

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

Meeting of the Trustees Finance and Audit Committee Thursday, May 3, 2018, 8:00 a.m. Central Library, Kirstein Business Library-Exchange

MINUTES

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held on Thursday, May 3, 2018 at the Central Library in the Kirstein Business Library-Exchange Room.

Present at the meeting included: Committee Chair Evelyn Arana-Ortiz and Committee members Representative Byron Rushing, Zamawa Arenas, John Hailer, and President David Leonard.

Also present were Boston Public Library staff including Chief Financial Officer Ellen Donaghey, Eamon Shelton, Director of Operations, and Clerk of the Board Pamela Carver and other BPL staff members.

Ms. Arana-Ortiz presiding, called the meeting of the Trustees Finance and Audit Committee (“Committee”) to order at 8:01 a.m.

The first matter of business was approving the Meeting Minutes from April 27, 2018. With no additional comments or edits made, the Chair called for a motion that was duly made, seconded, and approved the meeting minutes from April 27, 2018.

Ms. Arana-Ortiz called on Matthew Hunt, CPA from CliftonLarsonAllen to review the Management Letter. Mr. Hunt stated that they conducted an evaluation of the IT Department general controls over information and technology relating to business and financial systems. They had 12 recommendations, some of which have been previously recommended. After a brief discussion with Mr. Hunt, the Committee felt the initial draft letter was presented prematurely, without adequate staff input, and asked that they review with BPL management first to allow for proper clarifications before they determine their recommendations. The new Chief Technology Officer (“CTO”), once hired will be charged with updating and mapping out a new plan and that the BPL is compliant with library IT standards and best practices.

With no further questions or comments, Ms. Arana-Ortiz made the recommendation that the Committee not vote on this draft to allow CliftonLarsenAllen to make edits and updates and bring to the committee in June with a 2nd draft for recommendation vote for the Trustees. All committee members unanimously agreed and asked Mr. Hunt to redraft the management letter.

Next, Ms. Arana-Ortiz asked Mr. Eamon Shelton, Director of Operations to review the Request for Proposals (RFPs) for the Committee’s recommendation to award a contract for the systemwide Guard and Patrol contract. Mr. Shelton explained the BPL received eight responses to the RFP. There was an internal Procurement Review Team that met to evaluate the proposals according to the ranking system included in the bid. G4S Solutions received the highest score in the evaluation. The procurement team judged G4S as having the strongest technical submission. Upon opening the price proposals, G4s cost was found to be \$375,000 higher over three years than the next highest ranked bid. However, further review of the cost proposals found that the difference was primarily the result of the lower price contractor reducing wages earned by the security guards. The Library felt that reducing wages to the guards would result in large scale turnover, which would not be to the Library’s advantage. Therefore, the Procurement Team recommended that the contract be awarded to G4s.

The Committee members had a brief discussion and asked a few operational questions. The members agreed unanimously that a budget savings resulting from lower employee wages was not reasonable. Ms. Arana-Ortiz made a motion and it was duly seconded, the Committee unanimously:

VOTED: “that, the Trustees Finance and Audit Committee recommend that the Trustees of the Public Library of the City of Boston approve a contract for Guard and Patrol Services for Various Library Buildings to G4S Secure Solutions”.

Ms. Arana-Ortiz introduced the next agenda item, which was the award the contract for audit services. She asked Ellen Donaghey to update the Committee. Ms. Donaghey recapped the previous meeting, at which the Trustees had interviewed three firms. CliftonLarsonAllen the incumbent, O’Connor and Drew, which previously had had the contract, and Cohn Reznick. The Trustees had rated CliftonLarsonAllen the highest but had asked for diversity statistics for each firm prior to award. The Trustees reviewed the information from each company.

Ms. Arana-Ortiz called for a recommendation for CliftonLarsonAllen to be awarded the contract. With no further questions or comments, Ms. Arana-Ortiz made a motion and it was duly seconded, the Committee unanimously:

VOTED: “that, the Trustees Finance and Audit Committee recommend that the Trustees of the Public Library of the City of Boston approve a contract for Annual Independent Audit Services to CliftonLarsonAllen, LLP, Certified Public Accountants.”

Next Ms. Donaghey briefly reviewed Mayor Martin Walsh’s FY19 Recommended Operating and Capital Budget Executive Summary pointing out some key increases. She noted the maintenance budget increased by \$850,000, approximately \$200,000 of which was due to Mayor Walsh’s approval of new management and exempt staff salary charts. Additionally, the books budget increased by \$115,000. This is the second year in a row that the book budget has increased, a total increase of FY17 of approximately \$275,000. Ms. Donaghey and Mr. Leonard completed the review of the budget by briefly reviewing a summary of the Capital plan. Mr. Leonard added that the new projects or newly scheduled projects included: additional funding for an Adams Street programming study, \$1.75m in funding for the Faneuil renovation in FY19, and funding to prepare for a permanent location for the Chinatown branch. Additionally, there is a commitment of \$400,000 to update the McKim master plan of \$400,000. This plan would include a renovation of the plaza and fountain and a permanent accessibility ramp. Overall, capital spending is projected at \$26,000,000 for FY19.

With no further questions or comments, Ms. Arana-Ortiz made a motion and it was duly seconded, the Committee unanimously:

VOTED: “that, the Trustees Finance and Audit Committee recommend approval by the Trustees of the Public Library of the City of Boston to accept Mayor Martin J. Walsh’s FY18 Recommended Operating and Capital Budget.”

Ms. Donaghey explained the next four votes were routine annual votes. The first allows the BPL to move forward with certain critical repairs without additional approval from the Trustees. The second is the annual vote to allow the BPL to purchase books and other collections related matters without additional

trustee approval. (An up to date vendor list was shared). The third vote authorizes the Fellowes Athenaeum Trust Committee to spend the FY19 Fellowes distribution. Finally, the fourth vote delegates approval for any contract Library staff deems to be of a critical nature to the Finance and Audit Committee during the summer months. The Chair asked that they vote on these as a lot.

With no further questions or comments, Ms. Arana-Ortiz made a motion and it was duly seconded, the Committee unanimously:

VOTED: “that, the Trustees Finance and Audit Committee recommend approval by the Trustees of the Public Library of the City of Boston to authorize the President, or designee, on behalf of the Trustees of the Public Library of the City of Boston, to enter into a contract or contracts for various goods or services relating to the Boston Public Library Critical Repair Operating Budget for the period July 1, 2018 through June 30, 2019 provided that each contract entered into pursuant to this authorization shall have been estimated to be less than one hundred thousand dollars (\$100,000.00). In no event will the contracts cumulatively exceed three hundred thousand dollars (\$300,000.00).”

VOTED: “that, the Trustees Finance and Audit Committee recommend approval by the Trustees of the Public Library of the City of Boston that there be entered into a non-advertised contract, as authorized under G.L., c.30-B, Section 7(a), referred to as a “Procurement of Library Books,” between the Trustees of the Public Library of the City of Boston (a Corporation under Chapter 114 of the Acts of 1878), and the vendors listed therein (including any subsidiaries or agents), for the acquisitions of books and for certain other library bibliographical acquisitions materials, in an amount not to exceed the amount appropriated in the Library Department budget for books and other related bibliographical acquisitions materials, during the period July 1, 2018 through June 30, 2019.”

VOTED: “that, the Trustees Finance and Audit Committee recommend that the Trustees of the Public Library of the City of Boston approve the expenditure from the Fellowes Athenaeum Trust Fund in an amount not to exceed ninety eight thousand three hundred sixty one dollars and no cents (\$98,361) to support the Fellowes Athenaeum Trust Fund Programmatic Plan for FY19 as recommended by the Fellowes Athenaeum Trust Advisory Committee and to be presented at an upcoming meeting.”

VOTED: “that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston delegate approval of any contract deemed to be of a critical nature by the President of the Library during the period between May 2018 and September 2018 to the Finance and Audit Committee.”

Moving onto the next vote on the agenda, Ms. Arana-Ortiz invited Laura Irsmscher, Chief of Collections to discuss the request to delegate the contract for moving the rare books collection. Ms. Irsmscher explained the Request for Proposals had gone out and responses are due in June. The Procurement Team will then evaluate the bids, conduct site visits and make a recommendation. This will occur after the final Trustee meeting of FY18. Due to the time sensitivity of the project, she asks that the Trustees Finance and Audit Committee request that the Board delegate approval of this contract to Finance and Audit. Waiting until the next full meeting in September would put the renovation behind schedule. Ms. Irsmscher explained that the value of this contract is anticipated between \$1-2 million for the packing, transporting, storing and reshelving of the collection.

Mr. Leonard added that the Library is intending to contract with one vendor for the entirety of the move and storage of the collection. He noted that the budget for the entire renovation of Rare Books is \$15,000,000, which is comparable to a branch renovation project.

After a few questions, and a recommendation to invite all board members who may be interested to the meeting at which the contract will be discussed and awarded, the Chair made a motion that was duly seconded, and the Committee unanimously:

VOTED: “that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston delegate approval for award of the Secure Move and Storage of Certain Library Collections to the Trustees Finance and Audit Committee.”

Ms. Donaghey explained the final matter was a request to authorize the Library to join the Massachusetts Higher Ed Consortium contract. Ms. Donaghey explained that this Consortium was made up of numerous colleges in New England, including most of the Boston Colleges and it had negotiated competitive prices for many library related matters. Mr. Hailer made a motion that was duly seconded and they Committee,

VOTED: “that, the Trustees Finance and Audit Committee recommend that the Trustees of the Public Library of the City of Boston accept membership in the Massachusetts Higher Education Consortium (MHEC) which gives access to 54 master purchasing contracts with excellent discount pricing with over 600 vendors in more than 700 contract categories; a yes vote confirms the use of their pre-negotiated contracts to compare prices and procure goods and services for the library without further bidding.”

The last item on the agenda was in regards to select trusts. Ms. Donaghey stated finance staff continue to review the trusts and will likely ask the Trustees for authorization to work with the Office of the Attorney General to make minor modifications to a number of trusts that are valued at less than \$75,000. The Trustees stated that they are supportive of this effort but noted a desire to memorialize the original donors. The Committee had a brief discussion and agreed to further discussion of this matter in the fall.

The Committee moved onto New Business and asked the Clerk to take steps to schedule a June meeting to review the Rare Book move contract.

The Chair asked for Public Comment to which there was none. With no further business, the meeting was adjourned at 9.09 a.m.

Respectfully Submitted,

Pamela R. Carver, Clerk of the Board