

**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. Garnett 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