San Mateo County Libraries

Agenda Item III. B.

To:	JPA Governing Board
From:	Anne-Marie Despain, Director of Library Services
Date:	November 3, 2020
Meeting:	November 9, 2020
Re:	Approval of Updated Agreement Regarding the Advancement of Funds from the Library JPA to the Town of Atherton

Background

On September 17, 2018, the JPA Governing Board approved the Town of Atherton's request to advance library funds and directed staff to negotiate a funding agreement with the Town of Atherton to ensure the timely completion of the new Atherton Library project.

Discussion

On September 21, 2020 the Library JPA Governing Board approved the Agreement Regarding the Advancement of Funds from the Library JPA to the Town of Atherton. On October 21, 2020 the Atherton Town Council approved the Agreement with one small clarification highlighted in the attachment. The updated Agreement has been reviewed by legal counsel.

Fiscal Impact

The $5,391,725 advancement includes $1,600,000 in anticipated FY 2020-21 Atherton Excess Funds and an additional $3,791,725 in one-time dollars that are included in the proposed FY 2020-21 Adopted Budget.

Recommendation

Recommend JPA Governing Board approve the updated Agreement Regarding the Advancement of Funds from the Library JPA to the Town of Atherton and authorize the Chair to execute the Agreement on behalf of the Library JPA.

Attachment

Agreement Regarding the Advancement of Funds from the Library JPA to the Town of Atherton

AGREEMENT REGARDING THE ADVANCEMENT OF FUNDS FROM THE LIBRARY JPA TO THE TOWN OF ATHERTON

WHEREAS the Town of Atherton is a party to the Second Amended Joint Powers Agreement Between the County of San Mateo and the Cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, and Woodside Relating to Library Services dated December 2018 (hereinafter "Second Amended Joint Powers Agreement") and was a party to preceding versions of said Agreement;

WHEREAS, in past years, the allocated library service revenue for the Town of Atherton has exceeded the amount required to maintain the minimum library service for the Town of Atherton, requiring the Library Joint Powers Authority (hereinafter "Library JPA") referred to in Section I.A. of the Second Amended Joint Powers Agreement to restrict library funds (hereinafter "Excess Funds"), as provided in Section VI.D.1. of the Second Amended Joint Powers Agreement, for library-related activities within the Town of Atherton including but not limited to facility maintenance, facility remodeling or expansion, increased service hours, or increased material and equipment purchases, as mutually agreed by the Library JPA and the council for the Town of Atherton; and

WHEREAS the Town of Atherton awarded to S.J. Amoroso ("Contractor"), in 2019, a contract for the construction of a new public library (the "Project"); and

WHEREAS, as of September 1, 2020, the anticipated construction and site improvement costs for the Project was $18,436,000, the estimated cost of construction management, design, oversight for the Project was $300,174, and the cost for temporary trailer rental for the Project was $87,470, for a "Total Estimated Cost" of $18,823,644; and

WHEREAS, the amount of Town of Atherton funds held for constructions payments as of June 30, 2019, was $3,313,967; and

WHEREAS, as of June 30, 2018, $8,045,604 in Excess Funds was held by the Library JPA for the Town of Atherton, and this amount was transferred to the Town of Atherton for the Project in March 2020; and

WHEREAS, as of July 31, 2020, an additional $3,915,948 in Excess Funds was held by the Library JPA for the Town of Atherton, and this amount was transferred to the Town of Atherton for the Project in August 2020; and

WHEREAS, if the foregoing funds available to the Town of Atherton for the Project are deducted from the Total Estimated Cost of the Project, a remainder of $3,548,125 is needed for the construction phase of the Project; and

WHEREAS, the construction contingency amount is $1,843,600, representing ten percent of the estimated construction and site improvement costs; and

WHEREAS, the sum of the $3,548,125 that is needed for the construction phase of the Project and the construction contingency amount of $1,843,600 is $5,391,725; and

WHEREAS, $5,391,725 is thus the "Advancement Amount" that the Town of Atherton is requesting as an advance from the Library JPA at this time for Project payments; and

WHEREAS, the Town of Atherton represents and warrants that it will use any and all funds advanced by the Library JPA under this Agreement solely for library-related expenditures within the Town of Atherton; andNOW, THEREFORE, the Town of Atherton and the Library JPA hereby agree as follows:

1. **Advancement of Funds**. The Library JPA authorizes the advancement of $5,391,725, in Fiscal Year 2020-21 to the Town of Atherton for its payments to Contractor for the Project.

2. **Reimbursement of Advanced Funds**. Following the aforementioned advancement, the Library JPA will, in order to be reimbursed, retain any Excess Funds that it would otherwise restrict and hold for library-related purpose for the Atherton Library pursuant to Section VI.D. of the Second Amended Joint Powers Agreement, until the amount of Excess Funds retained by the Library JPA equals the Advancement Amount. The Governing Board approves, by entering this Agreement, the Project as an activity for library-related expenditures within the Town of Atherton under Section VI.D.2 of the Second Amended Joint Powers Agreement.

At the end of each fiscal year, the amount of Excess Funds, if any, will be determined in accordance with Section VI.D.1. of the Second Amended Joint Powers Agreement. Any activities approved by the Government Board for library-related expenditures within the Town of Atherton will then be deducted from the Excess Funds in accordance with Section VI.D.1. of the Second Amended Joint Powers Agreement. Any remaining balance of Excess Funds will be retained by the Library JPA for reimbursement, until the total amount retained by the JPA over the course of repayment period equals the Advancement Amount, after which any remaining funds will be evenly split, with the Library JPA retaining half and the remaining half accumulating as Excess Funds held by the Library JPA for library-related activities in the Town of Atherton in accordance with Section VI.D.2. of the Second Amended Joint Powers Agreement (assuming the advance is not repaid until after the Project has been completed and the new library has opened, as provided therein).

3. **Repayment Due in the Event of Withdrawal**. In the event that the Town of Atherton elects to withdraw from the Second Amended Joint Powers Agreement (see Section E of the Second Joint Powers Agreement), prior to the repayment of the Advancement Amount, the Town of Atherton agrees to pay the Library JPA the Advancement Amount, less any amount of Excess Funds retained by the Library JPA for reimbursement as provided above, no later than the effective date of the withdrawal, in addition to the sum of $26,959 (.5% of advancement) as

partial reimbursement for expenses incurred by the Library JPA for the administration of this Agreement.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have affixed their hands on the dates indicated below.

Dated: 10.23.2020

TOWN OF ATHERTON

Rick DeGolia

Rick DeGolia, Mayor

ATTEST:

City Clerk, Town of Atherton

Dated: _____

LIBRARY JPA

ATTEST:

Chair of the Governing Board