expressed her concern and lack of trust with the City due to the closure of the East Valley Branch Library.

PUBLIC COMMENTS:

Barbara Letsom, Escondido, expressed concern with a private company profiting off of the community's library and using said profits in Maryland where the company was located. She suggested looking into becoming part of the San Diego County Library system. She felt LS&S would be the only one benefiting from the proposal.

Robert Korbeki, Escondido, thanked the Board for their time and effort. He said the Library was a place of memory from his childhood. He felt it all came down to core values, noting his view that the library should remain public.

Laura Hunter, Escondido, urged the Library Trustees to reject the concept of a private library and recommend City Council not pursue privatizing the library. Privatizing a library is different from privatizing road repairs. She said the Library was the soul of the community and instrumental in shaping young minds. She was concerned for the children, community, and library employees. She urged that a deep analysis be conducted. She felt additional investigation was needed regarding the profit margin and cost analysis. She also noted that government employees accept lower salaries because of a combined salary and benefits package.

Georgine Tomasi, Escondido, expressed concern with the savings coming from the existing library employees. She stated that she benefitted from the help of a public librarian when studying for her bachelor and master degrees. She was opposed to homogenizing the library and having a corporate entity decide what books were best for the community. She was concerned that the Library would be staffed with part-time employees. She asked that the Board not pursue privatizing the library.

Ed Pana, Escondido, expressed his view that privatizing the library gave control to an outside entity to shape the minds of the community. He felt it would be difficult to go back to a public library once it was privatized. He hopes that City Council listens to the people and asked if they really want to give up their power.

Olga Diaz, Escondido, City Council Member, felt the library was being disrespected by having proposals analyzed without true public input. She felt this meeting was poorly publicized on the City website and lacked staff support. She addressed Mr. Gamett and Ms. Braccia by saying that everything they say LS&S does is already being done by Escondido Public Library. She said the Library needs protection and the public should expect a transparent process. She expressed concern with the East Valley Branch Library closing down the last time the City spoke about a library. She asked for details in advance of any decisions being made, that the public be allowed to comment in other formats, and that it be included in the

record. She commented that there is no information available on the LS&S website regarding salaries or what the company contributes to 401k plans. She expressed concern with not being aware of the proposed plan and having no details. She requested the Board ask more questions, feeling that once in front of City Council, the decision had already been made. She also felt the public should not trust City Council's decision-making on this item.

Vanessa Valenzuela, Escondido, said she is a 30-year resident of Escondido and the Library is the first place that she ever volunteered. She felt the subject proposal was a ruse to save money at the cost of the library and would add another layer between the user and the local government. She said it is disingenuous to do this on the back of the library and asked why the same focus was not being given to the Reidy Creek Golf Course, which had a loss of over \$130,000 for each of the last eight years. She noted that she requested City Council implement a budget committee last month to help find other monies to no avail. She noted that the City Council is not a fiscally conservative group as evidenced by the \$50,000 salary increase for the City manager. She was concerned with LS&S being located in another time zone. She urged the Board to oppose the subject proposal.

Jacquelin Balogh, Escondido, Member of the Pioneer Room Friends Board of Directors, questioned what would happen to the Pioneer Room, the City's irreplaceable local history archive that contains important resources to the history and future of Escondido. She noted that the Pioneer Room Friends raise funds to support it without any funding from the City.

Chris Nava, Escondido, a 20-year resident, was opposed to privatizing the library. She noted that libraries were not about money and felt privatizing them would add another layer of cost that should go to the librarians. She said this is a quality of life issue for the community. She asked that the Board deny the proposal.

Patricia Borchmann, Escondido, a 13-year resident and former City of Escondido employee, stated that she was opposed to privatizing the library. She expressed her concern with the public being invited to City action plans as observers and not as stakeholders in the decision making process. She also noted that LS&S had unfounded assurances, speaks in euphemisms, and she does not believe LS&S performs well. These claims were supported in their record. She said stakeholders do not believe that this Library is broken and therefore does not need to be fixed.

Laura Kohl, Escondido, 20-year resident, said she strongly opposes privatization. She expressed her concern with the motivation behind a for-profit entity. She felt that CalPERS afforded the City the ability to have the best and brightest employees stay on the job, and that added to the richness of the community. She was opposed to the library being on contract for five years and this should be a red flag. She also felt that libraries were a great equalizer for the community and its citizens and added that Libraries provide a core service. She said this is a quality of life matter and asked that the library remain public.

Richard Powers, Member of the ICOC Prop E Bond Oversight Committee, stated Andrew Carnegie would roll over in his grave about this topic. He asked that the library remain public.

Paul McNamara, Escondido (not present). An audience member stated they were speaking on behalf of Mr. McNamara who asked that they say, "Hey Board. No Way."

Karen Backman, Escondido, expressed her concern with taking benefits away from library employees and giving it to a corporation. She was opposed to privatizing the library. She questioned what LS&S would charge for their services and whether LS&S would keep the full-time librarians. The City should not short-change Escondido Public Library.

Verna Sundquist, Escondido, concurred with previous speakers in opposition to the proposal. If outsourcing must occur, explore another option. She was in favor of looking into becoming a part of the San Diego County Library system.

Lucy Berk, Escondido, stated she was speaking on behalf of her late husband, William E. Fark, past Chairman of the Library Board. She noted that his last requests in life were for his family and the library. She indicated that he was adamant about public support of the library and professional people being paid professional wages and benefits. Ms. Berk felt the Board needed more information before moving forward. She also expressed her concern about what would happen to the Pioneer Room, stating it is a special library that takes professionals to run it, and the staff we have now are incredible. She said the Library Board of Trustees should not give this matter another thought until answers are in writing and a better presentation by the company is given.

Cynthia Chisum, Escondido, Member of the Board of Directors for the Friends of Literacy Services, and 44 year resident, was in favor of looking into becoming a part of the San Diego County Library system, if that would help. She disagreed with LS&S representatives being able to preserve the library's volunteers and keeping community support. She noted there was a special relationship between staff, administrators, and the patrons that will be affected. She also felt the subject proposal would have a detrimental impact on library programs.

Meryl Burke, Escondido, was opposed to privatizing the library. She said the public library is an elevation of the community and a representation of culture. She said the library has an insanely great collection. She then referenced the various programs at the library. She challenged the comments about the Grand Jury report as rubbish. She asked that the renewal system remain the same. She questioned how the subject proposal meshed with a new library. She asked that the process be transparent and open to the public with public input. She questioned what the legal status of LS&S was as well as what the top salaries of its employees were. She also asked how eliminating CalPERS could be rationalized while spending funds in other

areas. She felt more investigation was needed. She asked for a sanity check and that City Council listen to the people.

Beverly Bartlett, Escondido, stated that the responsibility of government was to take care of the library. She asked what would happen to the volunteers, noting she would not continue to volunteer her time or service to a corporation.

Greg Oliver, Escondido, retired from a career in which outsourcing was his primary responsibility and indicated that outsourcing the library equaled no interface between the public and the governing body. Rather, it creates a situation in which the interface happens between a private corporation (who has trained negotiators) and the governing body. His experience showed that in negotiating bulk discounts, the large customers get vendors what they want; if the City does not want those vendors, too bad. He noted that the LS&S presentation made references to benefits of readily available solutions, but those solutions have been developed for other customers with other issues. They are not tailored to the needs of this community. Process improvements, which Ms. Braccia mentioned, are all linked together. You cannot keep the good and change the bad without changing it all under this model. He felt the library collection would be adversely impacted given LS&S was a corporation. His experience had been that typically everything changed when outsourcing occurred. Larger customers got the corporation's attention. In conclusion, he stated that LS&S could not possibly care more about his library than he did.

Michael Sovacool, Escondido, resident and teacher at Orange Glen High School for 13 years, questioned what was wrong with the library, whether there were complaints, and who those complaints were from. He felt City Council was just trying to save money. He felt the mission of LS&S was to make money whereas the mission of the library was to serve the community and these are contrary missions. He asked why entities were trying to opt out of their contact with LS&S. He felt the question was whether the money should go to the employees of the City or to a private equity firm.

Karen Tatge, President of Escondido City Employees Association (ECEA), noted that the association is concerned with the impacts the proposal would have on the benefits of the employees. She stated that CalPERS employees did not pay into Social Security and as such might not be able to ever be eligible to receive optimum full Social Security benefits if they had to leave their current position. She stated that if the City had ways to take care of these employees, then talks would occur.

Mary Gains, Valley Center, questioned the City's values. She noted that in 2009, 68% of the City's budget went to police and fire services with a significant amount going toward pensions. She noted that these salaries were raised in 2001 with the retirement age being 50. She expressed her concern with City Council approving a 10% increase for the police department when claims were being made that there was a library budget shortfall. She did not feel LS&S would have any accountability. As a retired public defender working with illiterate, un-educated clients, she felt the City would end up paying more for police and fire services if the public was not educated

which the library provides through its literacy services program.

Elizabeth Hart, Escondido, stated that the Library Board of Trustees has the power to help decide what goes on in the Library. The Board of Trustees decided the collection based on knowing its community, which it had done perfectly.

Paige Townsend, Escondido, 16-year old student at Classical Academy, stated that the library provided opportunities and materials for lower income students to benefit from its resources. She expressed her concern with the proposed collection development process not providing a diverse selection of important works and classics. She asked that the Board value the future generation and oppose the proposal from LS&S.

Neal Hook, Escondido, expressed his concern with the City already closing down the East Valley Branch Library. He said the City should learn from its experience. He felt everything being presented needed to be verified. He asked that the Board slow down, not rush this through, and carefully consider what was being proposed. He asked to keep the children of Escondido in mind.

Ronald Kohl, Escondido, expressed his view that this meeting was hidden from the community. He stated that there were 52,000 Latinos in Escondido. He asked Mr. Garnett and Ms. Braccia if the subject request had already been approved or if they had been told that it had been approved. He expressed concern with the Mayor and City Manager being involved in the decision making process. He indicated that the Mayor gave the East Valley Branch Library space to his friend for the Charter School.

Robert Kirschenbaum, Escondido, Member of the Board of Directors of the Escondido Public Library Friends of Literacy Services, said he was shocked when he learned of this matter and asked why a library would be run for profit. He noted that the Literacy Friends funds went to help with special events, such as learner appreciations. He was opposed to a for-profit library. He expressed his concern with City Council closing down the East Valley Branch Library. He encouraged everyone to go online and read the negative reviews from staff and patrons of LS&S libraries and noted that over 90% of LS&S employees and patrons were unhappy as stated online. He encouraged a thorough review of LS&S.

Marian Sedio, Escondido, questioned whether the Turrentine Room would still be available for her non-profit to use for free. She also questioned whether the library would still act as a cool zone for people in need, like homeless.

Whitney McCoy, Escondido, stated that she is finishing her Master's Degree in Library and Information Science. She expressed her view that utilizing algorithms to select the books that were highly circulated across 83 branches would not reflect the community, diversity or provide materials that represent diverse viewpoints. She felt the mission of a library was to supply a diverse selection of materials. She stated that the Grand Jury report outlined that the library was operating under budget. She stated

that if this matter is about saving money, look at highly paid employees and don't take funds from the City's highly educated professional librarians. She did not feel assured from the City representation that they would take care of the library employees.

Discussion ensued regarding agendizing this item for the next meeting or sooner.

Trustee Cameron encouraged the Board to meet before the next meeting in order to forward a recommendation on to City Council.

Trustee Guiles noted that the public was always invited to the Library Board meetings.

ACTION:

Moved by Trustee Knight, seconded by Trustee Gorny, to agendize this item for the next meeting and request staff to present any information that was available. Motion carried. Ayes: Knight, Gorny, Guiles, and Salazar. Nays: Cameron. (4-1)

OTHER REPORTS:

Cynthia Smith, Interim Director of Librarian Community Services, provided a brief report on the Summer Reading Program.

Next Meeting: August 8, 2017

ADJOURNMENT:

Moved by Trustee Cameron, seconded by Trustee Knight, to adjourn the meeting at 4:03 p.m. Motion carried unanimously.

Ron Guiles, President, Library Board of Trustees/T.Paulson, Minutes Clerk



LIBRARY BOARD OF TRUSTEES

Agenda Item No. 2
Date: August 8, 2017

TO: Library Board of Trustees
FROM: Cynthia Smith, Interim Library Director
SUBJECT: City of Escondido's Response to the San Diego County Grand Jury Report Regarding Escondido Public Library

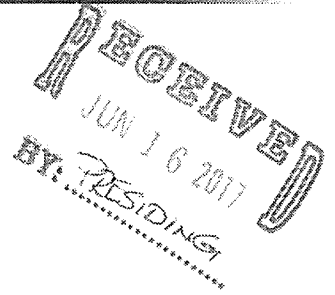
Recommendation: Discuss and provide input.

Background:

The San Diego County Grand Jury released a report on the Escondido Public Library on March 21, 2017. As required by law, the City of Escondido responded to the report on June 12, 2017. Copies of the report and the City of Escondido's response are attached to this agenda item and are also available online from the San Diego County Grand Jury's website at

http://www.sandiegocounty.gov/content/sdc/grandjury/report16_17.html

The response memo has been filed with the San Diego County Grand Jury and no further action is required by the City. For the record, the Library Board of Trustees will discuss the report and response, as well as the implications of the Grand Jury report.



June 12, 2017

The Honorable Jeffrey B. Barton
Presiding Judge of the San Diego Superior Court
Main Courthouse
220 W. Broadway, 3rd Floor
San Diego, CA 92101

Re: *City of Escondido's Response to the San Diego County Grand Jury Report
"The Escondido Public Library"*

Dear Hon. Judge Barton:

Please allow this letter to constitute the written response of the City of Escondido ("City") to the Report by the 2016/2017 San Diego County Grand Jury ("Report") dated and released to the public on March 21, 2017, entitled, "The Escondido Public Library." The City appreciates the Jury's interest in examining important public services.

Pursuant to California Penal Code § 933(c), the undersigned signatories on behalf of the City have reviewed and considered the Report and respectfully submit the following responses to the Jury's fact findings and recommendations.

Findings

Finding 01: The Escondido Library facility inadequately serves the community.

City Response to Finding 01: The City disagrees partially with the finding.

The City acknowledges that the Escondido Public Library has limited space to conduct large or numerous programs or to provide individual study areas for community use.

However, the Report states that "[l]ibrary statistics indicate a downward trend in total registered users, circulation, and public use of internet computers." While true, the Report fails to acknowledge that these statistics reflect trends impacting libraries nationwide. For example, on page 6 of the Report, the definition of "public use of internet computers" does not account for the use of personal electronic devices on the Library's high-speed wireless connection. In fact, use of wired, desktop computers increased 3.3 percent in 2016. Moreover, statistics gathered by the City from May through December of 2016 indicate that wireless network use accounts for 64.9 percent of all public computing in the library. Further, the decline in "total registered users" of the computers is a reflection of the City's purposeful decision to remove inactive users from the patron database.

June 12, 2017

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Therefore, the decline in total registered users, circulation, and public use of internet computers does not necessarily mean that the Library facility is "inadequate to serve the community."

Finding 02: The Escondido library's programs do not meet the community needs.

City Response to Finding No. 02: The City disagrees partially with the finding.

The City would respectfully submit that the finding that "library programs do not meet community needs" is a conclusion not necessarily supported by a fair assessment of all relevant facts. Program attendance and participant feedback reflect certain levels of service. The 2016 Escondido Public Library Statistical Report survey showed that the Library is widely used with four out of five respondents having visited the Library in the last five years.

It is true that the number of programs hosted decreased 24 percent in 2016, however, attendance at those events decreased by only 4.4 percent. The incongruence of the numbers could suggest that the programs are of high quality and the staff time to plan and implement the programs, together with the marketing of each program, may be more effective than in previous years.

The following is a brief overview of the quality programs and services the Library has provided for the community:

- 1 gbps Broadband internet service (upgraded from 50 mbps)
- Enhanced wireless internet service for use with personal electronic devices or Chromebooks circulated by Library staff
- Chromebook Lending Library for in-Library use
- Community Room reservation opportunities of a 2,100 s.f. meeting space
- Virtual Library with authenticated online electronic research resources for children, teens and adults (databases)
- Downloadable eBooks and eAudiobooks
- Downloadable *Zinio* full-text eMagazine database
- Online access to digitized photos and historic records from the Pioneer Room local history archive
- An annual monthly concert series
- Monthly book club discussion meetings for adults, teens, and children, including a bilingual group
- Monthly Writers Group for adults
- Weekly story time programs to support early literacy development for babies, toddlers, preschool, and pre-K children
- Weekly Chess Club meetings for children ages 6-12
- Monthly teen events, including a Teen Advisory Board and opportunities for teens to earn community service

- Special events for adults and youth that celebrate holidays, cultural milestones, and Escondido's history
- Special programs such as financial literacy, a Scrabble-thon Tournament & Fundraiser, author speaking engagements, lectures, and community-related interests, such as water-wise landscape design
- Annual campaigns for Library Card Sign-Up month with events such as *Read Local*, *Shop Local*, a partnership with downtown Escondido businesses
- National Library Week celebrations which is extended throughout the month of April
- Annual *Summer Reading Challenge* specifically designed for age groups and reading levels targeting adults, teens, and children
- Annual *Food for Fines* drive in partnership with Interfaith Community Services
- Monthly Friends of the Library used book sales
- Annual recognition events, such as the Library's Annual Volunteer Luncheon and Literacy Learner Recognition appreciation
- Outreach services that include school visits to local public and private K-12 schools, preschools, and partnerships with local organizations including the Chamber of Commerce; California Center for the Arts, Escondido; San Diego Children's Discovery Museum; Interfaith Community Services; Cruisin' Grand; the Escondido Arts Partnership; and many of the City's departments

It appears that the Report bases its conclusion about the quality of the Library's programs on the number of programs provided, however, quantity does not equal quality. Nevertheless, lack of program space and a reduction in staff who plan and implement programs account for a decrease in the number of programs hosted. The City believes there is room for improvement and that the number of programs and the community attendance rate should increase.

Finding 03: Unused allocated funds from the Escondido Library operating budget are not used to benefit the library.

City Response to Finding 03: The City disagrees partially with the finding.

The Report bases this finding, in part, on the fact that "[w]hen library operating income exceeds expenditures, the unused allocated portion remains in the City's General fund." As a routine City practice for all City departments, unspent allocated annual operating funds are not returned to City departments for future use. This fact is not unique to the Library nor is the general budget practice unique to the City of Escondido.

However, with the exception of the General Fund budget, the Capital Improvement Program allocations and all of the Library's Trust Fund allocated accounts are rolled-over to the next fiscal year if the funds have not been expended.

Finding 04: An effective marketing plan is not being employed to attract more people to the library's resources, programs, and activities.

City Response to Finding 04: The City disagrees with the finding.

The Report acknowledges that the City publishes brochures, ads and press releases, but also states as a "Fact" that the "Escondido Library does not have a marketing plan." This finding is not supported by a fair assessment of the relevant facts related to the Library's efforts to market its services to the public.

In fact, the Library has in place extensive, prescribed marketing plans and workflows for event publicity. A Program Planning Committee (comprised of key staff assigned to plan, implement, promote, and publicize Library programs) coordinates the development and execution of program-specific timelines and procedures related to graphics, news releases, scheduling, and implementation details required for the planning and execution of every program conducted by the Library.

A Social Media Team focuses exclusively on the digital marketing of Library programs and services with planned daily and weekly features on the following social media networks targeted to specific audiences: Facebook, Instagram, Tumblr, Pinterest, and Twitter.

Library programs and services are advertised through the following means:

- Monthly print calendar available in-Library, at local businesses, and on the Library's website
- News releases posted on the City and Library websites and widely featured by local newspapers - 88 news releases were published in 2016 (as a point of comparison, Oceanside Public Library published 61 news releases in 2016)
- Library website slideshows and RSS event feeds
- Monthly email newsletters that include a general eNewsletter distributed to 13,859 readers as well as special interest newsletters issued by Literacy Services and Teen Services
- Library programs and services are regularly featured on the following websites:
 - City of Escondido's news release webpage
 - Mayor's Letter on the City's homepage
 - Visit Escondido website
 - EventBrite
- CityTalk, the City of Escondido's monthly employee newsletter

- Street banners
- Lexus Centre digital display board off I-15
- City of Escondido Recreation Guide (distribution of more than 100,000)
- City of Escondido water bill inserts
- Escondido Magazine (Chamber of Commerce)
- Neighborhood Services eNewsletter
- Flat panel monitors throughout the Library feature a rotating display of digital ads for Library services
- Flyers distributed to local school districts both in digital and in print formats
- Participation at community events such as Cruisin' Grand, street fairs, back-to-school nights, Educator's Night Out, and Recreation's Summer Kick-off event

Recommendations

Recommendation 17-08: Review methods of increasing the number of library programs by the end of the next budget cycle.

City Response to Recommendation 17-08: Recommendation has been implemented. The City has already implemented a review of methods for increasing the number of library programs by the end of the next budget cycle.

1. **Potential for New Library.**

The City acknowledges that the limited space in the existing library may prevent the City from increasing the number of programs. The City is already evaluating options to construct a new library. According to the results of a survey conducted in December 2015 on the perceptions and attitudes of the Escondido community regarding the Escondido Public Library, 68 percent of the respondents said they would support a \$50 million bond to fund improvements to the Library.

In October of 2016, the City conducted a feasibility study which concluded that construction of a new library was feasible and the City Council directed the City Manager to prepare a Request for Qualifications (RFQ) from firms that specialize in public-private partnerships to develop plans for a potential new library. Construction of a new library is also a part of the current 2017-2018 Draft City Council Action Plan.

There are numerous factors associated with undertaking a bond offering to obtain sufficient funding for this effort and estimating in good faith a time frame to complete the process at this time is not possible.

June 12, 2017

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2. Potential Outsourcing of Library Services.

The City is actively reviewing methods to improve the Library's efficiency and the service quality in the near term. In support of these goals, the City has engaged in discussions and negotiations with Library Systems & Services, Inc. ("LS&S") to manage and operate the City's Library system. LS&S is a professional service firm which provides consulting and operational expertise to local governments to assist in developing and enhancing Library collections, programs and technology to help fulfill educational and vocational needs of the local communities.

As noted above, this effort is underway.

Recommendation 17-09: Consider creating a subcommittee to investigate methods of improving their marketing plan for the library by the end of the next budget cycle.

City Response to Recommendation 17-09: Recommendation requires further analysis.

Although the Library already has in place prescribed marketing plans and workflows for event publicity, including in 2016, 24,987 pieces of program-specific distributed marketing materials, the outsourcing of Library services to LS&S will allow for a new review of marketing plans for library programs.

This consideration of LS&S is currently underway and it is anticipated that the City could make a decision on this proposal within six (6) months.

Recommendation 17-10: Investigate methods of dedicating, by the end of the next budget cycle, a portion of any excess funds from money allocated but not spent in the library budget to a special or existing fund to benefit the library.

City Response to Recommendation 17-10: This recommendation will not be implemented because it is not warranted or not reasonable.

As noted above, it is a City-wide policy that unspent allocated annual operating funds are not carried over by departments to the next fiscal year. However, Capital Improvement Program allocations and all of the Library's Trust Fund allocated accounts are already rolled-over to the next fiscal year if those funds have not been expended.

Every fiscal year, as required by law, the City is required to anticipate employee costs and commit funds for those costs. Since 2008/2009, the Library has experienced a reduction in force due to unanticipated lay-offs, retirements, and general turn-over. When new staff are hired, it takes an average of three months minimum to replace a vacant position, resulting in unanticipated salary savings. New staff have been hired-in at lower salary steps, hourly rates, and benefits rates than their predecessors, resulting in further unanticipated salary savings for that fiscal year. Salary savings cannot be

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Page 7

used for any other expenditure except for personnel costs until the final reckoning quarter of the fiscal year.

It would be unreasonable to change the City's policy of returning unspent allocated annual operating funds for one department and not for the others. Additionally, allowing a department to roll over unspent allocated operating funds could result in deficits or unfunded needs in other departments, and hamper efforts to direct available funds to priority functions.

Conclusion

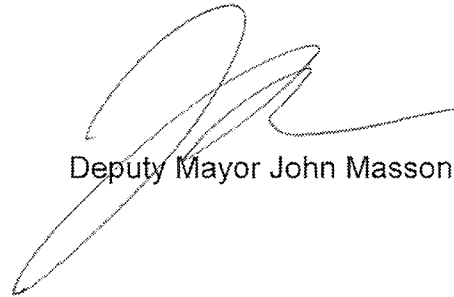
The City appreciates the time and attention the Jury has devoted to generating the findings and recommendations contained in the Report.

If you should have any questions, please contact City Manager Jeffrey Epp.

Sincerely,



Mayor Sam Abed

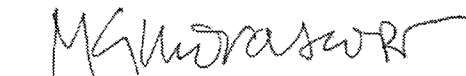


Deputy Mayor John Masson



Councilmember Ed Gallo

Councilmember Olga Diaz



Councilmember Michael Morasco



Jeffrey R. Epp, City Manager

cc: Alan I. Baskin, Foreman
2016/2017 San Diego County Grand Jury
550 Corporate Center
550 W. C. Street, Suite 860
San Diego, California 92101-3513

THE ESCONDIDO PUBLIC LIBRARY



**A Report by the
2016/2017 San Diego County Grand Jury
March 21, 2017**

THE ESCONDIDO PUBLIC LIBRARY

SUMMARY

In 1980 a new library was constructed in Escondido to serve a population of about 64,000 residents. By 2015, that same library was serving a population of approximately 147,000 residents.¹ Since 2000, questions have been raised concerning the adequacy of the library to serve the community. Questions included: the ability of the library to support the substantial increase in population with aging facilities, decreasing circulation, and decreasing number of registered uses.

In response to a complaint, the 2016/2017 San Diego County Grand Jury (Grand Jury) interviewed City of Escondido and library officials and reviewed statistics starting in the fiscal year 2008/09 to find current trends regarding the adequacy of the Escondido Public Library.

The 2016/2017 San Diego County Grand Jury found the following:

1. The Escondido Public Library is inadequate to serve the community.
2. The Escondido library's programs do not meet the community needs.
3. Unused allocated funds from the Escondido Library operating budget are not used to benefit the library.
4. An effective marketing plan is not being employed to attract more people to the library's resources, programs, and activities.

The Grand Jury recommends that the Escondido City Manager and the Escondido City Council, in conjunction with the Escondido Public Library Administration and interested civic organizations, review methods of increasing the number of library programs. The Grand Jury also recommends that the Escondido City Manager and the Escondido City Council, in conjunction with the Escondido Public Library Administration consider creating a subcommittee to investigate methods of improving their marketing plan. The Grand Jury further recommend that the Escondido City Council and the Escondido City Manager investigate methods of dedicating a portion of any excess funds from money allocated but not spent in the library budget to a special or existing fund to benefit the library.

PROCEDURE

The Grand Jury used the following procedures to substantiate the information in this report:

- Collected statistics about the Escondido Public Library from the California State Library Statistics website
- Collected statistics from the Escondido Mayor's New Library Task Force report
- Examined the following documentation:
 - City of Escondido, City Council meetings minutes.
 - Escondido's Annual Operating Budget: 2008/09 to 2014/15.
 - Escondido Public Library Board of Trustees meetings minutes.

¹ City of Escondido Demographics, City of Escondido, <http://www.escondido.org/demographics.aspx> (accessed 11/3/2016).

- Interviewed City and library officials

INTRODUCTION

In 2007, a report published by the Escondido Mayor's New Library Task Force described the need for a new library. Citing increases in population, card holders (registered users), daily visits, items checked out (circulation), reference questions asked, and collection size, the task force stressed the need for a new library.² In 2010, the City Council heard a concept presentation for the development of a new library from the Escondido Library Board of Trustees and the Escondido Library Endowment Foundation.³

The purpose of the Grand Jury's report is to review important statistics, beginning in 2007, regarding the current library and make recommendations about its future.

DISCUSSION

For this report, the statistics the Grand Jury gathered from the California State Library website included registered users, total circulation, number of programs, program attendance, internet use, total expenditures, and total income. Statistics were available from 2008/09 through the fiscal year 2014/15. Escondido library staff gathers and reports data to the California State Library for the fiscal year 2015/16 during September and October of 2016. Data for fiscal year 2015/16 were not available for this report.

Registered Users

Registered users and card holders include all persons registered with the library for circulation and other services. Chart 1 displays the number of registered users from fiscal year 2008/09 to 2014/15.⁴ Data for 2007/08 is from the Report of the Escondido Mayor's New Library Task Force.

² Report of the Escondido Mayor's New Library Task Force, 2007, www.escondido.org/Data/Sites/1/media/pdfs/NewLibraryTaskForceReport.pdf (accessed 10/17/2016).

³ City of Escondido, Council Meeting Minutes, March 23, 2016, <http://www.escondido.org/Data/Sites/1/media/agendas/Council/3-23-16CCAgendaPacket-Updated.pdf?v=2> (accessed 10/25/2016).

⁴ California State Library, <http://www.library.ca.gov/lids/librarystats.html> (accessed 9/22/2016).

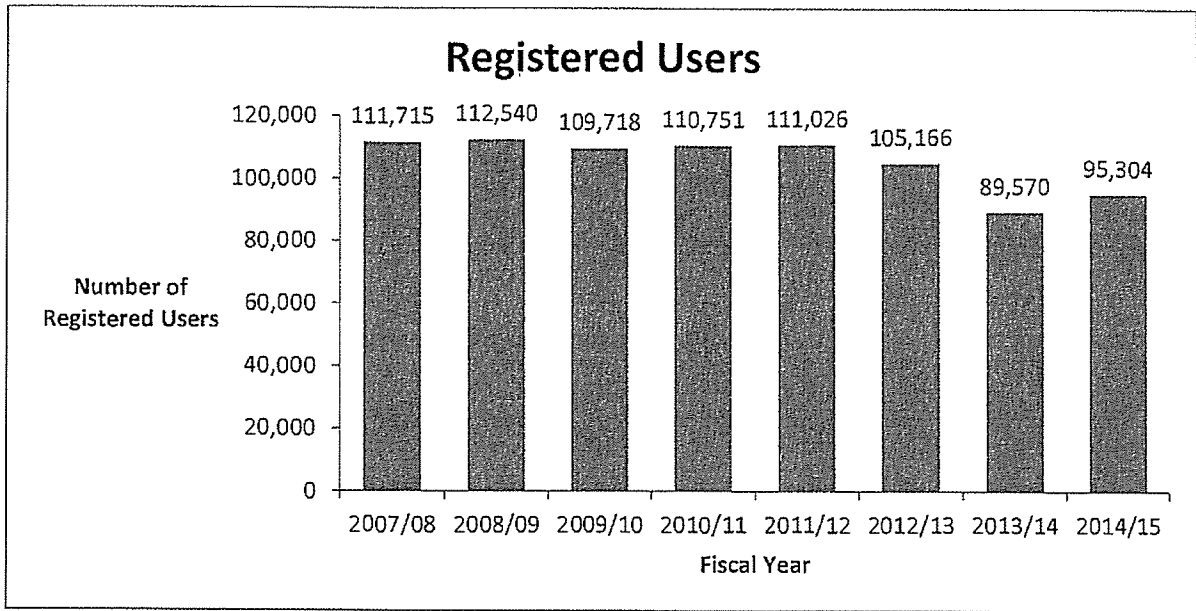


Chart 1

The drop in registered users in 2013/14 was due to the removal of nonusers (registered users who had not checked out materials in two years) prior to the creation of a new database in 2014.⁵

Total Annual Circulation

Total annual circulation consists of all checked-out materials (including renewals) to registered users including electronic materials such as eBooks. Chart 2 displays the total circulation.⁶ Data for 2007/08 is from the Report of the Escondido Mayor's New Library Task Force.

⁵ Interviews with City and Library officials on September 15, 2016

⁶ California State Library, <http://www.library.ca.gov/lrs/librarystats.html> (accessed 9/22/2016).

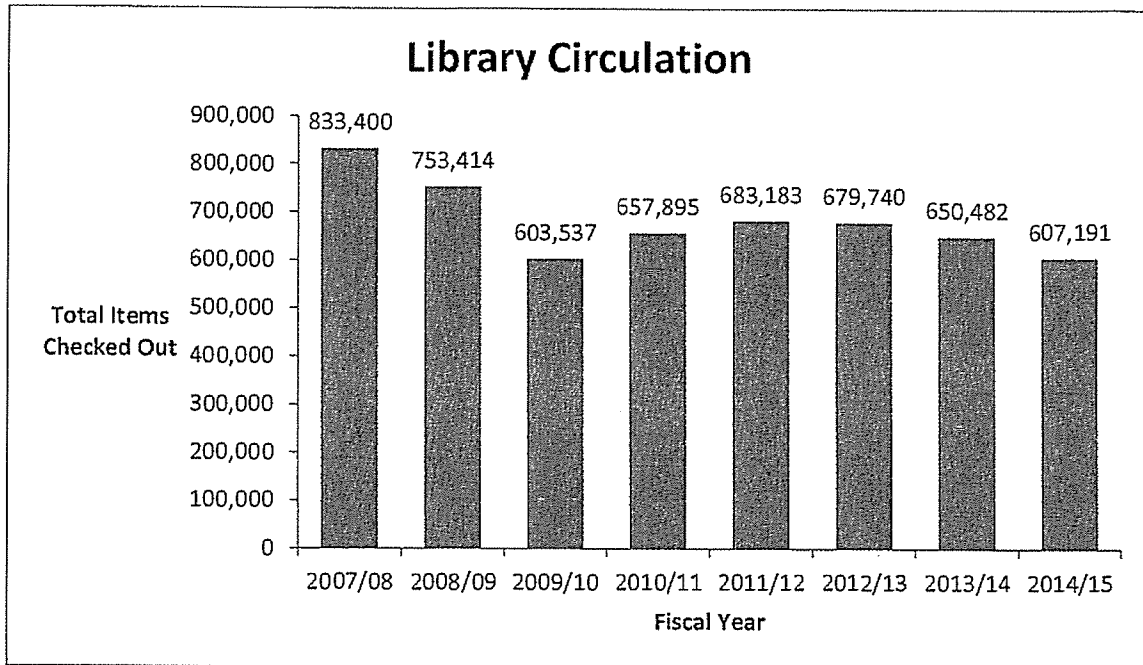


Chart 2

Number of Programs

A program is any planned event that the library sponsors. The program may include the use of the library, library services, library tours, or cultural, recreational, or educational information. Programs may be on the library site or off-site. Excluded programs include non-library groups using the library facilities.⁷ Chart 3 displays the total number of programs.⁸

⁷ California State Library, <http://www.countingopinions.com/pireports/report.php?df083b867174e4765840ca003119990a&live> (accessed 9/28/2016).

⁸ California State Library, <http://www.library.ca.gov/lds/librariystats.html> (accessed 9/12/2016).

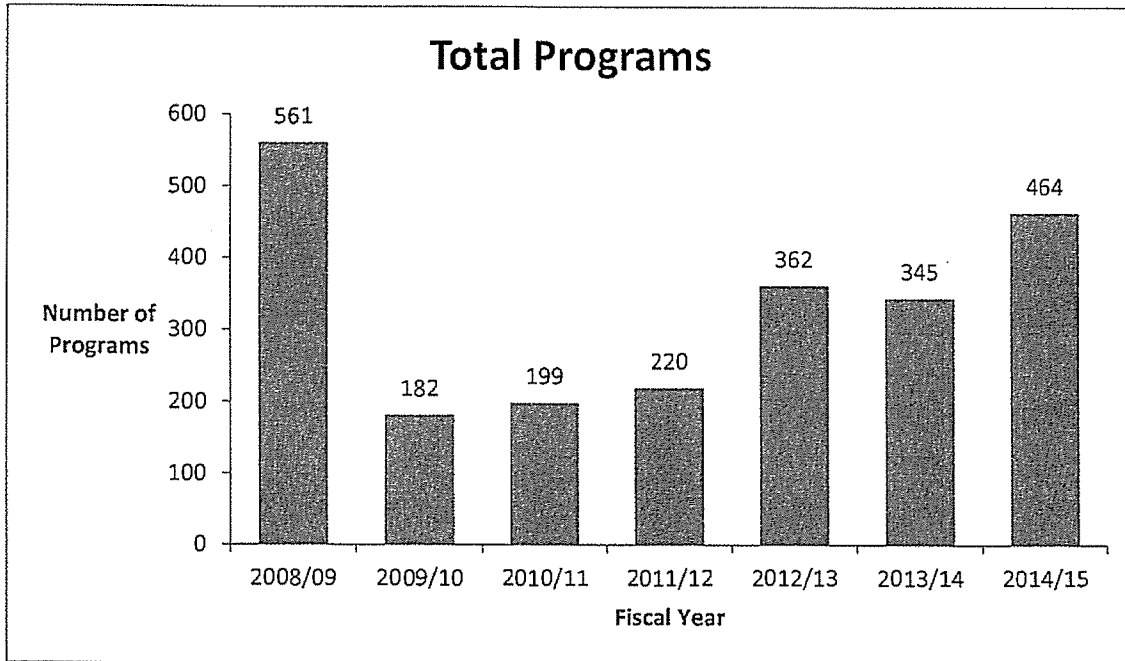


Chart 3

Program Attendance

Total program attendance is the sum of the attendance from adult, young adult, and children's (fourteen and younger) programs. Chart 4 displays the total program attendance.⁹

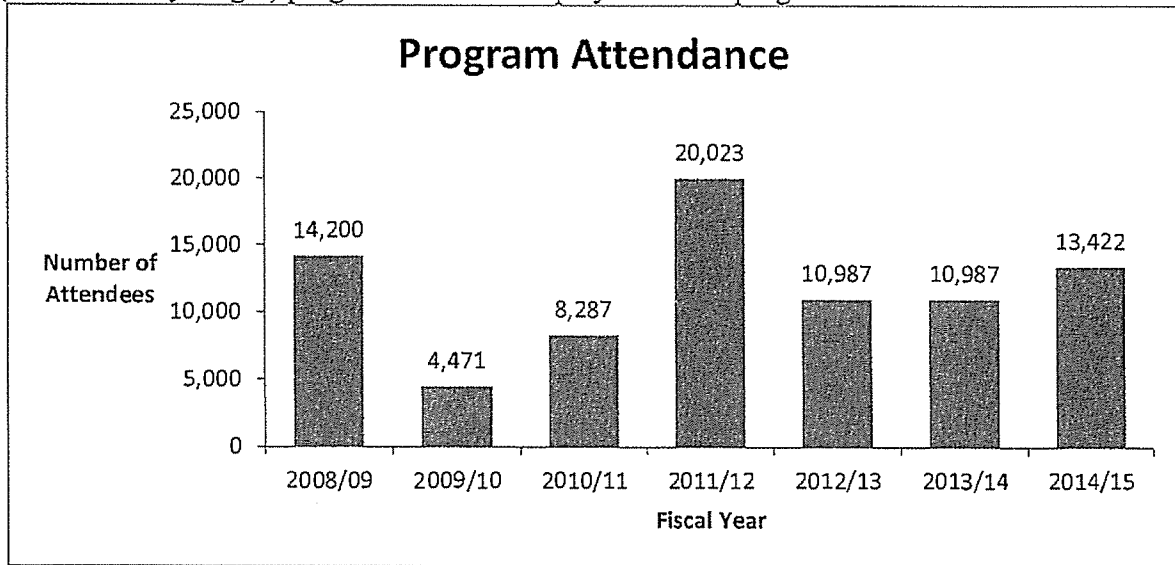


Chart 4

⁹California State Library, <http://www.library.ca.gov/lds/librarystats.html> (accessed 9/28/2016).

Public Internet Computers

Total uses of public internet computers is defined as the total number of patrons who have used internet computers in the library during the last year.¹⁰ Chart 5 displays the total internet users.¹¹

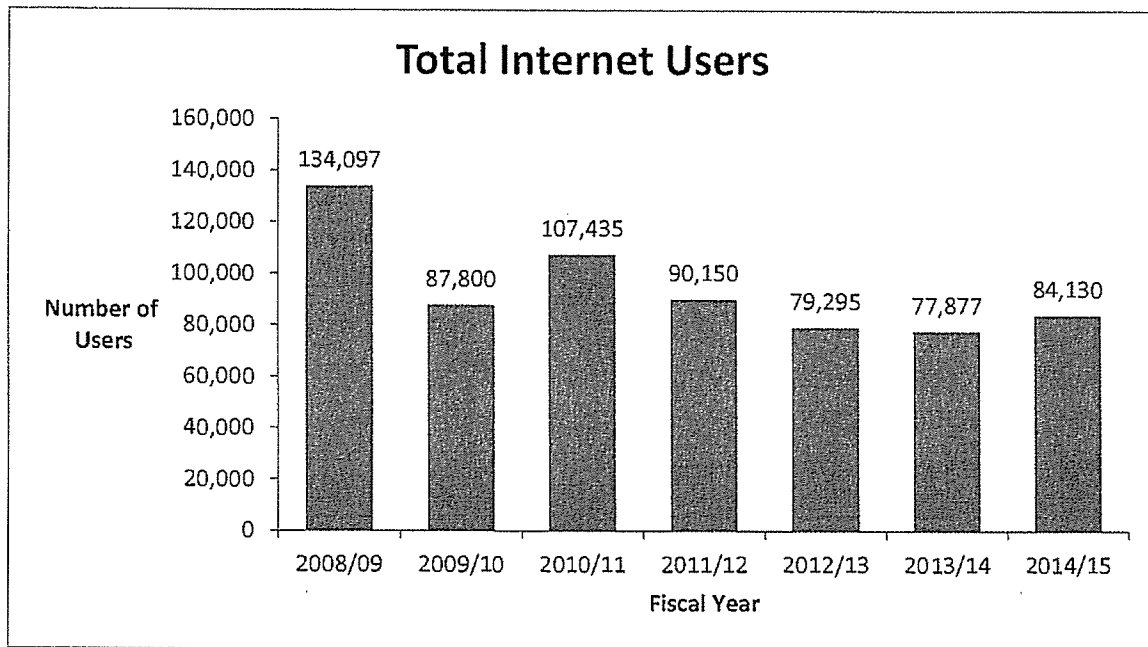


Chart 5

Total Library Operating Income and Total Library Operating Expenditures

Total operating income is the sum of all income from local government (excluding gifts and donations), library fines, fees or grants, state funds, federal governmental funds from federal programs, and other income such as corporate private donations and grants. Operating expenditures include total operating staff expenditures such as salary, wages and benefits, collection expenses, computer services, online databases, postage, telephone, print materials expenditures, serial subscription, and microform expenditures.¹²

Table 1 and Chart 6 display the total income and expenses.¹³

¹⁰ California State Library, <http://www.countingopinions.com/pireports/report.php?df083b867174e4765840ca003119990a&live> (accessed 9/28/2016).

¹¹ California State Library, <http://www.library.ca.gov/lds/librarystats.html> (accessed 9/28/2016).

¹² California State Library, <http://www.countingopinions.com/pireports/report.php?df083b867174e4765840ca003119990a&live> (accessed 9/22/2016).

¹³ California State Library, <http://www.library.ca.gov/lds/librarystats.html> (accessed 9/28/2016).

Date	Total Operating Income	Total Operating Expenditures	Difference Income - Expenditures
2008/09	\$4,245,860	\$3,483,717	\$762,143
2009/10	\$3,654,339	\$3,911,064	(\$256,725)
2010/11	\$3,465,805	\$3,002,025	\$463,780
2011/12	\$3,558,454	\$2,862,061	\$696,393
2012/13	\$3,595,443	\$2,499,092	\$1,096,351
2013/14	\$3,789,189	\$3,026,503	\$762,686
2014/15	\$3,872,778	\$2,994,878	\$877,900

Table 1

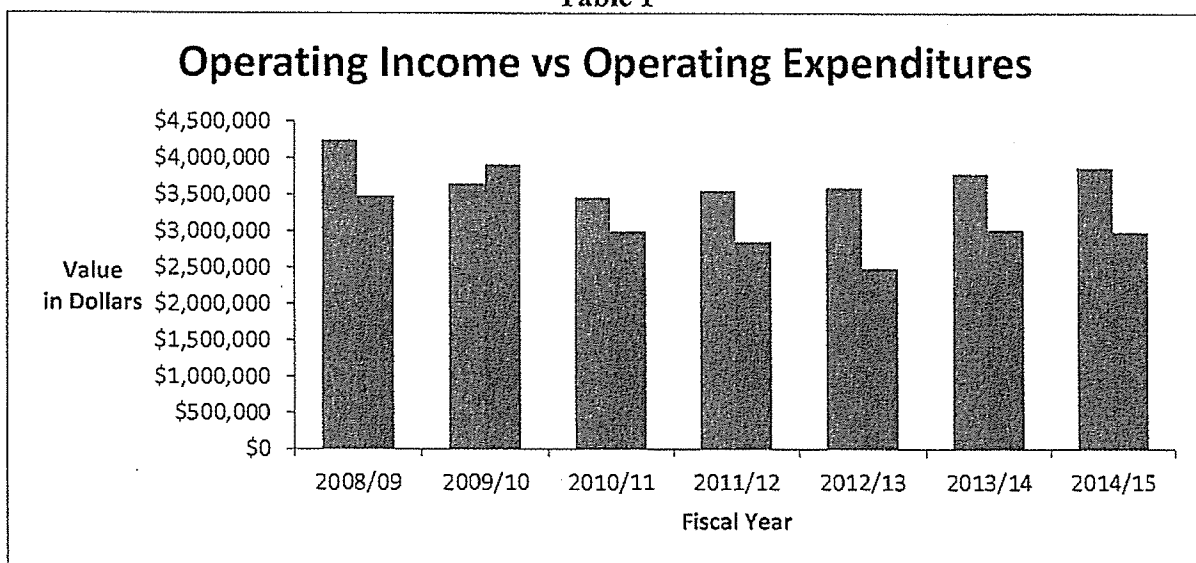


Chart 6

Conclusions

The New Library Task Force in 2007 stated the library was inadequate and proposed the building of a new, modern, up-to-date library. Later, in 2010, the City Council heard another presentation. For a variety of reasons, neither renovation nor construction of a new library happened. After many talks, in March 2016 the City Council directed city staff to study the feasibility of the plan to build a new library.¹⁴ The feasibility report was presented to the City Council in October.

Troubling downward trends have been seen in total registered users, circulation, and public use of internet computers. The lack of updated facilities may be a contributing factor to this decline. Public internet use, number of programs, and program attendance are showing a downward trend, although some show subsequent modest increase in growth. Especially encouraging is the increase in the number of library programs and program attendance. Nevertheless, the downward trends indicate that the library is not adequately serving its patrons.

¹⁴ Escondido City Council Minutes, <http://www.escondido.org/Data/Sites/1/media/minutes/Council/3-23-16CCMeetingMinutes.pdf> (accessed 10/25/2016).

The library has a number of programs for children, young adults, and adults such as Shakespeare Saturdays, bilingual book clubs, literacy programs, and adult book reading clubs. However, library programs decreased sharply to 182 (2009/10) and increased slowly to 464 in 2014/15. When compared to other San Diego county libraries, the number of Escondido library programs was the lowest.¹⁵ Yet they are well attended, implying the programs are in line with the needs of the community. With the significance of good programming to ensure high-quality libraries, more programs are necessary. Library officials expressed an interest in offering more diverse, quality programs; however, they cited problems in space and staffing. Clearly there is room for improvement.

Data pertaining to operating income and operating expenditures are shown on Chart 6. Since 2008/09, budgeted operating income exceeded operating expenditures every year except for one, 2009/10. When budgeted operating income is greater than operating expenditures, money allocated but not spent remain in the City's general fund. This excess can become extensive over a period of years (see table 1). Since unspent allocated funds can be viewed as a surplus, it could be allocated to a special or existing fund that would directly benefit the library.

The Grand Jury found that a cohesive marketing plan for the library does not exist. Current advertising efforts include brochures, ads such as those in Escondido's Community Services Recreational Guide, and press releases about library programs. Further, the library does have some effective marketing ideas. For instance, the library recently partnered with some local restaurants so that the restaurants could offer discounts to library cardholders. Nevertheless, an effective marketing plan could be created and implemented to better inform the community of the library's resources, programs and activities.

Is the library inadequately serving the community of Escondido? City and library officials are slow to agree, stating that library staff works hard to serve the community's needs. But they are hindered by lack of space and often by the low number of staff. The lack of space, a problem often repeated by library officials, is demonstrated by the downward trend of many library statistics. There was general agreement in interviews with City and library officials that the library was not adequately serving the community.

There are two possibilities to solve the space problem: renovation or construction. Renovation of the current library is not appealing due to the wasteful use of resources. Grand Jury interviews with City officials indicated it would be a poor use of available funds to remodel a "20th-century library" that would not last as long as a new "21st-century library."

There is interest in Escondido in building a new library. City and library officials are eager. A study, authorized by the City Council and completed in January 2016, showed strong public support for a new library.

On October 19, 2016, an initial Escondido Public Library Relocation Feasibility Report was presented to the City Council. The report, presented by the City Manager and the Director of

¹⁵ California State Library, <http://www.library.ca.gov/lds/librarystats.html> (accessed 9/22/2016).

Library and Community Services, found that construction of a new library was feasible. Three courses of action were recommended to the City Council.

The City Council directed the City Manager to prepare a Request for Qualifications (RFQ) requesting firms that specialize in partnerships between private and public agencies develop plans for the new library. The RFQ "...would allow the market to determine the feasibility of the project and how to best maximize land values while meeting City Council objectives ..."¹⁶ Escondido is taking a first step of many on its continuing road toward a new library. The Grand Jury encourages the City Council and the City Manager to continue their progress toward construction of a new library.

FACTS AND FINDINGS

Fact: The 2007 Escondido Mayor's New Library Task Force specified problems with the Escondido library and recommended the building of a new library.

Fact: In 2010, the Escondido Library Board of Trustees and the Escondido Library Endowment Foundation made a presentation to the City Council about the building of a new library.

Fact: Library statistics indicate a downward trend in total registered users, circulation, and public use of internet computers.

Fact: There is general agreement by City and Library officials that the present Escondido library facility does not meet the needs of the community.

Finding 01: The Escondido library facility inadequately serves the community.

Fact: Data indicates a significant drop in the number of library programs since 2008/09, then a gradual increase.

Fact: Program attendance after a spike in 2011/12 declined significantly in 2012/13, and then gradually increased.

Finding 02: The Escondido library's programs do not meet the community needs.

Fact: The Escondido library's operating income has remained relatively stable.

Fact: The Escondido library's operating income has exceeded operating expenditures in all but one year since 2008/09.

Fact: When library operating income exceeds operating expenditures the unused allocated portion remain in the City's general fund.

¹⁶ City of Escondido, Council Meeting Agenda, October 19, 2016, <https://www.escondido.org/Data/Sites/1/media/agendas/Council/10-19-16CCAgendaPacket.pdf> (accessed 10/27/2016).

Finding 03: Unused allocated funds from the Escondido Library operating budget are not used to benefit the library.

Fact: The Escondido library publishes brochures, ads, and press releases concerning Library programs and activities.

Fact: The Escondido library does not have a marketing plan.

Finding 04: An effective marketing plan is not being employed to attract more people to the library's resources, programs, and activities.

RECOMMENDATIONS

The 2016/2017 San Diego County Grand Jury recommends that the Escondido City Manager and Escondido City Council in conjunction with the Escondido Library Administration and interested civic organizations:

17-08: Review methods of increasing the number of library programs by the end of the next budget cycle.

17-09: Consider creating a subcommittee to investigate methods of improving their marketing plan for the library by the end of the next budget cycle.

The 2016/2017 San Diego County Grand Jury recommends that the Escondido City Manager and Escondido City Council:

17-10: Investigate methods of dedicating, by the end of the next budget cycle, a portion of any excess funds from money allocated but not spent in the library budget to a special or existing fund to benefit the library.

REQUIREMENTS AND INSTRUCTIONS

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

(a) As to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding

- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

<u>Responding Agency</u>	<u>Recommendations</u>	<u>Date</u>
Escondido City Manager	17-08 through 17-10	6/9/17
Escondido City Council	17-08 through 17-10	6/9/17



LIBRARY BOARD OF TRUSTEES

Agenda Item No. 3
Date: August 8, 2017

TO: Library Board of Trustees
FROM: Cynthia Smith, Interim Library Director
SUBJECT: Library Board of Trustees Discussion on Outsourcing Escondido Public Library Services

Recommendation: Discuss and provide input.

Background:

At the June 14, 2017 City Council meeting, the staff presentation on agenda item #6: *Adoption of Fiscal Year 2017-2018 Annual Operating Budget*, included a PowerPoint slide listing outsourcing Library Services as a potential source of cost savings. City staff have since been investigating the potential cost savings of outsourcing Library services.

Library Systems & Services, LLC (LS&S), located in Rockview, Maryland, is a private library service outsourcing firm. LS&S representatives, Ed Garnett, Vice President of Business Development, and Dana Braccia, Vice President of Operations, presented an overview of their service model to the Library Board of Trustees at the Board meeting on July 11, 2017. The meeting was attended by 130 members of the public. 30 community members addressed the Board of Trustees. The comments were unanimous in opposition to outsourcing Library services.

Since the July 11, 2017 Board of Trustees meeting, City staff have conducted a study of a LS&S proposal and completed a cost analysis. Two documents, *Highlights: Library Systems and Services Proposal* and *City of Escondido's Financial Analysis of Current Library Services and LS&S Proposal*, were recently posted on the City's website. <https://www.escondido.org/Public-Library-Outsourcing.aspx>. These two documents are attached.

The Board of Trustees will discuss the information presented by LS&S, consider public comments and feedback, and available information as it relates to outsourcing and cost at the August 8, 2017 Board of Trustees meeting. As part of the discussion, the Board of Trustees will determine their role and appropriate steps they may take to address this matter.

Highlights

Library Systems and Services Proposal

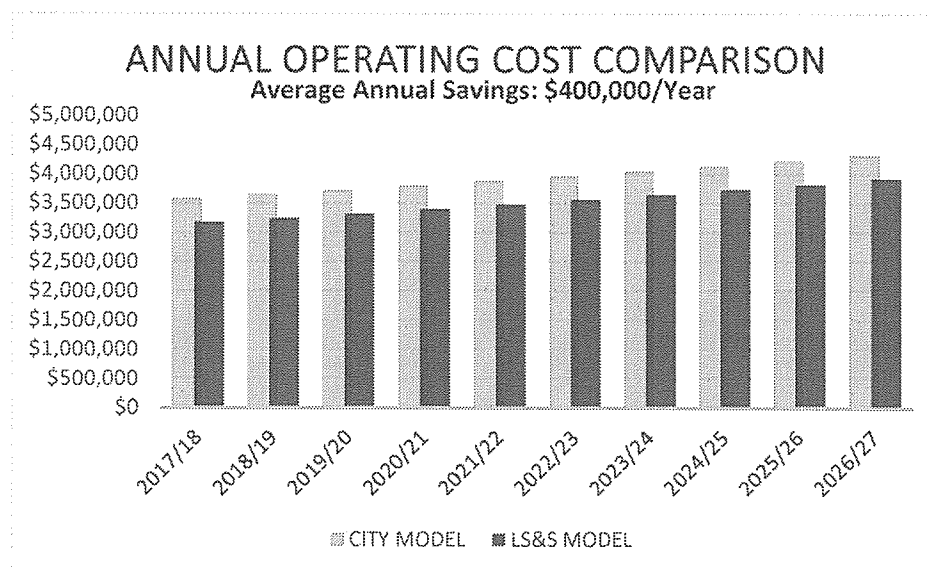
LS&S proposal generates over \$400,000 in annual savings to the City, totaling over \$4 million in 10 years

The LS&S proposal includes the following:

- Library open 7 days per week, 60 hours total each week
- All costs associated with staffing the Library and its programs
- Responsibility for supplies and materials to operate the library, maintenance of equipment, and service contracts
- Advertising and printing
- Janitorial services
- Utilities

Ongoing City Responsibilities:

- The portion of CalPERS for “unfunded liability,” which is the current value of benefits for all past service of current members.
- Internal service charges such as Building Maintenance, Fleet Services, Duplicating, Telecommunications, Office Automation and Insurance
- \$250,000 a year for additional library books and materials



CITY OF ESCONDIDO'S FINANCIAL ANALYSIS OF CURRENT LIBRARY SERVICES AND LS&S PROPOSAL

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL SAVINGS OVER 10 YEARS
CITY MODEL:³											
Operating Budget	3,670,055	3,329,520	3,398,090	3,470,864	3,553,920	3,633,342	3,715,214	3,799,625	3,886,668	3,976,436	
Less: PERS-Unfunded Liability ⁵	(340,535)	-	-	-	-	-	-	-	-	-	
Add:											
3% Salaries ⁶	-	45,019	46,370	47,761	49,194	50,670	52,190	53,755	55,368	57,029	
2% of PERS-Normal Cost General Fund Increases ⁷	-	4,000	6,000	14,000	8,000	8,000	8,000	8,000	8,000	8,000	
5% Medical	-	12,430	13,052	13,704	14,389	15,109	15,864	16,657	17,490	18,365	
3% Other Overhead	-	3,507	3,613	3,721	3,833	3,947	4,066	4,188	4,314	4,443	
3.5% Maintenance of Equipment Contracts	-	3,613	3,740	3,871	4,006	4,146	4,291	4,442	4,597	4,758	
ADJUSTED OPERATING BUDGET	3,329,520	3,398,090	3,470,864	3,553,920	3,633,342	3,715,214	3,799,625	3,886,668	3,976,436	4,069,031	
Library Materials	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
ANNUAL TOTAL COST	3,579,520	3,648,090	3,720,864	3,803,920	3,883,342	3,965,214	4,049,625	4,136,668	4,226,436	4,319,031	
LS&S MODEL:³											
Operating Budget ¹	2,475,000	2,545,000	2,617,250	2,701,818	2,778,772	2,858,185	2,945,131	3,034,685	3,121,925	3,216,933	
Library Materials ²	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
SUBTOTAL	2,725,000	2,795,000	2,867,250	2,951,818	3,028,772	3,108,185	3,195,131	3,284,685	3,371,925	3,466,933	
Internal Service Charges ⁴ , Less Janitorial Services	449,949	449,949	449,949	449,949	449,949	449,949	449,949	449,949	449,949	449,949	
ANNUAL TOTAL COST	3,174,949	3,244,949	3,317,199	3,401,767	3,478,721	3,558,134	3,645,080	3,734,634	3,821,874	3,916,882	
ANNUAL COST/(SAVINGS)	(404,571)	(403,141)	(403,665)	(402,153)	(404,621)	(407,080)	(404,545)	(402,034)	(404,562)	(402,149)	(4,038,521)
% Change	11%	11%	11%	11%	10%	10%	10%	10%	10%	9%	

NOTES:

- Assumes 3% annual increases
- Library materials are kept at a flat historical amount of \$250,000.
- Library is currently open 51 hours per week and closed on Sunday. LS&S proposes that library be open 60 hours per week, including Sunday.
- Internal service charges excluded from LS&S original proposal that are still a cost to the City. Assumes 0% annual increases for both models.
- The cost of PERS unfunded liability, which is the current value of benefit for all past service of current members, will remain a cost of the City.
- Three-year average General Fund salary increases.
- Based on 6/30/2016 PERS Valuation projections
- LS&S calculation of savings is greater than the City's due to differences in evaluating pension commitments, growth rate of employee service costs and other direct charges. This information is not included in the above modeling.

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