City of Escondido – Outsourcing of Library Services

Fact Sheet

Message from the City Manager:

Let’s make sure we know the facts regarding the Escondido Public Library! It is merely a rumor that we are exploring making the Escondido Public Library “private.” What we are exploring is whether or not there are cost savings associated with transferring the day to day operations from public employees to employees of a private company. The Escondido Public Library is and will always be a public library, as will the building, the land, and the collections.

As of late June, our exploration of the type of employees to use for library operations is focusing sharply on the cost savings issue. The City Council makes the final decisions on our Library, and without substantial cost savings, it would be very hard to recommend any changes. But whether or not we make changes in the type of employees operating the Library, a review is always a great idea for optimizing operations.

Background:

- With City Council direction, staff has been exploring whether or not day to day services at the Library can be performed for less cost by employees of a private company rather than public employees.
- There is only one company in the United States that provides these services, which is Library Systems and Services. They have been providing library management services for over 35 years. Currently they provide these services to 83 library branches all over the country.

Core Principles in Consideration of Outsourcing:

- The library has been and will always remain a core public asset to the Escondido community.
- No changes will be made to this public service without a cost/benefit analysis.
- Measurable outcomes that are financially and fundamentally beneficial to our residents will be required.
- Employees careers will not be jeopardized by a transition to a public/private library partnership.
- Library services will remain a transparent and wise use of taxpayer money.

Current Status:

- City staff has reviewed the proposal and held a panel discussion between Library Systems and Services and Library staff.
- Two meetings have been held with Library Systems and Services to discuss the proposal.
- The potential of a partnership was discussed during the budget presentation at the June 14, 2017 City Council meeting.
CONFIDENTIAL

Jeffrey Epp, City Manager
City of Escondido
201 N. Broadway
Escondido, CA 92025

Escondido City Council
City of Escondido
201 N. Broadway
Escondido, CA 92025

Re: Grand Jury Report: “The Escondido Public Library”.

Dear Ladies and Gentlemen:

The 2016/2017 San Diego County Grand Jury herewith provides the referenced report for your review and comment to the Presiding Judge of the Superior Court in compliance with the Penal Code of California §933(c). This report was prepared pursuant to §925(a) of the Penal Code.

In accordance with Penal Code §933.05(e), a copy of this report is being provided to affected agencies at least two working days prior to its public release and after being approved by the Presiding Judge of the Superior Court.

Please note that §933.05(e) specifies that no officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to its public release. This report will be filed with the Clerk of the Court and released to the public on Tuesday, March 21, 2017.

Sincerely,

Alan I. Baskin, Foreman
2016/2017 SAN DIEGO COUNTY GRAND JURY

AIB:In
encl.
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. 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.


• 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.

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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.  

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. Data for 2007/08 is from the Report of the Escondido Mayor's New Library Task Force.

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

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.\(^8\)

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**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

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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. Chart 5 displays the total internet users.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>134,097</td>
</tr>
<tr>
<td>2009/10</td>
<td>87,800</td>
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<tr>
<td>2010/11</td>
<td>107,435</td>
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<tr>
<td>2011/12</td>
<td>90,150</td>
</tr>
<tr>
<td>2012/13</td>
<td>79,295</td>
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<tr>
<td>2013/14</td>
<td>77,877</td>
</tr>
<tr>
<td>2014/15</td>
<td>84,130</td>
</tr>
</tbody>
</table>

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.

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

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

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. 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.

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. 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

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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 ..." 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.

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:

<table>
<thead>
<tr>
<th>Responding Agency</th>
<th>Recommendations</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escondido City Manager</td>
<td>17-08 through 17-10</td>
<td>6/9/17</td>
</tr>
<tr>
<td>Escondido City Council</td>
<td>17-08 through 17-10</td>
<td>6/9/17</td>
</tr>
</tbody>
</table>

Next Steps:

- A presentation will be given by Library Systems and Services to the Library Board of Trustees at their meeting in July.
- Cost comparison analysis will be performed by City staff
- If substantial savings could be achieved, site visits to libraries that utilize Library Systems and Services may be conducted.
- And again, if substantial savings could be achieved, a public comment period will be held to gain insight from the Escondido community.
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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
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- 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
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• 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.
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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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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