

# TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

**Meeting of the Trustees Finance and Audit Committee  
Monday, March 21, 2016 / 8:00 a.m.  
Commonwealth Salon, Central Library  
700 Boylston Street, Boston, MA 02116**

## MINUTES

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held on Monday, March 21, 2016, 8:00 a.m., Boston Public Library, Central Library, Commonwealth Salon, 700 Boylston Street, Boston, MA 02116.

Present at the meeting were Finance and Audit Committee Chair Evelyn Arana-Ortiz and Committee members Rep. Byron Rushing, Zamawa Arenas, and John Hailer.

Also present were Boston Public Library staff including Chief Financial Officer Ellen Donaghey, Chief of Collections Strategy Laura Irscher, Director of Neighborhood Services Priscilla Foley, Events Manager Emily Tokarczyk, Foundation Executive Director Lisa Bevilaqua, and Clerk of the Board Deborah Kirrane. Attending from City of Boston was Management Analyst Edward Pesce. Matthew Hunt of CliftonLarsonAllen LLP participated via teleconference.

Ms. Arana-Ortiz, Chair of the Trustees Finance and Audit Committee (“Committee”) presiding, called the meeting to order at 8:05 a.m. and addressed review and approval of minutes of November 6, 2015 Meeting. Upon motion made and duly seconded, Minutes of Trustees Finance and Audit Committee Meeting of November 6, 2015 were unanimously approved.

The meeting next moved to the Chief Financial Officer’s Report. Ms. Donaghey reminded the Committee that the BPL’s budget submission was outlined at the January 27, 2016 Trustee meeting. There are few changes to this year’s budget from last. Overtime costs are down over the last five years, but still above the set budget. Utility costs savings have been realized from energy improvements, and discussions with the City for removal of earmarks related to Read Write Boston, are underway. Small increases in budget include software renewal licenses. Ms. Donaghey described expenses BPL pays for with its own funds, like travel and equipment expenses. The budget has already been submitted and the Mayor will present his budget during the second week in April. Ms. Donaghey will review the budget at the next Trustees meeting, and will include details on Trustee spending. Upon motion made and duly seconded, the Committee voted to approve the budget submission.

The meeting next moved to review of the Draft Management Letter. Information Technology continues to appear in the Management Letter as an item to be addressed, and the Committee would like this taken care of. Mr. Hunt pointed to improvements from last year’s Management Letter, specifically in areas related to timing of invoices and automating financial processes. Based on the successful implementation of the pay-for-print system, this item was also removed from this year’s Management Letter.

Information Technology comments do, however, remain on the Management Letter and recommendations include strengthening password requirements, periodic review and monitoring of active versus inactive Polaris user accounts, establishing regularly scheduled testing of back-up data to confirm that it is recoverable, and formally documenting policies and procedures

related to IT. Ms. Donaghey confirmed that BPL Chief Technology Officer Vlad Yampolsky would attend the next Trustee Meeting to answer questions related to the IT comments of the Management Letter. Committee members asked that the Management Letter response include a specific plan and next steps to address the comments related to IT. With the exception of the IT comments, Ms. Arana-Ortiz was pleased to see other issues completely eliminated from the Management Letter and commended all involved for their work.

Mr. Hunt next addressed Governmental Accounting Standards Board (GASB) Statement #72, Fair Value Measurement, impacting how BPL investments will be reported. Fair value is measured using a market, cost, or income approach, and hierarchy levels 1, 2, and 3 as part of the valuation process. The Management Letter recommended communicating with BNY/Mellon to ensure that appropriate reporting of investments in accordance with GASB #72 be made.

Mr. Hunt reported that the BPL was extremely helpful in preparing the Management Letter, the process was very smooth, and that BPL staff was professional and responsive.

Ms. Arana-Ortiz asked the Committee vote to accept the Draft Management Letter with modification of the Information Technology section to include plan of action and completion dates of same. Upon motion made and duly seconded, the Committee

**VOTED: to accept the Draft Management Letter of CliftonLarsonAllen LLP, with modification of Information Technology section to include plan of action and completion dates of same.**

Ms. Arana-Ortiz asked that a representative from BPL's Information Technology Department come to the next Trustee Meeting to present the plan and identify any risks.

The meeting moved to Proposal Review and Recommendation to BPL Board of Trustees section of the agenda and Ms. Donaghey asked that items D, E, and F be presented first. Ms. Donaghey described the vote to recommend to the Board of Trustees, authorization to hire Polygon US Corporation for cleaning of collection materials on an as-needed, if-needed, basis going forward. BPL Chief of Collections Strategy Laura Imscher spoke to the successful past work of Polygon in cleaning items in the Rare Books Department.

In addressing the next vote before the Committee, Ms. Donaghey explained that during the past year, Dr. Martha Mahard has been conducting an inventory of the BPL print collection. It is estimated that the inventory may take up to an additional 1,000 hours to complete, and the Finance and Audit Committee is being asked to recommend to the Board of Trustees, that the BPL be authorized to engage Dr. Mahard in a new contract versus proceeding with a bid process, and City of Boston Legal Department has confirmed that BPL may proceed in this way. Ms. Imscher explained that the initial estimate of time in which Dr. Mahard would complete the inventory was based on an average number of items on a set number of boxes. What was discovered, however, was that boxes often contained significantly more items than was originally estimated, thus increasing the amount of time it would take to identify items and complete the inventory. Other delays are due to construction activity within the department.

The next vote asks that if Trustee approval is required on contracts related to Rare Books and Print Department, the Finance and Audit Committee be authorized to approve such contracts during the period May to September 2016, when the Board of Trustees traditionally does not meet.

Upon motion duly made and seconded, the Committee unanimously

**VOTED:** that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston authorize, when deemed necessary by the Chief of Collections Strategy and the Interim President, the hiring of Polygon US Corporation of North Andover, to clean collection materials for the duration of the Central Library Renovation.

**VOTED:** that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston authorize a \$50,000 contract with Dr. Martha R., Mahard, to allow the completion of the inventory of the Boston Public Library's Print Collection.

**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 necessary by the Chief of Collections Strategy and the Interim President for the care of the Rare Books and Prints Collection during the time period between the May 2016 and September 2016 Board of Trustee meetings.

The Committee next addressed item B, sale of property to Town of Norwood. In January 2014, the BPL approved turning the Norwood property in question, over to the City of Boston. However, since the City of Boston is not permitted to own property outside of the City limits, that vote was rescinded. At the request of the City of Boston Department of Neighborhood Development, the property was appraised in March 2015 for \$2.5 million. The Town of Norwood approached the City of Boston and asked that an agreement be entered whereby the Town of Norwood may purchase the property for the appraised value and the City has requested that the property be, indeed, sold to the Town of Norwood, proceeds of the sale going to the City of Boston. The Committee agreed that this was a favorable outcome. Upon motion made and duly seconded, the Finance and Audit Committee

**VOTED:** that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston authorize the Interim President of the Boston Public Library to accept an offer of \$2,500,000, the appraised property value, from the Town of Norwood, for the Norwood Storage Facility, 136 Access Road, Norwood, MA. Funds to be paid to the City of Boston Treasury.

Ms. Donaghey reviewed for the Committee item C. She explained that the BPL Digital Lab has college students, most from Simmons College Library Science program, working as interns to help catalog BPL digital images so that the images within the collection may be searched. The interns are paid hourly, said salaries not to exceed \$10,000. It does appear, however, that some interns may exceed the \$10,000 threshold. With no questions and upon motion made and duly seconded, it was

**VOTED:** that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston authorize the hiring of Metadata Assistants to work in the Boston Public Library's Digital Lab, for an amount not to exceed \$15,000, per assistant, in any fiscal year. Said Assistants will have completed metadata course work and be currently enrolled or recently graduated from an accredited library and information science program.

Ms. Donaghey next discussed room rental pricing for new Johnson Building space. In May 2013, Trustees voted their approval to BPL Management to set room rental rates. Accordingly, while this issue does not require Trustee approval, BPL Management would like to brief the Finance and Audit Committee on the proposed rates for space within the Johnson Building. The rates are competitive with McKim Building rates, as well as room rental rates at Museum of Science and the New England Aquarium. BPL Events Manager Emily Tokarczyk confirmed that rentals take place after hours and do not interfere with public services. She also noted that the Events Department has received inquiries as to the availability of Rabb Hall, especially, as there are no other similarly sized spaces in Back Bay. Ms. Tokarczyk confirmed non-profit groups are eligible for a 20% discount in rental rates and that The Catered Affair is developing similarly discounted menu pricing.

Ms. Donaghey outlined for the Committee the bid process related to granting a contract for furnishing, fabricating, and installing the book mosaic as part of the Johnson Building Renovation Project, to be completed by summer 2016 opening. Two bids were received and, based upon input from an evaluation committee which included checking references and past displays of work, the BPL recommended the Committee vote to approve entering into a contract with Mystic Scenic Studios, Inc. Upon motion made and duly seconded, it was

**VOTED: that, there be entered into with Mystic Scenic Studios, Inc., 293 Lenox Street, Norwood, MA 02062, the most responsive and responsible bidder in a public Request for Proposal process advertised under G.L. c. 30B, a contract for Book Mosaic Fabrication and Installation Services in Conjunction with the Johnson Improvement Project at the Central Library of the Boston Public Library, at a total cost not to exceed forty thousand dollars and zero cents (\$40,000.00).**

Ms. Donaghey next addressed the redesign of the BPL website, or content management system: a software platform used to maintain and publish digital content. BPL sought a program easy for BPL staff and public to use. A request for proposals was published and BPL received nine bids, of which four were unresponsive. As to the remaining five bids, an evaluation committee consisting of BPL Web Services Manager, IT Director, and member of BPL Library Services Department scored BiblioCommons as the highest rated vendor, at a cost of \$135,000. BiblioCommons currently manages BPL's catalog and has a fully developed library product that would mesh seamlessly with existing programs. Ms. Arenas asked what licensing, maintenance, service, and support fees for this proprietary based system, would be over time, and confirmed that BiblioCommons would be responsible for the website design. Given Ms. Arenas' technical and financial questions, the Committee agreed to hold the vote until the Trustees meeting, when further information could be provided by BPL web services personnel.

In regard to the comprehensive customer service plan, Ms. Donaghey explained a change in the way request for proposals, specifically bids for contracts paid from external or trustee funds, are to be advertised. BPL will advertise RFPs on the City of Boston website as well as bpl.org. Despite outreach to previously used and well-known training vendors, only one bid was received. BPL Chief of Neighborhood Services Priscilla Foley, explained that even though there was only one bid, the evaluation committee was pleased to recommend/select DLM Consulting, based upon DLM's experience with and understanding of front line and internal staff customer service models. DLM Consulting has worked with Harvard Business School, MIT, Boston

Children's Museum, and Peabody Essex Museum. The training provided will be a year-long program to work with all staff, internal and public facing. Training manuals will be created, all staff – systemwide – will be trained, and consistent service standards will be set throughout the BPL system. Rep. Rushing asked what metric will be used to measure success of the program. DLM has its own evaluation process and case study scenarios, which they will implement to measure the success of their program. The Committee would like to know what the exact benchmarks for the program are. Ms. Foley will follow up with DLM Consulting regarding this question and will report back to the Committee on what she learns in regard to how success will be measured.

Ms. Donaghey explained that the Finance and Audit Committee has been granted authority to approve this contract by the Trustees and, in the interest of moving same forward, recommends that the Committee vote to approve the contract and allow BPL staff to report back to the Committee on measurables and process. Upon motion made and duly seconded, it was

**VOTED: that there be entered into with DLM Consulting, 145 Highland Avenue, Ste. #4, Somerville, MA 02143, the sole responsive and responsible bidder in a public Request for Proposal as authorized under G.L. c. 30B, to Review, Update, and Implement a Comprehensive Customer Service Plan for the Boston Public Library for a one-year period with the BPL option for a one-year renewal, at a total cost not to exceed sixty thousand dollars and zero cents (\$60,000.00).**

Ms. Donaghey reported that New England Pension Consultants would like to report to the Committee within the next few months. The Committee would rather have one long meeting as opposed to two meetings. Additionally, the Deferrari Funds investment manager would like to report on those funds in fall 2016.

With no New Business or Public Comment, the meeting adjourned at 9:15 am.

Respectfully submitted,



Deborah A. Kirrane, Clerk of the Board