

Background Provided in [City Manager's Report](#)

The City of Escondido has approximately 1,000 total employees, of which approximately 761 are full-time and 266 are part-time. Of the 761 full-time employees, 148 are sworn members of the police department, 85 are sworn members of the Fire Department, and 149 are Water, Wastewater, and Public Works Employees. The Escondido Public Library has 44 employees, of which 22 are full-time and 22 are part-time. The 2017/2018 budgeted operating expenditures on the Library are \$3,670,055.

[Library Budget](#) from City's Website and Spending from [Grand Jury Report](#)

BUDGET SUMMARY				
	2014-15 Actual	2015-16 Actual	2016-17 Revised	2017-18 Budget
<b>STAFFING:</b>				
Regular Full-Time	24.0	24.0	24.0	24.0
Regular Part-Time (FTE)	0.8	0.8	0.8	1.5
Temporary Part-Time (FTE)	18.9	19.2	17.5	15.6
Department Total	43.7	44.0	42.3	41.1
<b>BUDGET:</b>				
Employee Services	2,523,384	2,528,668	2,728,640	2,767,315
Maintenance & Operations	328,768	336,334	316,805	335,315
Internal Service Charges	601,175	613,720	615,080	567,425
Allocations (Net)	(4,500)	(5,615)	(23,060)	0
Total Budget	3,448,827	3,473,107	3,637,465	3,670,055

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

Why has our budget increased by \$200,000 when our library expenditures have not increased? Notice the difference in amount in the grand jury report and the city budget.

City Manager's information presented on CalPERS

**CalPERS CONTRIBUTIONS**  
(In Millions)

Fiscal Year	Unfunded Liability Portion	Total CalPERS Projected Cost
2016-2017	\$11.8	\$20.6
2017-2018	\$13.7	\$22.2
2018-2019	\$16.2	\$25.0
2019-2020	\$19.1	\$28.3
2020-2021	\$21.4	\$31.5
2021-2022	\$24.2	\$34.3
2022-2023	\$26.7	\$36.8

PERS costs are expected to increase over the next 5 years, but in 2013 the pension system was reformed. PERS savings are coming but the City Manager does not state when those savings will begin.

Generally speaking, the 761 full-time employees of the City, including the full-time Library employees, are members of the California Public Employees Retirement System (CalPERS), which is a defined benefit pension plan. The financial woes of CalPERS have been widely discussed for some time. Both CalPERS and numerous financial experts agree that due to funding short falls in recent years, plan design changes had to be made. In 2013 California pension reform became law under Public Employees' Pension Reform Act, which reduced pension benefits of newly hired employees. However, savings from the reform will take many years to be realized.

The City Manager suggests that outsourcing could help cut costs without sacrificing service.

A company called "Library Systems and Services" (LS&S) has submitted a proposal for a partnership to manage Library operations in a more cost-effective manner while maintaining high quality programs and services. City representatives first met LS&S at a League of California Cities conference in 2016. These conferences provide a chance for a wide range of private companies to present an equally wide range of services to public entities.

2015-2016 statistics from actual LSS libraries do not support the assertion that they offer high quality programs and services. Full time employees at these libraries serve more citizens and are less qualified.

<a href="#">Staffing</a>	Population Served per Full Time Employee	% of FTE with ALA-MLS	Total Employees
ESCONDIDO PUBLIC LIBRARY	4,130	35.62%	53
Shasta Branch Average	7,289	18.37%	12.67

Riverside Branch Average	5,157	14.94%	9.92
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Their libraries in Temecula have fewer volumes and computers per branch. The hours are on average the same.

<a href="#">Accessibility</a>	Hours Open Weekly	Total Expenditures	Volumes Held	Computers
ESCONDIDO PUBLIC LIBRARY	2,575.00	\$3,402,257	181,740	85
GRACE MELLMAN BRANCH LIBRARY	2,086.00	\$899,387	62,554	20
TEMECULA PUBLIC LIBRARY	3,160.00	\$1,544,314	144,901	68

They offer fewer programs that are not as well attended.

							Average Attendance
<a href="#">Program Attendance</a>	Total	Adult	Young	Childrens	Preschool	School Age	Per Program
ESCONDIDO PUBLIC LIBRARY	17,133	1,911	1,189	14,033	8,175	5,858	42
Shasta Branch Average	8,074	943	518	6,612	3,716	2,896	22
Riverside Branch Average	2,991	694	324	1,972	1,393	578	17

The City Manager suggests that the location of LSS head quarters is a source of objection.

<sup>1</sup> A certain amount of public comment has criticized a library run by a company based in Maryland, even though the individuals running the library would live and work in Escondido or surrounding communities. LSS is based in Maryland simply because the company started with a contract with the Federal Department of Energy running their library systems. The contract was awarded under a small business award program and the Federal Department of Energy was located in Germantown, Maryland. The owners settled in Maryland to service the contract and remained, also choosing to incorporate in Maryland. Today, LSS reports that it actually does approximately 60% of its business in California and pays approximately 60% of its taxes in California. The company's core support services of information technology, west coast human resources, and collection management reside in California.

The location is an issue, but the owners of LSS are the main objection. Islington and Argosy are private equity firms. They only invest in companies that met the following requirements:

*Islington*

*Established companies with up to \$50 million of revenue*

*Emphasis on businesses that are generating \$1-3 million of EBITDA*

*Agosy*

*Financial Revenues of \$10 – \$100 million EBITDA margins of 10% or greater*

Their earnings before interest, tax, depreciation and amortization go to their clients at the expense of our tax dollars. Additionally the managing partners at Islington have board seats at LSS.

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Library Systems & Services, LLC Board Members\*

Name	Primary Company
<u>Ronald Dubberly</u>	Library Systems & Services, LLC
<u>Judy C.M. Pezzanite</u>	Library Systems & Services, LLC
<u>Harry Courtright</u>	Library Systems & Services, LLC
<u>Paul M. Spinale</u>	Islington Capital Partners, LLC
<u>John J. Cullinane Jr.</u>	Islington Capital Partners, LLC

<http://www.islingtoncapital.com/>

<https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=33837428>

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Key Executives For Islington Capital Partners, LLC

Name	Title
<u>John J. Cullinane Jr.</u>	Managing Partner and Principal
<u>Paul M. Spinale</u>	Managing Partner and Principal

<http://www.argosycapital.com/>

<https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=18867>

In 2002 the city voted to move forward on opening a library in Grape Day park. The East Valley library was closed in 2011. Since 2002 the city has pursued the following:



- In March 2003, the City Council approved an application for grant funds from the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000. This turned out to be unsuccessful.
- In January 2004, the City Council again authorized an application for grant funds from the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 and earmarked an additional \$776,000 of City reserves.
- In July 2006, the City Council approved an ad hoc Citizen's Task Force to explore the possibilities for the construction of a new library and appointments to the Task Force.
- In September 2006, it was requested that the City Council reaffirm the current plan for the Main Library as the site for a new municipal library rather than the Grape Day Park proposal and direct staff to seek proposals for a comprehensive, professional study on funding the new library as stated in the Council Action Plan for FY 2007-08. This motion carried.
- In November 2009, it was requested that the City Council authorize staff to transfer \$50,000 from the Trust Fund balance into the Trust Fund Special Projects account, to be used for a grant to the Escondido Library Endowment Foundation and to help the Foundation fund a planning study for a new library proposal. This motion carried unanimously.
- In October 2013, the City Council received a Library Conceptual Design, presented by Group 4 Architecture, Research + Planning, Inc., as Phase I of the Escondido Public Library expansion. As a result of the presentation, the City Council directed staff to explore funding sources for the project.

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- In June 2014, the City Council adopted a Five-Year Capital Improvement Program, which approved adding \$257,000 to the existing Library Expansion project account.
- In August 2015, the City Council provided direction to staff to explore a general obligation bond measure, including the hiring of consultants to provide strategic planning and polling, while exploring joint development partnership opportunities.
- In March 2016, the City Council heard a report from City staff on the outcome of the Library expansion survey which indicated that 68% of respondents would vote to support a \$50 million bond measure for an expanded Library. The City Council provided direction to study the feasibility of a plan to build a new library in Grape Day Park, including other park enhancements.

The city is now considering taking on **additional debt** in the form of a bond. The City Manager states that LSS would be useful advocates in passing this bond measure except for the following push back:

Technically speaking, the proposed LS&S outsourcing contract will have no impact on the policy direction towards a new library because the outsourcing contract is for operations only. However, at the Library Board of Trustees meetings, many speakers and the Trustees themselves raised the possibility that a contract with LS&S would be "demoralizing" to some extent on volunteers and actually jeopardize the prospects of sufficient voter support for a bond issue. The consensus appears to be that a new bond issue is necessary to provide the amount of money needed for a new library.

A balanced analysis of the concept of outsourcing as it relates to developing a new library facility includes potential disadvantages. Chief among such issues includes the potential loss of volunteers, donations and related community support if a private company takes over the management of daily operations. In 2016, volunteers contributed over 29,080 hours of service to Library operations. These service hours can conservatively be estimated at a value of \$685,000. Community volunteers provide great value and are a real asset to operations. For example, the Friends of the Library raise and donate \$75,000/year to the Library. These funds provide \$50,000 in circulating materials and \$25,000 for cultural and reading programs for children, teens and adults.

A loss of support group participation (Library Foundation, Friends of the Library, Friends of the Pioneer Room, Friends of Literacy Services) is possible as these stakeholders may object to outsourcing management. Current Library Administration and staff have developed and cultivated strong relationships and effective operating procedures with the support groups. The backing of the

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support groups (or lack thereof) and their influence on the community could determine the outcome of a potential bond measure for a new library and expanded Grape Day Park.

While the vocal community members who have publicly addressed the issue are no doubt passionate about the Library and its employees, the threat of refusing to support a new library facility and other library patrons needing their assistance and patronage is ironic. The chief objection to the outsourcing appears to be the contention that employees of a private company will not provide the same level of service as public employees thereby depriving those most in need of library services of the best experience possible. Yet, these same dedicated community members and experienced volunteers claim they will now abandon efforts to build a much needed new facility and help these same needy patrons simply in protest of this proposed decision. Whether these sentiments will resonate amongst all current and potential volunteers remains to be seen.



The chief objection is that employees will not provide the same level of service because the library would be operated by a PRIVATE FOR PROFIT company. LSS will hire less qualified people and pay less. Citizens of our city will be making less money and will have less money to spend in our community. The City Manager acknowledges that this would happen but does not think it is a criticism.

Some have commented that LS&S branch managers are not always librarians with Master of Library Science (MLS) degrees. LS&S maintains a lower ratio of professional MLS credentialed staff to a higher ratio of paraprofessional staff. LS&S career opportunities posted are predominantly for paraprofessional library associates and most positions are part-time. These ratios may be more of a matter of management style than criticism.

This is rationalized by a savings of \$400,000 a year.

The cost savings determined by the Finance Department are both firm and realistic. Representatives from LS&S have taken the position that City costs will actually increase more than assumed in the City model, and moreover, that the City does not accurately address the overhead costs currently dedicated toward Library services. LS&S argues these overhead savings will be greater than the City anticipates. If LS&S representatives are correct in these additional assumptions, City savings will actually exceed the \$400,000.

Savings as a percentage of anticipated PERS costs.

2017/2018	22200000	1.80%
2018/2019	25000000	1.60%
2019/2020	28300000	1.41%
2020/2021	31500000	1.27%
2021/2022	34300000	1.17%
2022/2023	36800000	1.09%

This savings have little impact on reducing our current PERS liability, the City is still obligated to pay PERS for our current staff. They will only not be responsible for new hires. [Additionally, new hires are currently paying 12.4% of their lifetime earnings into PERS.](#) Our city employees are contributing a substantial part of their wages for their pensions.

The City Manager then argues that we already outsource services.

- Animal control, contracted with the San Diego County Humane Society;
- Management of the California Center for the Arts, contracted with the Arts Center;
- Reidy Creek and the Vineyard golf courses, contracted with JC Resorts and American Golf;
- Sales tax monitoring and reporting, contracted with a company called "MuniServices";
- Waste and recycling collection and disposal, contracted with Escondido Disposal, Inc.;
- Collection services, contracted with Conrad Companies;
- Auditing services, contracted with the Pun Group; and
- Many other highly specialized projects are also outsourced including design, engineering, building plan check, planning, landscape and equipment maintenance, architectural, and legal services.

The San Diego County Humane Society is a nonprofit based in San Diego.

The California Center for the Arts is a nonprofit based in Escondido.

MuniServices are based in Fresno

<https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapid=4595826>

JC Resorts are based in La Jolla

<https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=30644807>

Escondido Disposal and Conrad Companies are based in Escondido

<https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapid=52311439>

<https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapid=21978901>

Pun Group is based in Santa Ana.

<http://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=251785370>

The Humane Society and Center for the Arts still have engaged volunteers because they are run by nonprofits. There are no volunteers to provide services for the private companies.

Additional criticisms of LSS stated by the City Manager

As may be expected, LS&S has been subjected to a certain amount of criticism, particularly from those who have an interest in maintaining the status quo. Nearly all criticism of LS&S which has occurred during the public process focuses on their status as a private company, alleged employment practices and assertions the company will not do as good a job as the current public employees. Few, if any, comments have been received regarding the day to day operations of LS&S at any given library. Few, if any, comments were received about the collections which LS&S maintains, and few, if any, comments have been received regarding the level of programming at libraries which LS&S operates. At least one comment asserted that LS&S employees have more limited tenure in a given position than City employees. However, it appears that LS&S employees actually have added flexibility by being part of a larger library system. Moreover, no specific evidence came forward that any LS&S librarians were transferred involuntarily.

Actual advice to the management of LSS from their employees:

<https://www.glassdoor.com/Reviews/Library-Systems-and-Services-Inc-Reviews-E201181.htm>

*Some of the administration have zero people skills, and are also out of touch with employees needs and concerns.*

*Invest in your people by offering training opportunities and wage increases. West Coast HR needs to be trained or replaced in order to adequately serve the west area's needs. Increase or improve avenues of communication so feedback on process changes can be more immediate (and thus addressing problems promptly).*

*Keep doing what you've been doing the last two years. Stay on course. It is starting to feel like the company is maturing and not just growing.*



*Because the library is a wonderful place to work, I think many of us former employees would love to stay if we could earn liveable wages. As a result, there is relatively high turnover.*

*Communicate the mission and goals more clearly.*

*Remember it is the front line staff who create success for this company. It is that same staff who interact with the community who shape the overall opinion that may drive the motivations of those who approve or disapprove of future and current contracts.*

*Pay your people what they are worth. Listen to their needs. Spend more time with us in the library to understand what we need.*

*Work on being a place where people want to work instead of a place where people have to work.*

*Recognize the technicians for what they do, we are an important part of the company.*

*Libraries should not be about the bottom line.*

*Continue to keep staff training and development programs front and center - we love being life long learners!*

*New management should follow through on the talk of making changes, especially of improving communication between headquarters and the work sites.*

*Don't disrespect your employees. If they are doing a better job pay them for it.*

*Keep developing the talent.*

*Take care of your employees and they will take care of the customers.*

The City Manager does not think the Grand Jury report matters in the discussion of outsourcing:

THE GRAND JURY REPORT:

While not dispositive to the issue of whether or not the City wishes to outsource Library operations to LS&S, a recent report of the San Diego Grand County Jury does provide relevant information to the discussion.

*dis·pos·i·tive*

*də 'spāzədɪv/*

*adjective*

1. relating to or bringing about the settlement of an issue or the disposition of property

Mainly because the City disagrees with the Grand Jury's assessment and they think that a new library and outsourcing will offer a solution to the issues facing our library.

The City responded to the Grand Jury Report by agreeing with some aspects and disagreeing with others. A copy of the Grand Jury's report and the City's response is on the City's website. The City disagreed partially with findings that the current Library inadequately serves the community and does not meet community needs. The City countered and explained criticism of the budgeting process (i.e. the practice of returning unallocated funds to the City's General Fund), and disagreed with a finding that a marketing plan did not exist and in fact countered this contention by providing a thorough accounting of the various, innovative, and far-reaching marketing efforts undertaken by existing Library staff. The City noted that a recommendation regarding programming had already been implemented, that it was exploring a bond offering for a new Library, and investigating opportunities with LS&S to operate and manage the Library.

The existing 44 employees of the library will not get a pay cut. New employees will be paid less and those employees will have less money to spend in our city. Part of the decrease in salary is attributed to reduced education requirements, which would definitely reduce the quality of service library patrons receive.

As noted above, approximately 22 full-time and approximately 22 part-time city employees work at the Library. Of these employees, 18 are members of the Escondido City Employees' Association, and one member is with the Teamsters' Local 911, both of which are recognized labor groups of the City.

California law permits the City the discretion to outsource these positions. However, prior to any decision by the City Council, the City must meet and confer with these employees through their labor group in good faith to discuss the decisions and their effects on the wages, hours and working conditions of the employees. LS&S has proposed, and the City would require, all of the current employees be offered a position with LS&S to continue the work at the library at the same salary. Benefits would be similar except with respect to retirement benefits. LS&S offers a traditional 401k plan to all of its employees, whereas, full-time City employees are members of CalPERS and currently have a defined benefit plan. However, the value of CalPERS benefits generally depends on the length of employment, and those employees who are not vested in CalPERS (i.e. have been members less than five years) may not consider the difference to be significant.

Some employees may wish to seek other public sector jobs, and other employees may be absorbed into other positions in the City, taking advantage of vacancies that arise.

In any event, any contract with LS&S will require that all current Library employees be guaranteed a position with LS&S, and the City will discuss with the bargaining group and/or the employees a plan to implement this requirement to ensure that this outsourcing effort will not result in the loss of any jobs.

*Sample of CA Job Openings (<http://www.lsslibraries.com/careers>)*

*Library Associate 2 - **Part-Time H.S. Diploma or GED***

*Library Associate 2 - (Homework Center Coordinator) **Part Time H.S. Diploma or GED***

*Librarian 1 - Full Time **MLS or MLIS degree required.***

*Library Director 2 - Full Time **MLS or MLIS degree required.***

*Branch Manager Full Time **College degree in Library Science or a closely related field; MLIS or equivalent preferred.***

*Senior Account Executive (Sales) Full Time **BA Required.***

<p><u>LLS Salary Info</u>  <a href="https://www.glassdoor.com/Salary/Library-Systems-and-Services-Inc-Salaries-E201181_P2.htm?sort.sortType=BP&amp;sort.ascending=false">https://www.glassdoor.com/Salary/Library-Systems-and-Services-Inc-Salaries-E201181_P2.htm?sort.sortType=BP&amp;sort.ascending=false</a></p>	<p><u>Escondido Salary</u>  <a href="https://www.escondido.org/Data/Sites/1/media/pdfs/Employment/CompensationPlanFullTime.pdf?v=6">https://www.escondido.org/Data/Sites/1/media/pdfs/Employment/CompensationPlanFullTime.pdf?v=6</a></p>																						
<p><u>Branch Manager</u>  4 salaries  \$52,214per year</p> <p><u>Librarian</u>  7 salaries  \$40,845per year</p> <p><u>Librarian I</u>  1 employee salary or estimate  About\$38k - \$41k</p> <p><u>Library Director</u>  1 employee salary or estimate  About\$73k - \$81k</p> <p><u>Director, Librarian</u>  3 salaries  \$56,809per year</p> <p><u>HR Coordinator</u>  1 employee salary or estimate  About\$39k - \$42k</p> <p><u>Library Technician - Hourly</u>  2 salaries  About\$14 - \$15hourly</p> <p><u>Library Assistant</u>  8 salaries  \$25,801per year</p> <p><u>Library Associate - Hourly</u>  2 salaries  About\$12 - \$13hourly</p> <p><u>Library Assistant - Hourly</u>  6 salaries  \$10.39hourly</p> <p><u>Library Page - Hourly</u>  2 salaries  About\$7 - \$9hourly</p>	<p><u>Full Time Annual</u></p> <table> <tr> <td>Deputy City Librarian</td><td>71-96K</td></tr> <tr> <td>Principal Librarian</td><td>65-88K</td></tr> <tr> <td>Librarian I</td><td>48-59K</td></tr> <tr> <td>Librarian II (Archivist)</td><td>43-52K</td></tr> <tr> <td>Librarian II -</td><td>53-65K</td></tr> <tr> <td>Library Associate -</td><td>37-46K</td></tr> <tr> <td>Library Customer Service Sup -</td><td>48-58K</td></tr> <tr> <td>Library Graphics Technician -</td><td>44-53K</td></tr> <tr> <td>Library Technician -</td><td>44-53K</td></tr> <tr> <td>Library Volunteer Coordinator -</td><td>44-53K</td></tr> <tr> <td>Literacy Services Coord -</td><td>59-72K</td></tr> </table> <p><u>Part Time</u></p> <p>10.51 – 13.12 Library Page</p> <p>11.04 – 13.79 Circulation Assistant</p>	Deputy City Librarian	71-96K	Principal Librarian	65-88K	Librarian I	48-59K	Librarian II (Archivist)	43-52K	Librarian II -	53-65K	Library Associate -	37-46K	Library Customer Service Sup -	48-58K	Library Graphics Technician -	44-53K	Library Technician -	44-53K	Library Volunteer Coordinator -	44-53K	Literacy Services Coord -	59-72K
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The contract would keep costly liability on the City in the form of capital improvements and repairs for a building constructed in 1910.

Under the LS&S proposal, the Library facilities and collections will remain under City ownership and while the City will remain responsible for capital improvements and repairs, LS&S will be responsible for day-to-day maintenance, including janitorial services. The City's cost for the facilities has been included in the cost comparison model, i.e. even after taking care of the facilities, the savings on an annual basis exceed \$400,000.

The current facilities would maintain all present signage, and the facility would continue to be known as the "Escondido Public Library."

#### More objections cited in the City Manager's Report

The Library Board of Trustees also conducted two separate meetings, on July 11 and August 8, 2017, to hear from the public regarding the concept. One meeting occurred before the costing information was available and the second occurred afterwards. Public participation was extensive—both meetings were held at the Library in the Turrentine Room, with the first meeting being "standing room only" and the second meeting with nearly as many. According to Chairman Guiles, 56 speakers were heard from at the two meetings. LS&S made a presentation at the first meeting and City staff were also available and answered questions. Both LS&S and City staff representatives were available at the second meeting. A presentation was made by a representative of the Save Our Escondido Public Library Coalition.

With one or two possible exceptions (depending on how comments were construed) every single person at each meeting who spoke publicly did so in opposition to the concept. In advance of this City Council meeting, Councilmember Diaz also spoke at both meetings, outlining her views in opposition. Following all of the public testimony at the second meeting, the Trustees discussed their role as defined by their by-laws and unanimously voted to recommend against a contract with LS&S. They have submitted a formal statement of their position to the City Council which has also been posted on the City's website.

In addition, the City has received dozens of emails and letters of which staff is aware as of the date of this staff report. There has been extensive press coverage, including television coverage of the issue at one of the Trustee's meetings, at least two articles in the *Union Tribune*, articles in the *Times Advocate*, coverage on social media, editorial pieces in the *Union Tribune*, including two separate pieces by *Union Tribune* writer, Logan Jenkins. In fact, the second piece by Mr. Jenkins praised Councilmember Diaz for "shining a bright light on this issue".

The City Council Members have also stated that they have received calls and emails in opposition at <https://www.youtube.com/watch?v=PLrCOMQ0dHE>, some with warnings of political ramifications.

The August 23, 2017 city council meeting had 3 hours of testimony from concerned citizens. One of those testimonies cited legal concerns in regards to Section 1910.45 of the California Education Code available at <http://codes.findlaw.com/ca/education-code/edc-sect-19104-5.html>.

The City Manager is incorrect in his assertion that:

The focus of the City Council should be primarily on maintaining a quality public library that serves the needs of the citizens. Internal hiring practices of LS&S should not be the City's primary concern, so long as LS&S honors its contractual commitments to the City in terms of the services provided. In this regard, the evidence received would support the contract with LS&S. Indeed, overall, the evidence indicates that LS&S has no problem hiring and retaining library professionals. No concerns were expressed about the quality of LS&S professionals by other jurisdictions.

*“(3) The contract shall not be approved solely on the basis that savings will result from lower contractor pay rates or benefits. Contracts shall be eligible for approval if the contractor's wages are at the industry's level and do not undercut city or library district pay rates.”*

The City of Escondido must do their due diligent in upholding the law and cannot do so without the knowledge of the actual salaries of future employees. Due the the nature of private companies wage information is not available to the public, the only publically available information is found at glassdoor and in the City Manager's report. Based on this information LSS does undercut current library pay rates.

Furthermore, there has been no competitive bidding process,

*“(5) The contract shall be awarded through a publicized, competitive bidding process.”*

And several code provisions have either not been met or have not yet been made public.

*“(8) If the contract is for library services in excess of one hundred thousand dollars (\$100,000) annually, all of the following shall occur:*

*(A) The city or library district shall require the contractor to disclose all of the following information as part of its bid, application, or answer to a request for proposal:*

*(i) A description of all charges, claims, or complaints filed against the contractor with any federal, state, or local administrative agency during the prior 10 years.*

*(ii) A description of all civil complaints filed against the contractor in any state or federal court during the prior 10 years.*

*(iii) A description of all state or federal criminal complaints or indictments filed against the contractor, or any of its officers, directors, or managers, at any time.*

*(iv) A description of any debarments of the contractor by any public agency or licensing body at any time.”*

These legal restrictions are in place to protect citizen interests from private exploitation and are not applicable to nonprofits.

*“(c) This section shall not apply to contracts between a city or library district and a nonprofit organization if both of the following requirements are met:*

*(1) The nonprofit organization shall not be a parent or subsidiary of a for-profit entity.*

*(2) The contract shall prohibit the nonprofit organization from subcontracting the obligation to operate the library or libraries and to employ and supervise library staff."*

Outsourcing the Escondido Public Library to a private equity firm is a bad and potential illegal idea. The City of Escondido may be actively breaking the law by not meeting their legal requirements to safeguard our services. The PERS argument is unsubstantial at a savings of \$400,00 a year against upwards of \$20 million. Additionally this could cost the city \$685,000 in volunteer hours. The nonprofits we currently outsource to are able to maintain a volunteer based because they are nonprofits. The for profit companies we outsource to do not have volunteers. Any help we would receive from LSS to pass a bond measure would face significant hurdles due to the City taking on debt for the profit of a private equity firm.