



**TO:** Mayor and Councilmembers

**FROM:** Michelle Greene, City Manager

**CONTACT:** Dana Grossi, Management Analyst

**SUBJECT:** Approval of Library Management Services Agreements with the Cities of Buellton and Solvang

**RECOMMENDATION:**

- A. Approve an agreement for the provision of library management services to the City of Buellton; and,
- B. Approve an agreement for the provision of library management services to the City of Solvang.

**BACKGROUND:**

On December 18, 2018, the City Council directed staff to assume management and operations of the Buellton and Solvang Libraries starting on July 1, 2019. This direction was conditional upon the County of Santa Barbara's consent to the City's designation of the City Council serving as the Library Board of Trustees pursuant to Education Code sections 18910 et. seq. Since that time, the County has indicated their consent on this matter. On February 19, 2019, Council approved an amendment to the City's Municipal Code Chapter 2.13 to formally designate the City Council as the Library Board of Trustees. A new Chapter was also adopted (Ch. 2.14), which established a Library Advisory Commission (Commission). The Commission is active and serves in an advisory capacity to the Library Board of Trustees.

Staff have prepared agreements with the Cities of Buellton and Solvang for the first year of library management services. The purpose for this item is for the Council to review and approve the agreements.

**DISCUSSION:**

Staff have been working with the City Managers of the Cities of Buellton and Solvang to coordinate details of the library management services agreements. Each agreement is customized to the specific service needs of each city, and the agreement terms are

proposed to be concurrent with the term of the Countywide Library Services Agreement, which is annual and in alignment with the fiscal year. Therefore, the agreements will commence once signed and are set to expire on June 30, 2020, with an option for both parties to mutually extend the respective agreements for five successive one-year terms.

#### Draft Agreement with City of Buellton

The draft agreement with the City of Buellton is included as Attachment 1 to this report. Recognizing that the City of Buellton owns its library building, the agreement has been crafted to dually serve as a lease and library management services agreement. Buellton will lease the building to Goleta for an annual rental rate of one dollar (\$1.00).

Services to be provided by Goleta to Buellton are detailed in Exhibit A of the agreement (Statement of Work), and consist of general library management services including administration, management and operation of the library services, provision of personnel and other resources, tools, programs and services, including lending books and other materials, cataloguing the library's collection, and other related activities consistent with the operation of a free public library. In addition, the City of Goleta will also have the ability to apply for, administer, and implement any grant opportunities for the benefit of Buellton.

Buellton has also asked Goleta to share building maintenance responsibilities by providing certain maintenance services on an as-needed basis. Exhibit A-1 of the agreement details the specific maintenance tasks that Goleta will perform versus Buellton. Staff are pursuing a small-amount contract with a local vendor in the Santa Ynez Valley for the Goleta-provided maintenance services. The City of Buellton will be providing custodial services at the library facility, in addition to managing the building's utilities accounts including water, sewer, refuse, electric and gas.

#### Draft Agreement with City of Solvang

The draft agreement with the City of Solvang is included as Attachment 2. Services to be provided to Solvang by Goleta are detailed in Exhibit A, and consist of the same general library management services as will be performed by Goleta for the City of Buellton, including shared maintenance tasks detailed in Exhibit A-1. However, whereas the City of Buellton will provide custodial services at their facility, the City of Goleta will be providing custodial services for the Solvang library facility, which is a County-owned building. Costs for the Goleta-provided custodial services have been added to Solvang's proposed operating budget for FY 2019-2020. Staff will pursue a small-amount contract with a custodial vendor for the needed services.

#### Level of Service and Staffing

The Statement of Work in Exhibit A of both agreements describes the baseline level of service and staffing levels to be provided by Goleta to the branches. Services are assumed to continue at status-quo levels; however, a process is outlined in the agreements for any requests from the Cities of Buellton and Solvang for enhanced levels of regular library-related services such as additional staffing, hours of operation,

one-time or periodic services. Any such requests would need to be budgeted for and the applicable management fee would be applied by Goleta to Solvang and/or Buellton.

#### Proposed Operating Budgets for Fiscal Year 2019-2020

Since the time that the proposed operating budgets for Buellton and Solvang were last shared with the Council on December 18, 2018, revisions have been made in various areas to reflect updated and new information received. This included adjustments to personnel and various services and supplies. The most updated versions of the budgets are included as Exhibit D in both agreements (Attachments 1 and 2).

#### *Projected Deficits*

As was the case in the previous budget versions, both library branches are projecting expenditures to exceed total available revenues in FY 2019-2020. The revised total deficit projected for the City of Buellton for FY 2019-2020 is \$52,087.83. Buellton has confirmed that they will be able to fund this shortage. The City of Solvang's total projected deficit is \$74,897.83. Solvang is unable to fund the entire shortage, but has committed to funding half of that amount; the County of Santa Barbara intends to fund the remaining half of the shortage, pending a formal decision by the County Board of Supervisors. Nonetheless, the library management services agreements include a provision that Goleta will not be responsible for funding, or fronting any funds, to cover these deficits. If for any reason the cities and/or County are unable to fund projected deficits, service level and staff adjustments will be made to balance the libraries' budgets.

#### *Goleta Employment Contingency Offers*

There are a total of 11 staff positions at both libraries (5 positions at the Buellton Library and 6 positions at the Solvang Library). Goleta offers of employment were provided in April to the current staff. To date, Goleta staff are aware of two positions at the Buellton Library that need to be advertised for and filled: 1) the Senior Library Technician; and 2) a Library Assistant 1 position that is currently vacant.

The offers made to the current employees are contingent upon the execution of the library services agreements by all respective parties. The Solvang City Council approved the agreement on May 28, 2019, and the Buellton City Council approved the agreement on June 13, 2019.

#### **FISCAL IMPACTS:**

There are no fiscal impacts associated with this item. The City's costs to manage of the Buellton and Solvang Libraries will be recouped using the full cost recovery approach detailed at the November 14 and December 18, 2018 Council meetings. This approach will utilize a time and materials survey that tracks and incorporates the hourly labor and benefit rate of City staff providing support to the libraries. This cost for the first year is approximately \$35,382 for each library branch for a total of \$70,764. Future year management fees are subject to change annually due to increases in labor and benefit rates or updates to time and materials survey, and will be communicated to each library during the annual operating budget proposal.

The first-year cost estimates are based on information received from prior management, along with assumptions made for the upcoming year on estimated costs. Because this cost model estimates the costs for the upcoming year, a comparison of what was estimated and actually experienced will be performed after the close of next year. The difference in actual costs, whether higher (due to actual costs exceeding estimated costs) or lower (due to estimated costs exceeding actual costs), is then included in the costs estimated for two years later in order to true-up the estimated costs billed next year to the actual costs incurred. The cost model details and true-up to actual costs schedule are found in Exhibit C in both Attachment 1 and 2.

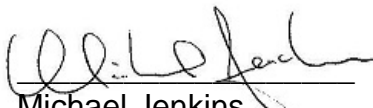
Buellton and Solvang Libraries are funded by their respective city's general fund, County per capita funding, library generated revenues, and donations. In FY 2019/20, the City of Buellton will be invoiced \$193,729 as part of their city contribution, and City of Solvang will be invoiced approximately for \$178,983 for their city contribution. The budgets for both libraries are found in Exhibit D (Attachment 1 and 2).


#### **ALTERNATIVES:**

The City Council could choose not to approve the draft agreements in their current form. However, any delay to executing these agreements would impact the Buellton and Solvang Libraries operations, including the staff and patrons. The City of Santa Barbara will no longer be managing the branches as of July 1, 2019. Therefore, execution of the agreements is vital to ensuring a smooth transition in library management from the City of Santa Barbara to the City of Goleta by this date.

**Legal Review By:**

**Approved By:**

  
Michael Jenkins  
City Attorney

  
Michelle Greene  
City Manager

#### **ATTACHMENTS:**

1. City of Buellton Library Management Services Agreement
2. City of Solvang Library Management Services Agreement

## **ATTACHMENT 1**

City of Buellton Library Management Services Agreement



**LEASE AND AGREEMENT FOR THE PROVISION OF LIBRARY MANAGEMENT SERVICES BETWEEN THE CITY OF BUELLTON AND THE CITY OF GOLETA AT THE BUELLTON LIBRARY**

This LEASE AND AGREEMENT FOR THE PROVISION OF LIBRARY MANAGEMENT SERVICES ("AGREEMENT") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between CITY OF BUELLTON, a municipal corporation, (hereinafter referred to as "BUELLTON") and the CITY OF GOLETA, a municipal corporation (hereinafter referred to as "GOLETA") (collectively referred to herein as the "PARTIES").

A. GOLETA is a party to that certain agreement entitled Agreement for Operation of a County-Wide Library System dated July 1, 2018, ("COUNTY AGREEMENT") pursuant to which the County of Santa Barbara ("COUNTY") has compelled Goleta, as a condition of receiving library funding, to manage BUELLTON's library commencing July 1, 2019, the effective date of BUELLTON'S placement into Library Zone 4.

B. By virtue of the County's transfer of BUELLTON from Library Zone 1 to Library Zone 4, the City of Santa Barbara is no longer eligible to manage the BUELLTON library and BUELLTON does not have the personnel able and/or available to perform the services required under this AGREEMENT and has therefore requested that GOLETA administer and operate its library.

C. Pursuant to this contract, GOLETA will administer, manage, and operate the LIBRARY, and for that purpose will provide personnel and other resources, tools, programs and services including lending books and other materials, cataloging the LIBRARY's collection, and other related activities consistent with the operation of a free public library.

**NOW, THEREFORE**, in consideration of the foregoing and the promises herein contained, the PARTIES hereby agree as follows:

**1. SCOPE OF SERVICES**

Subject to the terms and conditions set forth herein, GOLETA agrees to operate and manage the BUELLTON LIBRARY ("LIBRARY") in accordance with the terms of this AGREEMENT and in conformance with GOLETA'S standard policies, procedures and standards for library operation. Operation and management of the LIBRARY shall include, but shall not be limited to, the lending of books and other materials, the cataloging of the LIBRARY's collection, and the provision of personnel, resources, tools, programs and services consistent with the operation of a free public library. GOLETA agrees to operate the LIBRARY by providing free library services to the patrons of the

LIBRARY. All of the collection materials in the LIBRARY, including those belonging to BUELLTON, shall be equally available to all of the inhabitants within the Black Gold Cooperative Library System (hereinafter referred to as "Black Gold"). A detailed Statement of Work is attached as Exhibit "A" to this AGREEMENT and incorporated herein by reference.

GOLETA'S performance under this AGREEMENT is contingent upon the continued existence of the COUNTY AGREEMENT and funding thereunder and this AGREEMENT shall be subject to termination as provided in Section 9 herein should the COUNTY AGREEMENT expire, be terminated or be modified in a manner as to materially affect, as determined by GOLETA'S City Council in its sole discretion, GOLETA'S obligations, commitments or costs or as to reduce the COUNTY'S funding obligations to GOLETA.

## **2. FUNDING AND PAYMENT**

Funding for the operation of the LIBRARY shall be provided by BUELLTON to GOLETA by way of the annual collection of a library management fee as calculated and collected by GOLETA, and as agreed upon annually by the PARTIES. BUELLTON shall compensate GOLETA for the provision of LIBRARY management services to BUELLTON, as detailed in Exhibit "B" (Payment Methodology) attached hereto and incorporated herein by reference. A management fee amount shall be determined annually by GOLETA, and its calculation shall be based on the cost model detailed in Exhibit "C" attached hereto and incorporated herein by reference. The estimated fee amount for the first year of services (July 1, 2019 - June 30, 2020) is detailed in Exhibit "D" (Proposed Operating Budget) attached hereto and incorporated herein by reference.

## **3. LEASE AND PREMISES**

BUELLTON agrees to lease to GOLETA, on the terms and conditions, hereinafter set forth, and in its "as is condition", those premises as follows for the purpose of operating the LIBRARY:

That portion of that certain real property located at 140 West Highway 246, Buellton CA, 93427 as more particularly described on Exhibit E, Legal Description but limited to that area depicted as "library" on Exhibit E-1, Site Plan, attached herewith and incorporated herein by this reference.

Pursuant to Section 7 of the COUNTY AGREEMENT, GOLETA shall occupy and have exclusive use of the premises for the administration, management, and operation of said LIBRARY as provided herein for the term of this AGREEMENT and any extensions thereof.

GOLETA shall pay to BUELLTON an annual lease rental rate of One Dollar (\$1.00).



Title to the LIBRARY improvements shall remain in BUELLTON during the term and shall remain in BUELLTON upon the expiration or termination of this AGREEMENT.

BUELLTON shall pay and discharge all taxes and assessments, including special assessments, if any, levied upon the premises.

If the premises are totally destroyed by fire or other casualty, this AGREEMENT shall terminate. If a casualty renders ten percent or less of the floor space of the premises unusable for the purpose intended, BUELLTON shall promptly repair the premises, but in any event within 120 days of the casualty, or GOLETA may terminate this AGREEMENT by written notice to BUELLTON.

If a casualty renders more than ten percent of floor space of the premises unusable, GOLETA may choose to remain and BUELLTON shall promptly repair the premises within 120 days of the casualty, or GOLETA may terminate this AGREEMENT by written notice to BUELLTON, within 10 days of the casualty. If the casualty renders fifty percent or more of the floor space unusable, this AGREEMENT may be terminated at the option of GOLETA or BUELLTON.

Except as provided herein, BUELLTON shall not make any structural alterations to the LIBRARY without providing at least thirty (30) days prior written notice to GOLETA. To the extent feasible, BUELLTON shall make such alterations only at such time as does not conflict with GOLETA's operation of the LIBRARY. BUELLTON may perform such structural alterations without thirty (30) days prior written notice to GOLETA if, in BUELLTON's sole discretion, such alterations are immediately necessary to protect public health or safety, to protect the contents of the LIBRARY, or to remedy an emergency. BUELLTON shall endeavor to afford GOLETA advance notice of structural alterations performed in such circumstances.

GOLETA shall not be obligated to nor shall it make any structural alteration to the LIBRARY without the express written consent of BUELLTON. For purposes of this provision, a "structural alteration" shall be any modification that results in a change in the structural integrity of the LIBRARY, or change in the location, design, area or size of any wall, window or door. A "structural alteration" also shall include any modification that alters the gross cubic area of the LIBRARY and any substantive modification to finish materials.

#### **4. TERM**

The term of this AGREEMENT shall be concurrent with the term of the COUNTY AGREEMENT and shall, only for the first year, commence upon the execution of this AGREEMENT by the PARTIES and end on June 30, 2020. THE PARTIES may mutually elect to extend this Agreement for five successive one (1) year terms subject to the approval of the GOLETA City Manager. BUELLTON shall notify GOLETA of such election in writing no less than 180 calendar days prior to the termination date of this

AGREEMENT. Within sixty (60) days after receipt of such notice from BUELLTON, GOLETA shall provide written notice of acceptance or rejection of such extension.

If this AGREEMENT is not extended or renewed, or if GOLETA fails to respond to BUELLTON 's request for extension as provided in the preceding paragraph, and BUELLTON has no other arrangement for administration and operation of the LIBRARY, all terms and conditions of this AGREEMENT shall remain in full force and effect not to exceed six (6) months.

## **5. LIBRARY MATERIALS COLLECTION, FURNISHINGS AND EQUIPMENT**

### **A. Library Materials.**

All digital media and physical books, periodicals, audio/video materials, and other Library resources and tools (collectively known as "Materials") contained in the LIBRARY on the beginning date of this Agreement, are the property of BUELLTON. In addition, all Materials contained in the LIBRARY at the termination or expiration of this AGREEMENT are and shall remain the property of BUELLTON. As part of its operational responsibilities as set forth herein, GOLETA shall have the discretion and responsibility for selecting and purchasing all Materials for the LIBRARY's collection on behalf of BUELLTON, utilizing the funding described herein and donations specifically designated for collection materials. GOLETA shall also have the discretion to de-select and re-assign materials to best meet the needs of the community.

Some donated Materials and Materials previously purchased, but which are no longer in circulation, may be sold or disposed of by GOLETA as appropriate. All funds received for the sale or disposal of any such materials shall be deposited into the account for operation of the LIBRARY and shall be used solely for LIBRARY purposes.

### **B. Furnishings and Equipment.**

All furnishings and equipment contained in and designated for use solely in the LIBRARY, including but not limited to book shelves, desks, tables, chairs, study carrels, RFID equipment and software, telecommunication and computer equipment and systems, office machines, and appliances, are and shall continue to be the property of BUELLTON. Any future additions to the LIBRARY's furnishings and equipment purchased with funds provided for or by BUELLTON, including reserve funds, shall be the property of BUELLTON. In the event that any furnishings, equipment or supplies are purchased for use in the LIBRARY by another entity, such furnishings, equipment or supplies shall be deemed the property of BUELLTON. This provision shall apply to all security system equipment and upgrades purchased by GOLETA for the LIBRARY, including self-check machines, new security gates, and any other equipment purchased for the purpose of facilitating the conversion of the LIBRARY's security system to an RFID based system.

## **6. MAINTENANCE OF RECORDS**

GOLETA shall keep reasonably itemized and detailed records and reports pertaining to the management of the LIBRARY as required by law or grants in accordance with generally accepted accounting principles, and shall be available to BUELLTON for inspection after reasonable prior notice to GOLETA. Records shall be retained in accordance with GOLETA'S record retention schedule and shall be conveyed to BUELLTON upon expiration or termination of this AGREEMENT.

## **7. FRIENDS OF THE LIBRARY**

A. THE PARTIES recognize the important role a Friends of the Library ("Friends") organization plays in assisting the LIBRARY in its provision of quality service to the community. THE PARTIES recognize that the funds raised and provided by the Friends are important to the ongoing operation of the LIBRARY and as such, serve a public purpose. Any incidental public support provided to the Friends through this AGREEMENT is an appropriate expense in support of this public purpose.

B. Unless otherwise specifically stated or designated by the donor, all donations made to or at the LIBRARY shall be deemed to be made to the LIBRARY.

## **8. EMERGENCY**

In the event of a catastrophic, unplanned and/or reasonably unforeseeable event or emergency which (a) results in the closure or inability of the library to open for more than one week, (b) results in a significant loss of library materials, and/or (c) which significantly impairs the ability of the LIBRARY to maintain the current level of library service, THE PARTIES shall meet as soon as possible to determine and mutually agree upon how and in what manner to proceed with LIBRARY operations.

## **9. TERMINATION**

A. Without Cause.

At any time during the term of this AGREEMENT or any extension thereof, either of the PARTIES to this AGREEMENT may, on six (6) months' prior written notice to the other party, terminate this AGREEMENT without cause.

Notwithstanding the foregoing, GOLETA may terminate this AGREEMENT should the COUNTY AGREEMENT expire, be terminated, notice of termination be given by the COUNTY or be modified in a manner as to materially affect, as determined by GOLETA'S City Council in its sole discretion, GOLETA'S obligations, commitments or costs or as to reduce the COUNTY'S funding obligations to GOLETA. Termination in that circumstance shall be effective immediately upon written notice to BUELLTON or at some other time specified in the notice.

B. For Default.

Default by GOLETA:

Except as otherwise set forth in other provisions of this AGREEMENT, this AGREEMENT shall not be subject to termination for any default of GOLETA, but BUELLTON may enforce the AGREEMENT or any provision therein as otherwise allowed by law. If GOLETA fails to cure a default that BUELLTON is permitted to cure, then BUELLTON may in its sole discretion perform such cure. In the event that BUELLTON elects to cure the default, GOLETA shall reimburse BUELLTON for all costs incurred by BUELLTON in performing the cure, as well as for all damages proximately caused to BUELLTON because of the default.

BUELLTON shall have such other rights or remedies as may be provided by law or equity. The use of each such right and remedy shall be cumulative, and shall not preclude BUELLTON from pursuing other rights and remedies that may exist now or in the future.

Default by BUELLTON:

Except as otherwise set forth in other provisions of this AGREEMENT, this AGREEMENT shall not be subject to termination for any default of BUELLTON, but GOLETA may enforce the AGREEMENT or any provision therein as otherwise allowed by law. If BUELLTON does not cure a default that GOLETA is permitted to cure, then GOLETA may in its sole discretion perform such cure. In the event that GOLETA elects to cure the default, BUELLTON shall reimburse GOLETA for all costs incurred by GOLETA in performing the cure, as well as for all damages proximately caused to GOLETA because of the default.

GOLETA shall have such other rights or remedies as may be provided by law or equity. The use of each such right and remedy shall be cumulative, and shall not preclude GOLETA from pursuing other rights and remedies that may exist now or in the future.

**10. ASSIGNMENT**

GOLETA shall not assign this AGREEMENT or any part thereof or any monies payable hereunder without the prior written consent of BUELLTON. Any attempt to assign without such written consent shall be void.

**11. INSURANCE**

GOLETA is insured through its membership in the California Joint Powers Insurance Authority ("CJPIA"). The CJPIA Memorandum of Coverage includes coverages that satisfy the following requirements:

A. GENERAL AND AUTOMOBILE LIABILITY INSURANCE: The general liability insurance shall include personal injury liability coverage, shall afford coverage for all operations of GOLETA at the LIBRARY, and shall include contractual liability for the AGREEMENT between BUELLTON and GOLETA. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles which are operated on behalf of GOLETA pursuant to GOLETA's activities hereunder. BUELLTON and its officers, employees and agents shall be named as "Additional Insured" on any policy. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$5,000,000 per occurrence combined single limit for bodily injury and property damage. Personal injury coverage should also be in the amount of not less than \$1,000,000 per occurrence and aggregate. Said policy or policies shall contain a provision that such insurance as is afforded by this policy shall be primary and contributory to the full limits stated in the declarations, and if THE PARTIES have other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only.

B. WORKERS' COMPENSATION INSURANCE: Statutory Workers' Compensation and Employer's Liability Insurance shall cover all GOLETA staff while performing any work incidental to the performance of this AGREEMENT. The policy shall provide that no cancellation, major change in coverage, or expiration shall be effective or occur until at least thirty (30) calendar days after receipt of such notice by BUELLTON.

BUELLTON is insured through its membership in the California Joint Powers Insurance Authority ("CJPIA"). BUELLTON's insurance covers the contents of the LIBRARY and against loss or damage by fire, lightening, vandalism, malicious mischief and such perils ordinarily defined as "extended coverage." Such insurance covers the full insurable replacement value of the LIBRARY.

## **12. INDEMNITY**

In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties pursuant to Government Code Section 895.6, the parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but instead all parties agree that pursuant to Government Code Section 895.4, GOLETA shall fully defend, indemnify and hold BUELLTON, its elected and appointed officials, officers, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the acts or omissions of GOLETA, its elected and appointed officials, officers, employees and agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Agreement and BUELLTON shall fully defend, indemnify and hold GOLETA, its elected and appointed officials, officers, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the acts or omissions of BUELLTON. No party, nor any elected or appointed official, officer, employee or agent thereof shall be responsible for any damage, claim, expense,

cost, or liability occurring by reason of the acts or omissions of other parties hereto, their officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other parties under this AGREEMENT. The indemnity provided by each party pursuant to this Section shall survive the expiration or termination of this AGREEMENT.

**13. DESIGNATED REPRESENTATIVE**

GOLETA will designate its City Manager as the representative for administering this AGREEMENT on behalf of GOLETA. BUELLTON will designate its City Manager as the representative for administering this AGREEMENT on behalf of BUELLTON. Changes in designated representatives shall be made only after advance written notice to the other party. BUELLTON and its authorized representatives shall have the right to enter the LIBRARY at all reasonable times for inspection, maintenance, restoration or posting of notices. BUELLTON shall conduct such activities in a manner that will cause the least possible inconvenience for GOLETA.

**14. INDEPENDENT CONTRACTOR**

The PARTIES, in the performance of this Agreement, will be acting in their individual governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another. The parties intend that an independent contractor relationship will be created by this AGREEMENT. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

**15. ENTIRE AGREEMENT AND AMENDMENT**

In conjunction with the matters considered herein, this AGREEMENT contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This AGREEMENT may be altered, amended or modified only by an instrument in writing, executed by the parties to this AGREEMENT and by no other means. Each party waives their future right to claim, contest or assert that this AGREEMENT was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

**16. COMPLIANCE WITH LAW**

GOLETA shall, at its sole cost and expense, comply with all county, state and federal ordinances and statutes now in force or which may hereafter be in force with regard to this AGREEMENT.

**17. CALIFORNIA LAW**

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

**18. HAZARDOUS MATERIALS**

**A. Warranties and Representations**

BUELLTON warrants that hazardous substances have not been released upon the LIBRARY property; that BUELLTON has no knowledge of any release of hazardous substances on the LIBRARY property; that it has no knowledge or reason to believe that there are hazardous substances on the LIBRARY property; and that it shall comply with all law concerning the use, release, storage and disposal of hazardous substances.

**B. Notice**

Each party shall immediately notify the other upon discovery that hazardous substances have been released on the LIBRARY property.

**C. Indemnity**

**1. BUELLTON's *Obligation*.**

BUELLTON shall indemnify, defend and hold harmless GOLETA, its elected and appointed officials, officers, employees and agents from and against any and all liability, expenses (including defense costs and legal fees), and claims for damages of any nature whatsoever (including, but not limited to, bodily injury, death or property damage) arising from or connected with the presence of hazardous substances on the LIBRARY property, excepting only liability for hazardous substances placed on the LIBRARY property by GOLETA.

**2. GOLETA's *Obligation*.**

GOLETA shall indemnify, defend and hold harmless BUELLTON, its elected and appointed officials, officers, employees and agents from and against any and all liability, expenses (including defense costs and legal fees), and claims for damages of any nature whatsoever (including, but not limited to, bodily injury, death or property damage) arising from or connected with the introduction of hazardous substances onto the LIBRARY property by GOLETA.

**3. *Survival of Obligation*.**

The indemnity provided by each party pursuant to this Section shall survive the expiration or termination of this AGREEMENT.

**D. Indoor Air Pollution Notification**

Each party shall immediately notify the other upon discovery of any indoor air pollution problem at the LIBRARY. BUELLTON shall correct any such problem at its sole expense.

**19. NON-DISCRIMINATION**

GOLETA shall not in the management, operation, rental, use, or maintenance of the premises discriminate against any person or group based on race, religion, color, medical condition, sex, sexual orientation or gender identity, national origin, or political affiliation.

**20. NON-BINDING MEDIATION**

If any dispute, controversy or claim arises under this AGREEMENT, the parties shall negotiate in good faith to settle the matter. If the parties are unable to resolve the matter within a reasonable time, the parties shall submit the matter to mediation by a trained mediator approved by both parties, the cost of which shall be shared equally by the parties. The place of mediation shall be Santa Barbara, California. Nothing in this Section shall preclude any party from seeking injunctive relief or other equitable remedies (whether prior to or during such mediation) if necessary to protect the interests of such party.

**21. NOTICES**

Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO GOLETA:                      Attention: Michelle Greene, City Manager  
                                         City of Goleta  
                                         130 Cremona Drive, Suite B  
                                         Goleta, CA 93117

TO BUELLTON:                Attention: Buellton City Manager  
                                         City of Buellton  
                                         107 West Highway 246  
                                         P.O. Box 1819  
                                         Buellton, CA 93427



**22. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES**

This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

**23. AUTHORITY**

Each of the PARTIES represents and warrants that its City Council approved this AGREEMENT and authorized its respective City Manager to execute the same.

**In concurrence and witness whereof**, this AGREEMENT has been executed by the PARTIES effective on the date and year first above written.

**CITY OF GOLETA**

**CITY OF BUELLTON**

\_\_\_\_\_  
Michelle Greene, City Manager

\_\_\_\_\_  
Marc Bierdzinski, City Manager

**ATTEST**

**ATTEST**

\_\_\_\_\_  
Deborah Lopez, City Clerk

\_\_\_\_\_  
Linda Reid, City Clerk

**APPROVED AS TO FORM**

**APPROVED AS TO FORM**

  
\_\_\_\_\_  
Winnie Cai, Assistant City Attorney

\_\_\_\_\_  
Gregory M. Murphy, City Attorney

**Exhibit A**  
**Statement of Work**

**1. DELIVERY OF SERVICES.**

GOLETA, through its Library Department, shall deliver general library management services to BUELLTON according to the terms and conditions set forth herein.

**2. GENERAL LIBRARY MANAGEMENT SERVICES.**

GOLETA agrees to provide general library management services for BUELLTON, which include administration, management, and operations of library services, and will provide personnel and other resources, tools, programs and services, including lending books and other materials, cataloging the LIBRARY's collection and other related activities consistent with the operation of a free public library. GOLETA shall not employ any personnel, purchase or rent supplies, equipment or services, or incur any expenses in the name of BUELLTON.

**3. LEVEL OF SERVICE AND STAFFING LEVELS.**

A. **LEVEL OF SERVICE AND STAFFING LEVELS RECOMMENDATION:** The level of service and staffing levels for general library management services, along with its proposed operational budget for the following fiscal year will be recommended to BUELLTON by GOLETA on or before March 1 of each year with service level adjustments (if needed) occurring July 1 of the following year. GOLETA will provide BUELLTON with a list of GOLETA's proposed staffing levels for the LIBRARY for review. Staffing levels shall not be reduced by GOLETA without the approval of BUELLTON, including proposed reductions due to any furloughs or other work-schedule reductions, staffing and scheduling of GOLETA employees. Where proposed reductions in staffing levels are the result of mid-year budgeting changes by GOLETA or an unexpected reduction in funding from the County of Santa Barbara, BUELLTON shall have the option of providing additional financial support to maintain staffing levels previously agreed to between the PARTIES as set forth herein.

B. **LEVEL OF SERVICE ENHANCEMENT:** BUELLTON may request GOLETA to provide an enhanced level of regular library-related services, including without limitation, additional staffing and/or hours of operation, one-time or periodic services. BUELLTON will provide GOLETA with this request in writing and GOLETA shall provide a written response within 30 days, including a proposed budget detailing the cost of such enhanced services and a list of any added or different type of personnel necessitated by such requested changes. Any enhancements in operations, staffing levels, or hours of operations must be agreed to by THE PARTIES. For any enhanced level of regular library-related services, GOLETA will charge the applicable management fee commensurate with costs estimated to be incurred for the enhanced services. Proposed changes shall be presented as needed to the City of Buellton City Council, the Goleta

City Council, Goleta Library Ad Hoc Committee, and County Library Advisory Committee for input, as described in the Agreement for Operations between GOLETA and the County of Santa Barbara.

C. LIBRARY STAFFING: All persons required for the performance of GOLETA'S responsibilities under this AGREEMENT shall be selected and employed by GOLETA, and shall at all times be and remain agents or employees of GOLETA. No persons employed or retained by GOLETA for performance of its duties under this AGREEMENT shall at any time be deemed or considered to be the agents or employees of BUELLTON.

GOLETA shall be responsible for the selection, supervision, training, discipline, and scheduling of all LIBRARY staff. The operating and personnel procedures of the Library Department of GOLETA will at all times apply to GOLETA'S operation of the LIBRARY.

Prior to the appointment or transfer of a Supervising Librarian/Branch Supervisor to the LIBRARY, GOLETA shall, through its Library Director, meet and discuss with BUELLTON, the proposed appointment or transfer. BUELLTON shall have the right to request different personnel than those proposed; however, the ultimate decision regarding appointment or transfer resides with GOLETA. The parties recognize that GOLETA has the sole responsibility and authority for making personnel decisions relating to its employees.

D. HOURS OF OPERATION: The LIBRARY's hours of operation are:

Mondays, Tuesdays, and Wednesdays: 11:00a.m. - 7:00p.m.

Thursdays: Closed

Fridays and Saturday: 12:00p.m. - 5:30p.m.

Sundays: Closed

The LIBRARY's planned holiday closures each year are:

New Year's Day

Martin Luther King Jr. Day

President's Day

Memorial Day

Independence Day

Labor Day

Veteran's Day

Thanksgiving

Day After Thanksgiving

Christmas Eve

Christmas Day

New Year's Eve

Any proposed changes to the LIBRARY'S normal operating hours, including changes to normally scheduled holiday closures, shall be communicated by GOLETA to BUELLTON with reasonable advance notice, and subject to approval from BUELLTON. GOLETA shall not effect changes to the LIBRARY's normal operating hours without written approval from BUELLTON.

#### **4. GRANT ADMINISTRATION AND PROGRAMS**

The administrative function will also include the ability and authority for GOLETA to apply, administer and implement grant opportunities for the benefit of BUELLTON with the expressed written permission of the Designated Representative of BUELLTON. If the additional level of service is tied to a grant program, BUELLTON will be invoiced for actual, additional costs above the grant award for the applicable time period unless GOLETA and BUELLTON agree otherwise. This assumes that any grant funds are received directly by GOLETA, BUELLTON may request and GOLETA may provide cost estimates prior to implementation of a grant and/or program. BUELLTON understands that actual, additional costs may vary slightly (high or low) from original estimates.

Any supplemental, material expenses related to ongoing programs will be recommended by GOLETA to BUELLTON in advance of purchase. BUELLTON understands and accepts that if a supplemental item related to an ongoing program is not approved by GOLETA, BUELLTON may exercise the option to refrain from further work on the grant or program. GOLETA will apply departmental and or city-wide overhead to a grant cost when the provisions of the grant allow for the accounting of overhead expense. BUELLTON understands and accepts that the net cost of grant overhead may become an expense to BUELLTON when other provisions are not agreed upon in writing by both parties in advance of the implementation of the grant. BUELLTON understands and accepts any ongoing fiscal, staffing, and/or programmatic obligations incurred in the acceptance of a grant. An example of such obligation may include a grant requirement to retain a staffing position for a time period beyond the original grant award period.

#### **5. FACILITY UPKEEP, MAINTENANCE AND REPAIR**

GOLETA and BUELLTON will share maintenance responsibilities at the LIBRARY as detailed in Exhibit A-1.

#### **6. INFORMATION TECHNOLOGY SUPPORT**

GOLETA agrees to provide Information Technology (IT) support services to the LIBRARY for all telecommunications equipment, computers and internet, printers, copy machines, and other IT-related equipment and services. Contracted staff from Synergy Computing Inc. will be utilized for these services. Estimated costs are provided in Exhibit D, Proposed Operating Budget for Fiscal Year 2019-20.

GOLETA agrees to administer the LIBRARY's telephone account and payments on BUELLTON's behalf. This service will be subject to the management fee charges described in Exhibit C.

**7. EXCLUDED EXPENSES**

The following are EXCLUDED from this AGREEMENT and the responsibility of the entity indicated:

- A. Custodial services and supplies needed for the operation of the LIBRARY and LIBRARY restrooms. (BUELLTON)
- B. Water, sewer, refuse, electric and gas. (BUELLTON)

GOLETA shall not be responsible for funding, or fronting funds, to cover any overall budget deficits the LIBRARY may experience as a result of total expenses exceeding total available revenues. Refer to Exhibit D to view the LIBRARY's Proposed Operating Budget for Fiscal Year 2019-20.

**Exhibit A-1  
Maintenance and Repair Responsibilities**

	ITEM	NOT APPLICABLE	GOLETA	BUELLTON	Notes
<b>1 Building Exterior</b>					
	Repair Walls			X	
	Painted Surfaces			X	
	Door and Window Trim			X	
	Doors, Hardware			X	
	Windows: Hardware and Screens			X	
	Locks			X	
	Roof			X	
	Rain gutters			X	
	Flashing			X	
	Down spouts			X	
	Pest Control			X	
	<b>Lighting</b>				
	Bulbs			X	
	Fixtures			X	
	Transformers			X	
	Fluorescent Lights			X	
	Ballast			X	
	<b>Handrails</b>			X	
	<b>Signs</b>			X	
	<b>Timers</b>	X			
	<b>Sewer Pipes</b>			X	
	<b>Decking</b>	X			
	<b>Exterior Patios</b>	X			
	<b>Water Softener, Filter and Conditioner</b>				
	<b>Stairs</b>			X	
	<b>Roof Drains</b>			X	
	<b>Drinking Fountains</b>			X	
	<b>Gates</b>	X			
	<b>Gas/Water pipe lines</b>			X	
	<b>Electrical Lines</b>			X	
	<b>Phone/Computer/Cable Lines</b>		X		
<b>2 Building Interior</b>					
	Walls (structural)			X	
	Painted Surfaces		X		

	Door Hardware			X	
	Locks			X	
	General Cleaning		X		
	Floor, Sweeping and Cleaning			X	
	Carpet, Vacuum and Cleaning			X	
	Window Coverings		X		
	Trash		X		
	<b>Lighting</b>				
	Bulbs		X		
	Fixtures		X		
	Transformers		X		
	Flourescent Lights		X		
	Ballast		X		
	Emergency Lights		X		
	<b>Handrails (ADA)</b>			X	
	<b>Signs</b>	X			
	<b>Timers</b>	X			
	<b>Drinking Fountains</b>	X			
	<b>Ceiling</b>		X		
	<b>Showers</b>	X			
	<b>Toilet/Urinals (Replacement)</b>			X	
	<b>Toilet/Urinals (Maintenance)</b>			X	
	<b>Sink &amp; Faucets (Replacement)</b>			X	
	<b>Sink &amp; Faucets (Maintenance)</b>			X	
	<b>Gas Pipe Lines</b>			X	
	<b>Water Pipe Lines</b>			X	
	<b>Sewer Pipe Lines/Drains</b>			X	
	<b>Phone Lines &amp; Jacks</b>		X		
	<b>Computer Lines &amp; Jacks</b>		X		
	<b>TV Cable &amp; Jacks</b>		X		
	<b>Phones</b>		X		
	<b>Towel Racks</b>	X			
	<b>Garbage Disposal</b>	X			
	<b>Refrigerator/microwave</b>	X			
	<b>Stove</b>	X			
	<b>Counter Tops, replacement</b>	X			
	<b>Cabinets, replacement</b>	X			

	Dish Washer	X			
	Trash Compactor	X			
<b>3 Grounds</b>					
	Drinking Fountains			X	
	Mail Boxes	X			
	Fences			X	
	Trash bins			X	
	Trash enclosures			X	
	Bike Racks			X	
	Signs			X	
	Litter Pick-Up			X	
	<b>Lighting</b>				
	Parking Lot			X	
	Driveways			X	
	Walkways			X	
	Timers (external)	X			
	Timers (internal)	X			
	Signs			X	
	<b>Cleaning, Sidewalks, Walkways, Parking Lots</b>			X	
<b>4 Landscaping</b>					
	Trees			X	
	Shrubs			X	
	Flowers			X	
	Lawn			X	
	Watering			X	
	Sprinkler, Repair and Replace			X	
	Headers			X	
	Rodent/Pest Control			X	
	Seeding			X	
	Fertilizer			X	
	Plant Trimmings			X	
	Plant Replacement			X	
	Tree Care & Trimming			X	
<b>5 Mechanical Systems</b>					
	Electrical Panels, Breaker, Interior			X	
	Electrical Fuses, Interior			X	
	Electrical Receptacle, Switches, Interior			X	
	Electrical Central Switches			X	
	Elevator	X			
	Heating			X	
	Air Conditioning			X	



	Water Heater			X	
<b>6 Roadways/Parking Lots Repair &amp; Maintenance</b>					
	Striping			X	
	ADA Accessibility Signage			X	
	Asphalt Surface, Curbing			X	
	Cement Surface, Curbing			X	
	Wheel Stops			X	
	Drainage			X	
	Signs			X	
<b>7 Fire Equipment</b>					
	Sprinklers			X	
	Hoses	X			
	Extinguisher (interior)			X	
	Alarm Systems	X			
	Smoke Detectors			X	
<b>8 Other Items</b>					
	Paper supplies, dispensers, soaps in restrooms			X	
	Interior janitorial products and services (lobby)			X	
	Interior Floor Waxing, Sweeping			X	
	Window Washing (interior & exterior)		interior	exterior	
	Exterior sweeping entry, sidewalk and walkways			X	
	Janitorial service for public areas or common use			X	
	Broken window glass or door glass			X	
	Refuse, Rubbish and Garbage Disposal			X	
	Cleaning Storage Rooms, Utility Rooms			X	
	Exterminating			X	
	Carpet Replacement, Linoleum Replacement		X	Initial only	
	Library Drop Box		X		
	Building Foundation			X	

**Exhibit B**  
**Payment Methodology**

**1. GENERAL COMPENSATION**

**A. Reimbursable Expenses.**

Subject to the terms of this AGREEMENT, BUELLTON shall pay to GOLETA the costs incurred by GOLETA in providing the services contracted for or otherwise authorized under the terms of this AGREEMENT, including:

- i. Salaries and benefits of all GOLETA employees engaged therein for positions defined in Exhibit D-1: Library Staffing.
- ii. Direct supervision
- iii. Clerical support;
- iv. Direct services and supplies
- v. Department-applied overhead as identified in the management fee calculation
- vi. Management services
- vii. Any actual, additional costs associated with supplemental library operation services; and,
- viii. Any other mutually agreed upon expense that arises during the term of the AGREEMENT. Examples include BUELLTON'S request to participate in a GOLETA bid process, or sharing a purchasing contract for the purpose of quantity discount to the benefit of both parties.

**2. ANNUAL RECOMPUTATION OF COMPENSATION**

**A. Recomputation of Proposed Operational Budget for Library Management Services.**

Except as otherwise specific hereinafter, the total amount charged for Library Management Services shall be recomputed annually with an estimate provided by GOLETA on or before March 1<sup>st</sup> of each calendar year for the following fiscal year, with the fiscal year defined as July 1<sup>st</sup> through June 30<sup>th</sup>. A final recomputation will be provided by GOLETA for the fiscal year beginning July 1<sup>st</sup> on or before June 1<sup>st</sup> of the same year. The recomputation calculation shall be determined by GOLETA based on revised estimated costs of providing Library Management Services from the previous fiscal year.

The recomputation formula will specifically include actual costs for items specific in Exhibit B, Paragraph 1. The total agreement amount for the applicable fiscal year will be effective July 1<sup>st</sup> of that fiscal year, subject to review by BUELLTON. Staff representatives of GOLETA and BUELLTON are advised to meet during the calculation process and prior to any formal presentation before their respective

governing bodies. In the event cost increases will have a detrimental impact to BUELLTON'S budget, GOLETA staff will meet with BUELLTON, upon its request, and discuss staffing or operation adjustments to mitigate costs.

- i. The annual cost computation (Proposed Operating Budget) will be provided to BUELLTON as Exhibit D and will be referred to as First (1<sup>st</sup>) Annual Cost Computation (Proposed Operating Budget), Second Annual Cost Computation (Proposed Operating Budget if this Agreement is extended), and Third (3<sup>rd</sup>) Annual Cost Computation (Proposed Operating Budget) if this Agreement is further extended.

**B. Increases to Service Level Requested by Buellton.**

In the event that BUELLTON desires to increase the then-existing type or level of staffing provided under the terms of this AGREEMENT, in addition to other procedures set forth in this AGREEMENT, BUELLTON will make a written request to GOLETA in December of each year for changes to be applied to the succeeding fiscal year. BUELLTON'S request shall detail the specific type and level of staffing BUELLTON desires, with BUELLTON acknowledging that the costs of such services may impact the total, negotiated agreement for the relevant fiscal year. GOLETA shall review said annual request within thirty (30) days of GOLETA's receipt thereof and acknowledge acceptance or rejection by letter to BUELLTON'S Designated Representative. Upon notice from GOLETA of acceptance or partial acceptance of said request, and the cost of providing the type or level of staffing therein agreed upon, the parties shall prepare and execute a written amendment to this AGREEMENT as to the terms and conditions set forth in said annual request and acceptance; all other terms set forth in this Agreement shall continue in full force and effect. In the event GOLETA rejects all or any portion of said annual request, the then-existing type and level of staffing shall remain in full force and effect, as modified by the acceptable portions of said annual request, until such time that the parties reach agreement as to the rejected portions of said annual request. An increase in level of service recommended by GOLETA, or decrease requested by BUELLTON, is subject to the procedures set forth in Paragraph 2 of Exhibit A and not this Paragraph.

**C. Payment Process.**

The total estimated cost for the applicable fiscal year will be invoiced annually to BUELLTON for full payment on or before the 25<sup>th</sup> of July for the annual payment. The purpose of this annual payment in the first month of the fiscal year, is to ensure total funding available for operations, and in addition, to benefit both parties administratively. BUELLTON'S payment shall be made by check or electronic transfer. A check shall be made payable to order of "City of Goleta" and mailed to the GOLETA address 130 Cremona Drive, Suite B, Goleta, CA 93117. If such payment is not delivered to the GOLETA office within thirty days of the respective due date, GOLETA is entitled to recover interest thereon. Said interest shall be

assessed using GOLETA'S pooled interest rate in effect at the time; it shall commence thirty (30) days after the date of the invoice and continue until such time as the payment is delivered to the GOLETA office described on said invoice.

### **3. ADDITIONAL LIBRARY MANAGEMENT SERVICES**

#### **A. Annual Agreement**

BUELLTON costs for One-time or Periodic Library Management Services, as defined in Exhibit A, Paragraph 2, Section B, item ii, will not be included in the total contract amount.

#### **B. Estimates**

BUELLTON may request an estimated cost from GOLETA as described in paragraph 2(A) for budget preparation and planning purposes for the fiscal year or in advance of a planned event. BUELLTON understands and accepts that such an estimate in no way represents any minimum or maximum charge to BUELLTON.

#### **C. Cost Tracking & Invoicing**

The actual costs related to providing additional or special library management services will be tracked through GOLETA'S Financial System (currently Incode 8 and soon Incode 10), and reviewed prior to preparing a summary invoice. GOLETA will send an invoice within 90 days of conclusion of the work performed. A detailed listing of these charges will be kept on file at the GOLETA office and made available to BUELLTON upon written request. These records will be maintained for a period of one year after the day of the original invoice.

#### **D. Payment Process**

BUELLTON payment for additional or supplemental library management services is due to GOLETA within thirty (30) days of the date of the invoice. Payment will be made payable to: "City of Goleta" and mailed to: City of Goleta, Attention: Finance, 130 Cremona Drive, Suite B, Goleta, CA 93117. If such payment is not delivered to the GOLETA office within thirty days after the date of the invoice, GOLETA is entitled to recover interest thereon. Said interest shall be assessed using GOLETA's pooled interest rate in effect at the time; it shall commence thirty (30) days after the date of the invoice and continue until such time as the payment is delivered to the GOLETA office described on said invoice.

## **Exhibit C Cost Model**

The cost model determines the overall cost of providing library management services to BUELLTON, including the estimated management fee of support staff. The cost model is inclusive of budget line items to operate the branch library, and includes accounts related to staff salary and benefits, services and supplies, and capital outlay. In addition to the cost estimates, GOLETA'S cost model includes a management fee that is representative of the administrative overhead from support staff of providing library management services. The annual proposed operating budget represents the total cost for the library management operations for the following fiscal year.

### **1. Proposed Operating Budget**

On or before March 1 of each year of this AGREEMENT, GOLETA will provide BUELLTON with a copy of its proposed operating budget for BUELLTON library for the following fiscal year. Any changes to the LIBRARY budget during the current fiscal year of this AGREEMENT, including any unanticipated reductions or increases, which would affect services or hours open to the public, will be communicated to BUELLTON as soon as possible. BUELLTON shall have the exclusive authority to accept or reject any changes or reductions in service levels or service hours requested by GOLETA. Where proposed reductions in service are the result of mid-year budgeting changes by GOLETA or an unexpected reduction in funding from the County of Santa Barbara, BUELLTON shall have the option of providing additional financial support to maintain service levels previously agreed to between THE PARTIES as set forth herein.

### **2. Salary and Benefits**

This is the actual hourly cost of salary and benefits paid to the Library employee's classification for library management services based on staffing levels approved. Subject to future increases due to benefit and salary changes.

### **3. Services and Supplies**

This category is the estimated direct cost of services and supplies to support the BUELLTON library. The line item accounts are consistent with GOLETA'S chart of accounts and were originally estimated based on information received at the time. This section of costs accounts for expenditures that can be directly charged against the library and clearly identified. Major costs include Black Gold Fees, IT services, courier delivery services, and GOLETA's management fee. Subject to future changes, due to changes in cost of contracts fees, or unanticipated direct costs.

**4. Capital Equipment/Outlay.**

This category is the estimated direct cost of book acquisitions (including processing fees) or other future capital outlay.

**5. Management Fee.**

The management fee is the estimated cost of support and administration provided by GOLETA support department staff. It includes support from General Government, Finance, and Goleta Library. The management fee is calculated using a time and materials survey cost model that incorporates the hourly labor and benefit rate of GOLETA staff that would be directly supporting the BUELLTON library. The model identifies direct tasks performed by staff and other direct costs provided to the library branches with reasonable assumptions. The cost model is to be used as a starting point for the first year and subject to future adjustments based on changes to direct tasks involved, staffing labor and benefit rates and service level adjustments. City-wide indirect overhead cost was not applied to the labor and benefit rates of staff. The management fee is subject to change annually due to increases in labor and benefit rates or updates to time and materials survey, and will be communicated to BUELLTON during the annual operating budget proposal.

**6. True-up to actual cost.**

The first-year cost estimates are based on information received from prior management, along with assumptions made for the upcoming year on estimated costs. Because this cost model estimates the costs for the upcoming year, a comparison of what was estimated and actually experienced will be performed after the close of next year. The difference in actual costs, whether higher (due to actual costs exceeding estimated costs) or lower (due to estimated costs exceeding actual costs), is then included in the costs estimated for two years later in order to true-up the estimated costs billed next year to the actual costs incurred. Due to the timing of actual costs known, being in the new fiscal year, there is a two-year lag for the true-up adjustment. Below is a sample schedule over a five-year period showing the estimated timing of the true-up being applied:

Years	1st Year	2nd Year	3rd Year	4th Year	5th Year
Fiscal Year	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Budget Period	July 1, 2019 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - June 30, 2022	July 1, 2022 - June 30, 2023	July 1, 2023 - June 30, 2024
Actual Costs Known	1st year in progress	October 2020	October 2021	October 2022	October 2023
Budget Proposal for next FY	2nd Year - March 2020	3rd Year - March 2021 (1st True-up)	4th Year - March 2022 (2nd True-up)	5th Year - March 2023 (3rd True-up)	6th Year - March 2024 (4th True-up)
True-up Actual Costs Experienced	no actual costs known until after FY	actual 1st year costs known, but in middle of 2nd year	1st Year True-up	2nd Year True-up	3rd Year True-up

The top row indicates the year, and the date below shows the activity taking place, outlining the timing of when the actual costs are known, the timing of next fiscal year's budget proposal, and when the true-up is being applied and experienced. During the 1<sup>st</sup> year, actual costs are not known until after completion of the 1<sup>st</sup> year, while we are in the 2<sup>nd</sup> year. During the 2<sup>nd</sup> year, the 3<sup>rd</sup> year budget proposal will be developed, and the true-up will be applied to that budget. The 1<sup>st</sup> year true up is then experienced in the 3<sup>rd</sup> year. The table cells are color coded, to correspond with the period the information belongs to.

**Exhibit D**  
**Proposed Operating Budget for Fiscal Year 2019-20**  
**(July 1, 2019 - June 30, 2020)**

<b>Buellton - Library</b>		<b>FY 19-20 Proposed</b>
<b>Revenues</b>		
Donations	\$	2,050.00
Fees and Service Charges	\$	3,150.00
County Per Capita	\$	82,438.00
City Contribution	\$	141,641.00
Library Fines	\$	3,000.00
Other Revenue	\$	4,300.00
<b>Total Revenues</b>		<b>\$ 236,579.00</b>
<b>Expenditures</b>		
<b>Salary and Benefits</b>		
<b>Total Salary and Benefits</b>	<b>\$</b>	<b>145,700.00</b>
<b>Supplies and Services:</b>		
Black Gold	\$	19,163.00
Office Supplies & Expense	\$	2,665.00
Special Supplies and Expense	\$	4,115.00
Facilities Maint.	\$	7,000.00
Non-Contractual Services (Custodial/Copier)	\$	2,400.00
Advertising	\$	200.00
Printing & Binding	\$	150.00
Messenger/Delivery	\$	8,760.00
Postage/Delivery	\$	500.00
Telephone	\$	1,600.00
Internet/Cable	\$	2,800.00
Vehicle Fuel and Maintenance	\$	265.00
IT Services and Software (Direct Costs)	\$	18,848.28
<b>Total Supplies and Services</b>	<b>\$</b>	<b>68,466.28</b>
<b>Capital Equipment:</b>		
Book Acquisitions	\$	39,119.00
<b>Total Capital Equipment</b>	<b>\$</b>	<b>39,119.00</b>
<b>Subtotal Expenditures</b>	<b>\$</b>	<b>253,285.28</b>
<b>Support Time and Materials (Mgmt. Fee):</b>		
Gen Gov	\$	13,078.45
Finance	\$	4,305.65
Library	\$	17,997.45
<b>Total Support Staff Time and Materials</b>	<b>\$</b>	<b>35,381.55</b>
Conversion to Admin Fee Rate		13.97%
<b>Total Expenditures</b>	<b>\$</b>	<b>288,666.83</b>
<b>Net Revenues Over Expenditures</b>	<b>\$</b>	<b>(52,087.83)</b>



## Exhibit D-1 Library Staffing

The purpose of this section is to incorporate into this agreement, the specific library staffing, including salary and benefits levels and authorized hours per/week for BUELLTON.

### SCHEDULE OF AUTHORIZED POSITIONS FOR BUELLTON LIBRARY

BUELLTON LIBRARY STAFF: FY 2019-2020								
<b>Buellton</b>								
Position	Status	Class	Base Wage	Salaries	Benefits	Total S/B	Authorized Hrs/Week	Benefit Level
Senior Library Technician	Reg/FT	104/1	\$25.13	\$52,000	\$20,500	\$72,500	40	Full time
Library Technician	Hourly	103/1	\$22.79	\$18,100	\$1,400	\$19,500	15	N/A**
Library Technician	Hourly	103/1	\$22.79	\$18,100	\$1,400	\$19,500	15	N/A**
Library Assistant I	Hourly	101/2	\$20.90	\$15,800	\$1,300	\$17,100	15	N/A**
Library Assistant I (Vacant)	Hourly	101/2	\$20.90	\$15,800	\$1,300	\$17,100	15	N/A**
<b>Total</b>						<b>\$145,700</b>		

\*\* CA Paid Sick Leave (24 hours)

*Salary and benefits have been rounded and include a 3% salary increase effective on the first pay period after January 1, 2020, subject to the Memorandum of Understanding with SEIU, Local 620. Future staffing levels, authorized hours, and rates are dependent upon funding provided by BUELLTON.*

**Exhibit E**  
**Legal Description**

Legal Description

Lot No. 28, San Carlos de Jonata, Map 4, being a portion of a

PART OF TRACT NO. 8 of the Rancho San Carlos de Jonata, according to map entitled "Map of Survey made by F. F. Flourney of part of the Rancho San Carlos de Jonata for the Santa Ynez Valley Development Co., Santa Barbara County, California, February 1910," recorded April 8, 1910, pasted in Volume 5 of Maps and Surveys at Pages 51 to 56, both inclusive, said Tract #8 being shown on sheet pasted on Pages Nos. 53 and 54, to wit:

COMMENCING at a 3/4" pipe located on the center line of County Road to Lompoc 498.1 feet east of pipe at intersection point between center line of said road and the westerly line of Tract #8 (all pipes mentioned, except pipe at place of beginning, are shown on map of survey made by F. F. Flourney of Part of the Rancho San Carlos de Jonata and filed in the Santa Barbara County Recorder's office) and running thence 1st, on center line of above mentioned road S. 65 deg. 0' 20" E. 300 feet to a 3/4" pipe in asphalt pavement; thence 2nd S. 25 deg. 0' W. 580.8 feet to a 3/4" pipe; thence 3rd N. 65 deg. 0' 20" W. 300 feet to a 3/4" pipe; thence 4th N. 25 deg. 0' E., 580.8 feet to place of beginning.

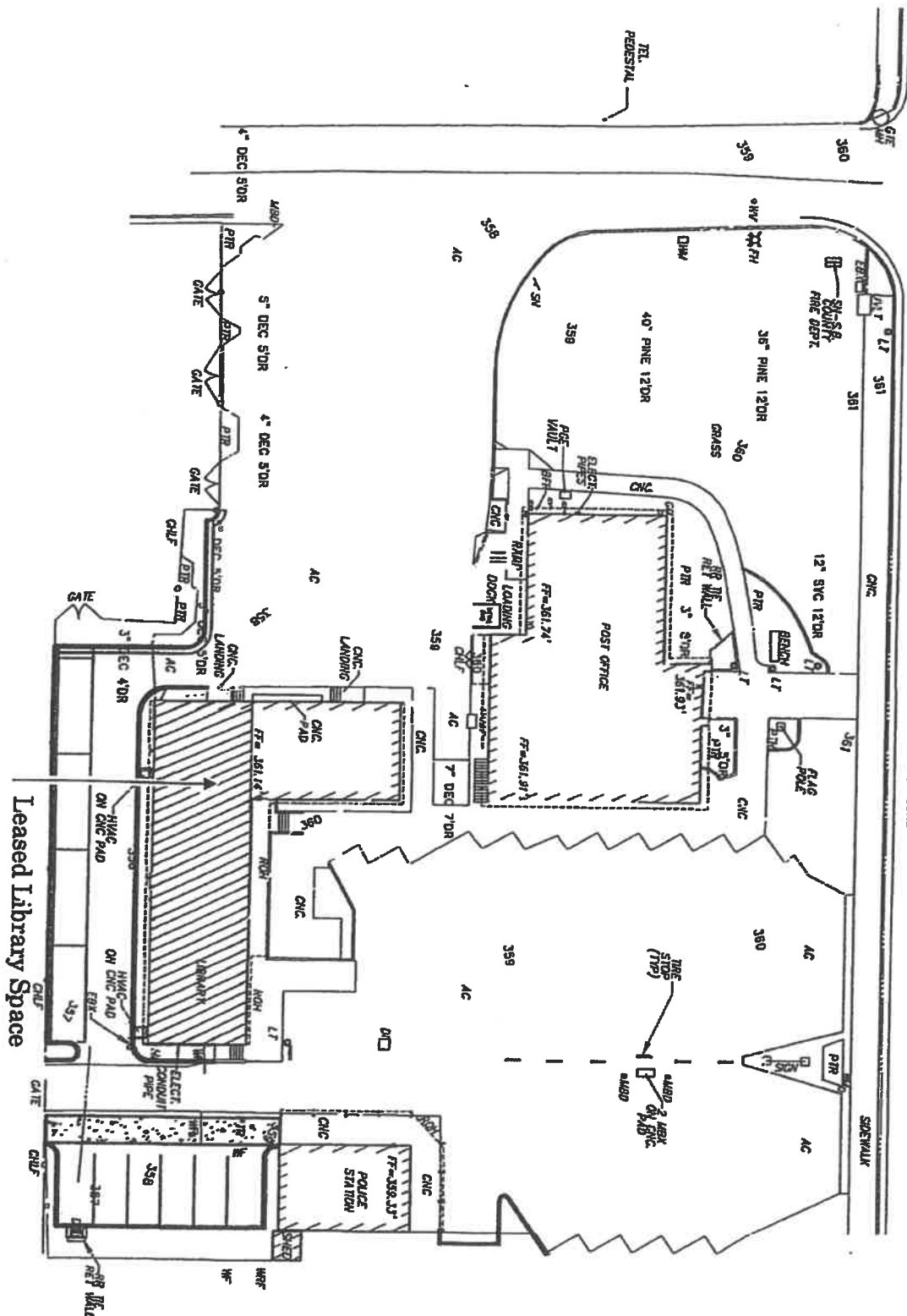
RESERVING and excepting from said described land all oil, petroleum and other hydrocarbon substances, including natural gas in and upon said premises, and the same rights and privileges in respect to said land as those set forth and contained in that certain indenture of lease, reference to which is hereby made, heretofore entered into by and between the Santa Ynez Valley Development Co., a corporation, as first party, and Henry Joseph Crocker, as second party, on the 24th day of October, 1906, recorded on the 8th day of April, 1907, in Book "H" of Leases, page 351 et seq., records of said Santa Barbara County.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

**Exhibit E-1  
Site Plan**

North ↑

37





## **ATTACHMENT 2**

### **City of Solvang Library Management Services Agreement**





**AGREEMENT FOR THE PROVISION OF LIBRARY MANAGEMENT SERVICES  
BETWEEN THE CITY OF SOLVANG AND THE CITY OF GOLETA AT THE  
SOLVANG LIBRARY**

This AGREEMENT FOR THE PROVISION OF LIBRARY MANAGEMENT SERVICES ("AGREEMENT") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between CITY OF SOLVANG, a municipal corporation, (hereinafter referred to as "SOLVANG") and the CITY OF GOLETA, a municipal corporation (hereinafter referred to as "GOLETA") (collectively referred to herein as the "PARTIES").

A. Goleta is a party to that certain agreement entitled Agreement for Operation of a County-Wide Library System dated July 1, 2018, ("COUNTY AGREEMENT") pursuant to which the County of Santa Barbara ("COUNTY") has compelled Goleta, as a condition of receiving library funding, to manage SOLVANG's library commencing July 1, 2019, the effective date of SOLVANG'S placement into Library Zone 4.

B. By virtue of the County's transfer of SOLVANG from Library Zone 1 to Library Zone 4, the City of Santa Barbara is no longer eligible to manage the SOLVANG library and SOLVANG does not have the personnel able and/or available to perform the services required under this AGREEMENT and has therefore requested that GOLETA administer and operate its library.

C. Pursuant to this contract, GOLETA will administer, manage, and operate the LIBRARY, and for that purpose will provide personnel and other resources, tools, programs and services including lending books and other materials, cataloging the LIBRARY's collection, and other related activities consistent with the operation of a free public library.

**NOW, THEREFORE**, in consideration of the foregoing and the promises herein contained, the PARTIES hereby agree as follows:

**1. SCOPE OF SERVICES**

Subject to the terms and conditions set forth herein, GOLETA agrees to operate and manage the SOLVANG LIBRARY ("LIBRARY") in accordance with the terms of this AGREEMENT and in conformance with GOLETA'S standard policies, procedures and standards for library operation. Operation and management of the LIBRARY shall include, but shall not be limited to, the lending of books and other materials, the cataloging of the LIBRARY's collection, and the provision of personnel, resources, tools, programs and services consistent with the operation of a free public library. GOLETA agrees to operate the LIBRARY by providing free library services to the patrons of the LIBRARY. All of the collection materials in the LIBRARY, including those belonging to

SOLVANG, shall be equally available to all of the inhabitants within the Black Gold Cooperative Library System (hereinafter referred to as "Black Gold"). A detailed Statement of Work is attached as Exhibit "A" to this AGREEMENT and incorporated herein by reference.

GOLETA'S performance under this AGREEMENT is contingent upon the continued existence of the COUNTY AGREEMENT and funding thereunder and this AGREEMENT shall be subject to termination as provided in Section 9 herein should the COUNTY AGREEMENT expire, be terminated or be modified in a manner as to materially affect, as determined by GOLETA'S City Council in its sole discretion, GOLETA'S obligations, commitments or costs or as to reduce the COUNTY'S funding obligations to GOLETA.

## **2. FUNDING AND PAYMENT**

Funding for the operation of the LIBRARY shall be provided by SOLVANG to GOLETA by way of the annual collection of a library management fee as calculated and collected by GOLETA, and as agreed upon annually by the PARTIES. SOLVANG shall compensate GOLETA for the provision of LIBRARY management services to SOLVANG, as detailed in Exhibit "B" (Payment Methodology) attached hereto and incorporated herein by reference. A management fee amount shall be determined annually by GOLETA, and its calculation shall be based on the cost model detailed in Exhibit "C" attached hereto and incorporated herein by reference. The estimated fee amount for the first year of services (July 1, 2019 - June 30, 2020) is detailed in Exhibit "D" (Proposed Operating Budget) attached hereto and incorporated herein by reference.

## **3. PREMISES**

GOLETA'S management services shall be provided in the LIBRARY located at 1745 Mission Drive, in the City of Solvang, State of California. Pursuant to Section 7 of the COUNTY AGREEMENT, GOLETA shall occupy and have exclusive use of the premises for the administration, management, and operation of said LIBRARY as provided herein for the term of this AGREEMENT and any extensions thereof. The continued use of the premises as SOLVANG'S Library is a matter between SOLVANG and the County and not part of this AGREEMENT.

## **4. TERM**

The term of this AGREEMENT shall be concurrent with the term of the COUNTY AGREEMENT and shall, only for the first year, commence upon the execution of this AGREEMENT by the PARTIES and end on June 30, 2020. THE PARTIES may mutually elect to extend this Agreement for five successive one (1) year terms subject to the approval of the GOLETA City Council. SOLVANG shall notify GOLETA of such election in writing no less than 180 calendar days prior to the termination date of this AGREEMENT. Within sixty (60) days after receipt of such notice from SOLVANG, GOLETA shall provide written notice of acceptance or rejection of such extension.

If this AGREEMENT is not extended or renewed, or if GOLETA fails to respond to SOLVANG's request for extension as provided in the preceding paragraph, and SOLVANG has no other arrangement for administration and operation of the LIBRARY, all terms and conditions of this AGREEMENT shall remain in full force and effect not to exceed six (6) months.

## **5. LIBRARY MATERIALS COLLECTION, FURNISHINGS AND EQUIPMENT**

### **A. Library Materials.**

All digital media and physical books, periodicals, audio/video materials, and other Library resources and tools (collectively known as "Materials") contained in the LIBRARY on the beginning date of this Agreement, are the property of SOLVANG. In addition, all Materials contained in the LIBRARY at the termination or expiration of this AGREEMENT are and shall remain the property of SOLVANG. As part of its operational responsibilities as set forth herein, GOLETA shall have the discretion and responsibility for selecting and purchasing all Materials for the LIBRARY's collection on behalf of SOLVANG, utilizing the funding described herein and donations specifically designated for collection materials. GOLETA shall also have the discretion to de-select and re-assign materials to best meet the needs of the community.

Some donated Materials and Materials previously purchased, but which are no longer in circulation, may be sold or disposed of by GOLETA as appropriate. All funds received for the sale or disposal of any such materials shall be deposited into the account for operation of the LIBRARY and shall be used solely for LIBRARY purposes.

### **B. Furnishings and Equipment.**

All furnishings and equipment contained in and designated for use solely in the LIBRARY, including but not limited to book shelves, desks, tables, chairs, study carrels, RFID equipment and software, telecommunication and computer equipment and systems, office machines, and appliances, are and shall continue to be the property of SOLVANG. Any future additions to the LIBRARY's furnishings and equipment purchased with funds provided for or by SOLVANG, including reserve funds, shall be the property of SOLVANG. In the event that any furnishings, equipment or supplies are purchased for use in the LIBRARY by another entity, such furnishings, equipment or supplies shall be deemed the property of SOLVANG. This provision shall apply to all security system equipment and upgrades purchased by GOLETA for the LIBRARY, including self-check machines, new security gates, and any other equipment purchased for the purpose of facilitating the conversion of the LIBRARY's security system to an RFID based system.

## **6. MAINTENANCE OF RECORDS**

GOLETA shall keep reasonably itemized and detailed records and reports pertaining to the management of the LIBRARY as required by law or grants in accordance with generally accepted accounting principles, and shall be available to

SOLVANG for inspection after reasonable prior notice to GOLETA. Records shall be retained in accordance with GOLETA'S record retention schedule and shall be conveyed to SOLVANG upon expiration or termination of this AGREEMENT.

## **7. FRIENDS OF THE LIBRARY**

A. THE PARTIES recognize the important role a Friends of the Library ("Friends") organization plays in assisting the LIBRARY in its provision of quality service to the community. THE PARTIES recognize that the funds raised and provided by the Friends are important to the ongoing operation of the LIBRARY and as such, serve a public purpose. Any incidental public support provided to the Friends through this AGREEMENT is an appropriate expense in support of this public purpose.

B. Unless otherwise specifically stated or designated by the donor, all donations made to or at the LIBRARY shall be deemed to be made to the LIBRARY.

## **8. EMERGENCY**

In the event of a catastrophic, unplanned and/or reasonably unforeseeable event or emergency which (a) results in the closure or inability of the library to open for more than one week, (b) results in a significant loss of library materials, and/or (c) which significantly impairs the ability of the LIBRARY to maintain the current level of library service, THE PARTIES shall meet as soon as possible to determine and mutually agree upon how and in what manner to proceed with LIBRARY operations.

## **9. TERMINATION**

A. Without Cause.

At any time during the term of this AGREEMENT or any extension thereof, either of the PARTIES to this AGREEMENT may, on six (6) months' prior written notice to the other party, terminate this AGREEMENT without cause.

Notwithstanding the foregoing, GOLETA may terminate this AGREEMENT should the COUNTY AGREEMENT expire, be terminated, notice of termination be given by the COUNTY or be modified in a manner as to materially affect, as determined by GOLETA'S City Council in its sole discretion, GOLETA'S obligations, commitments or costs or as to reduce the COUNTY'S funding obligations to GOLETA. Termination in that circumstance shall be effective immediately upon written notice to SOLVANG or at some other time specified in the notice.

B. For Default.

Default by GOLETA:

Except as otherwise set forth in other provisions of this AGREEMENT, this AGREEMENT shall not be subject to termination for any default of GOLETA, but SOLVANG may enforce the AGREEMENT or any provision therein as otherwise allowed by law. If GOLETA fails to cure a default that SOLVANG is permitted to cure, then SOLVANG may in its sole discretion perform such cure. In the event that SOLVANG elects to cure the default, GOLETA shall reimburse SOLVANG for all costs incurred by SOLVANG in performing the cure, as well as for all damages proximately caused to SOLVANG because of the default.

SOLVANG shall have such other rights or remedies as may be provided by law or equity. The use of each such right and remedy shall be cumulative, and shall not preclude SOLVANG from pursuing other rights and remedies that may exist now or in the future.

#### Default by SOLVANG

Except as otherwise set forth in other provisions of this AGREEMENT, this AGREEMENT shall not be subject to termination for any default of SOLVANG, but GOLETA may enforce the AGREEMENT or any provision therein as otherwise allowed by law. If SOLVANG does not cure a default that GOLETA is permitted to cure, then GOLETA may in its sole discretion perform such cure. In the event that GOLETA elects to cure the default, SOLVANG shall reimburse GOLETA for all costs incurred by GOLETA in performing the cure, as well as for all damages proximately caused to GOLETA because of the default.

GOLETA shall have such other rights or remedies as may be provided by law or equity. The use of each such right and remedy shall be cumulative, and shall not preclude GOLETA from pursuing other rights and remedies that may exist now or in the future.

### **10. ASSIGNMENT**

GOLETA shall not assign this AGREEMENT or any part thereof or any monies payable hereunder without the prior written consent of SOLVANG. Any attempt to assign without such written consent shall be void.

### **11. INSURANCE**

GOLETA is insured through its membership in the California Joint Powers Insurance Authority ("CJPIA"). The CJPIA Memorandum of Coverage includes coverages that satisfy the following requirements:

A. GENERAL AND AUTOMOBILE LIABILITY INSURANCE: The general liability insurance shall include personal injury liability coverage, shall afford coverage for all operations of GOLETA at the LIBRARY, and shall include contractual liability for the AGREEMENT between SOLVANG and GOLETA. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles which are operated on

behalf of GOLETA pursuant to GOLETA's activities hereunder. SOLVANG and its offers, employees and agents shall be named as "Additional Insured" on any policy. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$5,000,000 per occurrence combined single limit for bodily injury and property damage. Personal injury coverage should also be in the amount of not less than \$1,000,000 per occurrence and aggregate. Said policy or policies shall contain a provision that such insurance as is afforded by this policy shall be primary and contributory to the full limits stated in the declarations, and if THE PARTIES have other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only.

B. WORKERS' COMPENSATION INSURANCE: Statutory Workers' Compensation and Employer's Liability Insurance shall cover all GOLETA staff while performing any work incidental to the performance of this AGREEMENT. The policy shall provide that no cancellation, major change in coverage, or expiration shall be effective or occur until at least thirty (30) calendar days after receipt of such notice by SOLVANG.

During the term of this AGREEMENT, SOLVANG shall maintain All-Risk Property Insurance covering the contents of the LIBRARY and against loss or damage by fire, lightning, vandalism, malicious mischief and such perils ordinarily defined as "extended coverage." Such insurance shall be in an amount not less than the full insurable replacement value of the LIBRARY.

## **12. INDEMNITY**

In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties pursuant to Government Code Section 895.6, the parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but instead all parties agree that pursuant to Government Code Section 895.4, GOLETA shall fully defend, indemnify and hold SOLVANG, its elected and appointed officials, officers, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the acts or omissions of GOLETA, its elected and appointed officials, officers, employees and agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Agreement and SOLVANG shall fully defend, indemnify and hold GOLETA, its elected and appointed officials, officers, employees and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the acts or omissions of SOLVANG. No party, nor any officer, elected or appointed official, employee or agent thereof shall be responsible for any damage, claim, expense, cost, or liability occurring by reason of the acts or omissions of other parties hereto, their officers, elected and appointed officials, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other parties under this AGREEMENT. The indemnity provided by each party pursuant to this Section shall survive the expiration or termination of this AGREEMENT.

**13. DESIGNATED REPRESENTATIVE**

Allison Gray is the representative of GOLETA and will administer this AGREEMENT for and on behalf of GOLETA. David Gassaway is the representative for SOLVANG and will administer this AGREEMENT on behalf of SOLVANG. Changes in designated representatives shall be made only after advance written notice to the other party. SOLVANG and its authorized representatives shall have the right to enter the LIBRARY at all reasonable times for inspection, maintenance, restoration or posting of notices. SOLVANG shall conduct such activities in a manner that will cause the least possible inconvenience for GOLETA.

**14. INDEPENDENT CONTRACTOR**

The PARTIES, in the performance of this Agreement, will be acting in their individual governmental capacities and not as agents, employees, partners, joint venturers, or associates of one another. The parties intend that an independent contractor relationship will be created by this AGREEMENT. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

**15. ENTIRE AGREEMENT AND AMENDMENT**

In conjunction with the matters considered herein, this AGREEMENT contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This AGREEMENT may be altered, amended or modified only by an instrument in writing, executed by the parties to this AGREEMENT and by no other means. Each party waives their future right to claim, contest or assert that this AGREEMENT was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

**16. COMPLIANCE WITH LAW**

GOLETA shall, at its sole cost and expense, comply with all county, state and federal ordinances and statutes now in force or which may hereafter be in force with regard to this AGREEMENT.

**17. CALIFORNIA LAW**

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court for the district in which THE PARTIES are located nearest to Santa Barbara County, if in federal court.

## 18. HAZARDOUS MATERIALS

### A. Warranties and Representations

SOLVANG warrants that hazardous substances have not been released upon the LIBRARY property; that SOLVANG has no knowledge of any release of hazardous substances on the LIBRARY property; that it has no knowledge or reason to believe that there are hazardous substances on the LIBRARY property; and that it shall comply with all law concerning the use, release, storage and disposal of hazardous substances.

### B. Notice

Each party shall immediately notify the other upon discovery that hazardous substances have been released on the LIBRARY property.

### C. Indemnity

#### 1. SOLVANG's *Obligation*.

SOLVANG shall indemnify, defend and hold harmless GOLETA, its elected and appointed officials, officers, employees and agents from and against any and all liability, expenses (including defense costs and legal fees), and claims for damages of any nature whatsoever (including, but not limited to, bodily injury, death or property damage) arising from or connected with the presence of hazardous substances on the LIBRARY property, excepting only liability for hazardous substances placed on the LIBRARY property by GOLETA.

#### 2. GOLETA's *Obligation*.

GOLETA shall indemnify, defend and hold harmless SOLVANG, its elected and appointed officials, officers, employees and agents from and against any and all liability, expenses (including defense costs and legal fees), and claims for damages of any nature whatsoever (including, but not limited to, bodily injury, death or property damage) arising from or connected with the introduction of hazardous substances onto the LIBRARY property by GOLETA.

#### 3. *Survival of Obligation*.

The indemnity provided by each party pursuant to this Section shall survive the expiration or termination of this AGREEMENT.

### D. Indoor Air Pollution Notification

Each party shall immediately notify the other upon discovery of any indoor air pollution problem at the LIBRARY. SOLVANG shall correct any such problem at its sole expense.



**19. NON-DISCRIMINATION**

GOLETA shall not in the management, operation, rental, use, or maintenance of the premises discriminate against any person or group based on race, religion, color, medical condition, sex, sexual orientation or gender identity, national origin, or political affiliation.

**20. MEDIATION**

If any dispute, controversy or claim arises under this AGREEMENT, the parties shall negotiate in good faith to settle the matter. If the parties are unable to resolve the matter within a reasonable time, the parties shall submit the matter to mediation by a trained mediator approved by both parties, the cost of which shall be shared equally by the parties. The place of mediation shall be Santa Barbara, California. Nothing in this Section shall preclude any party from seeking injunctive relief or other equitable remedies (whether prior to or during such mediation) if necessary to protect the interests of such party.

**21. NOTICES**

Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO GOLETA:                      Attention: Michelle Greene, City Manager  
                                         City of Goleta  
                                         130 Cremona Drive, Suite B  
                                         Goleta, CA 93117

TO SOLVANG:                    Attention: David Gassaway, City Manager  
                                         City of Solvang  
                                         1644 Oak Street  
                                         Solvang, CA 93463

**22. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES**

This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

**23. AUTHORITY**

Each of the PARTIES represents and warrants that its City Council approved this AGREEMENT and authorized its respective City Manager to execute the same.

**In concurrence and witness whereof**, this AGREEMENT has been executed by the PARTIES effective on the date and year first above written.

**CITY OF GOLETA**

**CITY OF SOLVANG**

\_\_\_\_\_  
Michelle Greene, City Manager

\_\_\_\_\_  
David Gassaway, City Manager

**ATTEST**

**ATTEST**

\_\_\_\_\_  
Deborah Lopez, City Clerk

\_\_\_\_\_  
Lisa Martin, City Clerk

**APPROVED AS TO FORM**

**APPROVED AS TO FORM**

  
\_\_\_\_\_  
Winnie Cai, Assistant City Attorney

\_\_\_\_\_  
Dave Fleishman, City Attorney

**Exhibit A**  
**Statement of Work**

**1. DELIVERY OF SERVICES.**

GOLETA, through its Library Department, shall deliver general library management services to SOLVANG according to the terms and conditions set forth herein.

**2. GENERAL LIBRARY MANAGEMENT SERVICES.**

GOLETA agrees to provide general library management services for SOLVANG, which include administration, management, and operations of library services, and will provide personnel and other resources, tools, programs and services, including lending books and other materials, cataloging the LIBRARY's collection and other related activities consistent with the operation of a free public library. GOLETA shall not employ any personnel, purchase or rent supplies, equipment or services, or incur any expenses in the name of SOLVANG.

**3. LEVEL OF SERVICE AND STAFFING LEVELS.**

A. **LEVEL OF SERVICE AND STAFFING LEVELS RECOMMENDATION:** The level of service and staffing levels for general library management services, along with its proposed operational budget for the following fiscal year will be recommended to SOLVANG by GOLETA on or before March 1 of each year with service level adjustments (if needed) occurring July 1 of the following year. GOLETA will provide SOLVANG with a list of GOLETA's proposed staffing levels for the LIBRARY for review. Staffing levels shall not be reduced by GOLETA without the approval of SOLVANG, including proposed reductions due to any furloughs or other work-schedule reductions, staffing and scheduling of GOLETA employees. Where proposed reductions in staffing levels are the result of mid-year budgeting changes by GOLETA or an unexpected reduction in funding from the County of Santa Barbara, SOLVANG shall have the option of providing additional financial support to maintain staffing levels previously agreed to between the PARTIES as set forth herein.

B. **LEVEL OF SERVICE ENHANCEMENT:** SOLVANG may request GOLETA to provide an enhanced level of regular library-related services, including without limitation, additional staffing and/or hours of operation, one-time or periodic services. SOLVANG will provide GOLETA with this request in writing and GOLETA shall provide a written response within 30 days, including a proposed budget detailing the cost of such enhanced services and a list of any added or different type of personnel necessitated by such requested changes. Any enhancements in operations, staffing levels, or hours of operations must be agreed to by THE PARTIES. For any enhanced level of regular library-related services, GOLETA will charge the applicable management fee commensurate with costs estimated to be incurred for the enhanced services. Proposed changes shall be presented as needed to the City of Solvang City Council, Goleta Library Ad Hoc Committee, and County Library Advisory Committee for input, as

described in the Agreement for Operations between GOLETA and the County of Santa Barbara.

C. LIBRARY STAFFING: All persons required for the performance of GOLETA'S responsibilities under this AGREEMENT shall be selected and employed by GOLETA, and shall at all times be and remain agents or employees of GOLETA. No persons employed or retained by GOLETA for performance of its duties under this AGREEMENT shall at any time be deemed or considered to be the agents or employees of SOLVANG.

GOLETA shall be responsible for the selection, supervision, training, discipline, and scheduling of all LIBRARY staff. The operating and personnel procedures of the Library Department of GOLETA will at all times apply to GOLETA'S operation of the LIBRARY.

Prior to the appointment or transfer of a Supervising Librarian/Branch Supervisor to the LIBRARY, GOLETA shall, through its Library Director, meet and discuss with SOLVANG, the proposed appointment or transfer. SOLVANG shall have the right to request different personnel than those proposed; however, the ultimate decision regarding appointment or transfer resides with GOLETA. The parties recognize that GOLETA has the sole responsibility and authority for making personnel decisions relating to its employees.

D. HOURS OF OPERATION: The LIBRARY's hours of operation are:

Sundays and Mondays: Closed  
Tuesdays and Fridays: 10:00a.m.- 5 :00p.m.  
Wednesdays and Thursdays: 10:00a.m. - 7:00p.m.  
Saturdays: 10:00a.m. - 4:00p.m.

The LIBRARY's planned holiday closures each year are:

New Year's Day  
Martin Luther King Jr. Day  
President's Day  
Memorial Day  
Independence Day  
Labor Day  
Veteran's Day  
Thanksgiving  
Day After Thanksgiving  
Christmas Eve  
Christmas Day  
New Year's Eve

Any proposed changes to the LIBRARY'S normal operating hours, including changes to normally scheduled holiday closures, shall be communicated by GOLETA to SOLVANG

with reasonable advance notice, and subject to approval from SOLVANG. GOLETA shall not effect changes to the LIBRARY's normal operating hours without written approval from SOLVANG.

E. SATELLITE LIBRARY LOCATIONS (SANTA YNEZ AND LOS OLIVOS)

Effective July 1, 2019, GOLETA will manage two satellite library locations, the Santa Ynez Library and Los Olivos Library. These locations are operated by volunteers and the collections consist of donated materials. The hours of operation and address for each location are as follows:

1. Santa Ynez Library: Open on Saturdays only, 1:00p.m. to 4:00p.m. (3598 Sagunto Street, Santa Ynez, CA 93460)
2. Los Olivos Library: Open on Saturdays only, 10:00a.m. to 1:00p.m. (2374 Alamo Pintado Avenue, Los Olivos, CA 93441)

Goleta staff employed at the Solvang LIBRARY will be responsible for setting the volunteer schedules, processing holds on materials, and delivering materials to the two satellite locations. GOLETA will ultimately be responsible for overseeing the operations at both locations and the processing of background checks for any and all new volunteers.

**4. GRANT ADMINISTRATION AND PROGRAMS**

The administrative function will also include the ability and authority for GOLETA to apply, administer and implement grant opportunities for the benefit of SOLVANG with the expressed written permission of the Designated Representative of SOLVANG. If the additional level of service is tied to a grant program, SOLVANG will be invoiced for actual, additional costs above the grant award for the applicable time period unless GOLETA and SOLVANG agree otherwise. This assumes that any grant funds are received directly by GOLETA, SOLVANG may request and GOLETA may provide cost estimates prior to implementation of a grant and/or program. SOLVANG understands that actual, additional costs may vary slightly (high or low) from original estimates.

Any supplemental, material expenses related to ongoing programs will be recommended by GOLETA to SOLVANG in advance of purchase. SOLVANG understands and accepts that if a supplemental item related to an ongoing program is not approved by GOLETA, SOLVANG may exercise the option to refrain from further work on the grant or program. GOLETA will apply departmental and or city-wide overhead to a grant cost when the provisions of the grant allow for the accounting of overhead expense. SOLVANG understands and accepts that the net cost of grant overhead may become an expense to SOLVANG when other provisions are not agreed upon in writing by both parties in advance of the implementation of the grant. SOLVANG understands and accepts any ongoing fiscal, staffing, and/or programmatic obligations incurred in the acceptance of a grant. An example of such obligation may include a

grant requirement to retain a staffing position for a time period beyond the original grant award period.

**5. FACILITY UPKEEP, MAINTENANCE AND REPAIR**

GOLETA and SOLVANG will share maintenance responsibilities at the LIBRARY as detailed in Exhibit A-1.

**6. INFORMATION TECHNOLOGY SUPPORT**

GOLETA agrees to provide Information Technology (IT) support services to the LIBRARY for all telecommunications equipment, computers and internet, printers, copy machines, and other IT-related equipment and services. Contracted staff from Synergy Computing Inc. will be utilized for these services. Estimated costs are provided in Exhibit D, Proposed Operating Budget for Fiscal Year 2019-20.

GOLETA agrees to administer the LIBRARY's telephone account and payments on SOLVANG'S behalf. This service will be subject to the management fee charges described in Exhibit C.

**7. EXCLUDED EXPENSES**

The following are EXCLUDED from this AGREEMENT and the responsibility of the entity indicated:

A. Utilities including electricity, natural gas, refuse, and water (County)

GOLETA shall not be responsible for funding, or fronting funds, to cover any overall budget deficits the LIBRARY may experience as a result of total expenses exceeding total available revenues. Refer to Exhibit D to view the LIBRARY's Proposed Operating Budget for Fiscal Year 2019-20.

**Exhibit A-1**  
**Maintenance and Repair Responsibilities**

	ITEM	NOT APPLICABLE	GOLETA	COUNTY	Notes
<b>1 Building Exterior</b>					
	Repair Walls			X	
	Painted Surfaces			X	
	Door and Window Trim			X	
	Doors and Hardware			X	
	Locks			X	
	Roof			X	
	Rain Gutters			X	
	Flashing			X	
	Down Spouts			X	
	Pest Control (tenting only)			X	
	<b>Lighting</b>				
	Bulbs		X		
	Fixtures			X	
	Transformers			X	
	Fluorescent Bulbs		X		
	Ballast			X	
	Handrails			X	
	Signs (County designation)			X	
	Timers			X	
	Sewer Pipes			X	
	Decking		Maintain	Replace	
	Exterior Patios			X	
	Water Softener, Filter and Conditioners			X	
	Stairs			X	
	Roof Drains			X	
	Gates			X	
	Gas/Water Pipe Heaters			X	
	Electrical Lines			X	
	Phone/Computer Lines		X		
<b>2 Building Interior</b>					
	Structural Walls			X	
	Painted Surfaces			X	
	Door Hardware			X	

	Locks			X	
	General Cleaning		X		
	Floor, Sweeping and Cleaning		X		
	Carpet, Vacuum and Cleaning		X		
	Window Coverings		X		
	<b>Lighting</b>				
	Bulbs		X		
	Fixtures			X	
	Transformers			X	
	Flourescent Lights		X		
	Ballast			X	
	Handrails (ADA)			X	
	Signs			X	
	Timers			X	
	Drinking Fountains			X	
	Ceiling			X	
	Showers			X	
	Toilet/Urinals			Maintain/Replace	
	Sink & Faucets			Maintain/Replace	
	Gas Pipe Lines			X	
	Water Pipe Lines			X	
	Sewer Pipe Lines			X	
	Phone Lines and Jacks		X		
	Computer Lines & Jacks		X		
	TV Cables & Jacks		X		
	Phones		X		
	Towel Racks		X		
	Garbage Disposal			X	
	Refrigerator/Microwave			X	
	Stove			X	
	Counter Tops		Maintain	Replace	
	Cabinets		Maintain	Replace	
	Dish Washer			X	
	Trash Compactor			X	
<b>3 Grounds</b>					
	Drinking Fountains			X	
	Mail Boxes			X	
	Fences			X	
	Trash bins			X	
	Trash Enclosures			Maintain/Replace	
	Bike Racks			X	



	Signs			X	
	Litter Pick-Up			X	
	<b>Lighting</b>				
	Parking Lot			X	
	Driveway			X	
	Walkway			X	
	Timers-external			X	
	Timers-internal			X	
	Signs			X	
	Cleaning, sidewalks, walkways, parking lots			X	
<b>4 Landscaping</b>					
	Trees			X	
	Shrubs			X	
	Flowers			X	
	Lawn			X	
	Watering			X	
	Sprinkler, Repair and Replace			X	
	Headers			X	
	Rodent/Pest Control (limit to \$5,000/yr)			X	
	Seeding			X	
	Fertilizer			X	
	Plant Trimming			X	
	Plant Removal			X	
	Tree Care and Trimming			X	
<b>5 Mechanical Systems</b>					
	Electrical Panels, Breaker and Interiors			X	
	Electrical Fuses, Interior			Maintain/Replace	
	Electrical Receptacle, Switches, Interior			X	
	Electrical Central Switches			X	
	Elevator			X	
	Heating			Maintain/Replace	
	Air Conditioning			Maintain/Replace	
	Water Heater			Maintain/Replace	
<b>6 Roadways/Parking Lots Repair &amp; Maintenance</b>					
	Striping			X	
	ADA Accessibility Signage			X	
	Asphalt Surface, Curbing			X	
	Cement Surface, Curbing			X	

	Wheel Stops			X	
	Drainage			X	
	Signs			X	
<b>7 Fire Equipment</b>					
	Sprinklers			X	
	Hoses			X	
	Extinguishers (interior)			X	
	Alarm Systems			X	
	Smoke Detectors		Maintain	Replace	
<b>8 Other Items</b>					
	Paper supplies, dispensers, waste containers, soap in restrooms and kitchens		X		
	Interior janitorial products and services		X		
	Interior Floor Waxing, Sweeping		X		
	Window Washing (interior & exterior)		Interior and exterior		
	Exterior sweeping entry, sidewalk and walkways			X	
	Janitorial service for public areas or common use			X	
	Broken window glass or door glass			X	
	Refuse, Rubbish and Garbage Disposal		X		
	Cleaning Storage Rooms, Utility Rooms			X	
	Exterminating			X	
	Carpet/Linoleum/Tile Replacement			X	
	Library Drop Box		X		
	Building Foundation			X	
	Flooring (wood/concrete)			X	
	Utility mains and appurtenances			X	

**Exhibit B**  
**Payment Methodology**

**1. GENERAL COMPENSATION**

**A. Reimbursable Expenses.**

Subject to the terms of this AGREEMENT, SOLVANG shall pay to GOLETA the costs incurred by GOLETA in providing the services contracted for or otherwise authorized under the terms of this AGREEMENT, including:

- i. Salaries and benefits of all GOLETA employees engaged therein for positions defined in Exhibit D-1: Library Staffing.
- ii. Direct supervision
- iii. Clerical support;
- iv. Direct services and supplies
- v. Department-applied overhead as identified in the management fee calculation
- vi. Management services
- vii. Any actual, additional costs associated with supplemental library operation services; and,
- viii. Any other mutually agreed upon expense that arises during the term of the AGREEMENT. Examples include SOLVANG'S request to participate in a GOLETA bid process, or sharing a purchasing contract for the purpose of quantity discount to the benefit of both parties.

**2. ANNUAL RECOMPUTATION OF COMPENSATION**

**A. Recomputation of Proposed Operational Budget for Library Management Services.**

Except as otherwise specific hereinafter, the total amount charged for Library Management Services shall be recomputed annually with an estimate provided by GOLETA on or before March 1<sup>st</sup> of each calendar year for the following fiscal year, with the fiscal year defined as July 1<sup>st</sup> through June 30<sup>th</sup>. A final recomputation will be provided by GOLETA for the fiscal year beginning July 1<sup>st</sup> on or before June 1<sup>st</sup> of the same year. The recomputation calculation shall be determined by GOLETA based on revised estimated costs of providing Library Management Services from the previous fiscal year.

The recomputation formula will specifically include actual costs for items specific in Exhibit B, Paragraph 1. The total agreement amount for the applicable fiscal year will be effective July 1<sup>st</sup> of that fiscal year, subject to review by SOLVANG. Staff representatives of GOLETA and SOLVANG are advised to meet during the calculation process and prior to any formal presentation before their respective

governing bodies. In the event cost increases will have a detrimental impact to SOLVANG'S budget, GOLETA staff will meet with SOLVANG, upon its request, and discuss staffing or operation adjustments to mitigate costs.

- i. The annual cost computation (Proposed Operating Budget) will be provided to SOLVANG as Exhibit D and will be referred to as First (1<sup>st</sup>) Annual Cost Computation (Proposed Operating Budget), Second Annual Cost Computation (Proposed Operating Budget if this Agreement is extended), and Third (3<sup>rd</sup>) Annual Cost Computation (Proposed Operating Budget) if this Agreement is further extended.

#### B. Increases to Service Level Requested by Solvang.

In the event that SOLVANG desires to increase the then-existing type or level of staffing provided under the terms of this AGREEMENT, in addition to other procedures set forth in this AGREEMENT, SOLVANG will make a written request to GOLETA in December of each year for changes to be applied to the succeeding fiscal year. SOLVANG'S request shall detail the specific type and level of staffing SOLVANG desires, with SOLVANG acknowledging that the costs of such services may impact the total, negotiated agreement for the relevant fiscal year. GOLETA shall review said annual request within thirty (30) days of GOLETA's receipt thereof and acknowledge acceptance or rejection by letter to SOLVANG'S Designated Representative. Upon notice from GOLETA of acceptance or partial acceptance of said request, and the cost of providing the type or level of staffing therein agreed upon, the parties shall prepare and execute a written amendment to this AGREEMENT as to the terms and conditions set forth in said annual request and acceptance; all other terms set forth in this Agreement shall continue in full force and effect. In the event GOLETA rejects all or any portion of said annual request, the then-existing type and level of staffing shall remain in full force and effect, as modified by the acceptable portions of said annual request, until such time that the parties reach agreement as to the rejected portions of said annual request. An increase in level of service recommended by GOLETA, or decrease requested by SOLVANG, is subject to the procedures set forth in Paragraph 2 of Exhibit A and not this Paragraph.

#### C. Payment Process.

The total estimated cost for the applicable fiscal year will be invoiced annually to SOLVANG for full payment on or before the 25<sup>th</sup> of July for the annual payment. The purpose of this annual payment in the first month of the fiscal year, is to ensure total funding available for operations, and in addition, to benefit both parties administratively. SOLVANG'S payment shall be made by check or electronic transfer. A check shall be made payable to order of "City of Goleta" and mailed to the GOLETA address 130 Cremona Drive, Suite B, Goleta, CA 93117. If such payment is not delivered to the GOLETA office within thirty days of the respective due date, GOLETA is entitled to recover interest thereon. Said interest shall be

assessed using GOLETA'S Local Agency Investment Fund (LAIF) pooled interest rate in effect at the time; it shall commence thirty (30) days after the date of the invoice and continue until such time as the payment is delivered to the GOLETA office described on said invoice.

### **3. ADDITIONAL LIBRARY MANAGEMENT SERVICES**

#### **A. Annual Agreement**

SOLVANG costs for One-time or Periodic Library Management Services, as defined in Exhibit A, Paragraph 2, Section B, item ii, will not be included in the total contract amount.

#### **B. Estimates**

SOLVANG may request an estimated cost from GOLETA as described in paragraph 2(A) for budget preparation and planning purposes for the fiscal year or in advance of a planned event. SOLVANG understands and accepts that such an estimate in no way represents any minimum or maximum charge to SOLVANG.

#### **C. Cost Tracking & Invoicing**

The actual costs related to providing additional or special library management services will be tracked through GOLETA'S Financial System (currently Incode 8 and soon Incode 10), and reviewed prior to preparing a summary invoice. GOLETA will send an invoice within 90 days of conclusion of the work performed. A detailed listing of these charges will be kept on file at the GOLETA office and made available to SOLVANG upon written request. These records will be maintained for a period of one year after the day of the original invoice.

#### **D. Payment Process**

SOLVANG payment for additional or supplemental library management services is due to GOLETA within thirty (30) days of the date of the invoice. Payment will be made payable to: "City of Goleta" and mailed to: City of Goleta, Attention: Finance, 130 Cremona Drive, Suite B, Goleta, CA 93117. If such payment is not delivered to the GOLETA office within thirty days after the date of the invoice, GOLETA is entitled to recover interest thereon. Said interest shall be assessed using GOLETA's LAIF pooled interest rate in effect at the time; it shall commence thirty (30) days after the date of the invoice and continue until such time as the payment is delivered to the GOLETA office described on said invoice.

## **Exhibit C Cost Model**

The cost model determines the overall cost of providing library management services to SOLVANG, including the estimated management fee of support staff. The cost model is inclusive of budget line items to operate the branch library, and includes accounts related to staff salary and benefits, services and supplies, and capital outlay. In addition to the cost estimates, GOLETA'S cost model includes a management fee that is representative of the administrative overhead from support staff of providing library management services. The annual proposed operating budget represents the total cost for the library management operations for the following fiscal year.

### **1. Proposed Operating Budget**

On or before March 1 of each year of this AGREEMENT, GOLETA will provide SOLVANG with a copy of its proposed operating budget for SOLVANG library for the following fiscal year. Any changes to the LIBRARY budget during the current fiscal year of this AGREEMENT, including any unanticipated reductions or increases, which would affect services or hours open to the public, will be communicated to SOLVANG as soon as possible. SOLVANG shall have the exclusive authority to accept or reject any changes or reductions in service levels or service hours requested by GOLETA. Where proposed reductions in service are the result of mid-year budgeting changes by GOLETA or an unexpected reduction in funding from the County of Santa Barbara, SOLVANG shall have the option of providing additional financial support to maintain service levels previously agreed to between THE PARTIES as set forth herein.

### **2. Salary and Benefits**

This is the actual hourly cost of salary and benefits paid to the Library employee's classification for library management services based on staffing levels approved. Subject to future increases due to benefit and salary changes.

### **3. Services and Supplies**

This category is the estimated direct cost of services and supplies to support the SOLVANG library. The line item accounts are consistent with GOLETA'S chart of accounts and were originally estimated based on information received at the time. This section of costs accounts for expenditures that can be directly charged against the library and clearly identified. Major costs include Black Gold Fees, IT services, courier delivery services, and GOLETA's management fee. Subject to future changes, due to changes in cost of contracts fees, or unanticipated direct costs.

**4. Capital Equipment/Outlay.**

This category is the estimated direct cost of book acquisitions (including processing fees) or other future capital outlay.

**5. Management Fee.**

The management fee is the estimated cost of support and administration provided by GOLETA support department staff. It includes support from General Government, Finance, and Goleta Library. The management fee is calculated using a time and materials survey cost model that incorporates the hourly labor and benefit rate of GOLETA staff that would be directly supporting the SOLVANG library. The model identifies direct tasks performed by staff and other direct costs provided to the library branches with reasonable assumptions. The cost model is to be used as a starting point for the first year and subject to future adjustments based on changes to direct tasks involved, staffing labor and benefit rates and service level adjustments. City-wide indirect overhead cost was not applied to the labor and benefit rates of staff. The management fee is subject to change annually due to increases in labor and benefit rates or updates to time and materials survey, and will be communicated to SOLVANG during the annual operating budget proposal.

**6. True-up to actual cost.**

The first-year cost estimates are based on information received from prior management, along with assumptions made for the upcoming year on estimated costs. Because this cost model estimates the costs for the upcoming year, a comparison of what was estimated and actually experienced will be performed after the close of next year. The difference in actual costs, whether higher (due to actual costs exceeding estimated costs) or lower (due to estimated costs exceeding actual costs), is then included in the costs estimated for two years later in order to true-up the estimated costs billed next year to the actual costs incurred. Due to the timing of actual costs known, being in the new fiscal year, there is a two-year lag for the true-up adjustment. Below is a sample schedule over a five-year period showing the estimated timing of the true-up being applied:

Years	1st Year	2nd Year	3rd Year	4th Year	5th Year
Fiscal Year	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Budget Period	July 1, 2019 - June 30, 2020	July 1, 2020 - June 30, 2021	July 1, 2021 - June 30, 2022	July 1, 2022 - June 30, 2023	July 1, 2023 - June 30, 2024
Actual Costs Known	1st year in progress	October 2020	October 2021	October 2022	October 2023
Budget Proposal for next FY	2nd Year - March 2020	3rd Year - March 2021 (1st True-up)	4th Year - March 2022 (2nd True-up)	5th Year - March 2023 (3rd True-up)	6th Year - March 2024 (4th True-up)
True-up Actual Costs Experienced	no actual costs known until after FY	actual 1st year costs known, but in middle of 2nd year	1st Year True-up	2nd Year True-up	3rd Year True-up

The top row indicates the year, and the date below shows the activity taking place, outlining the timing of when the actual costs are known, the timing of next fiscal year's budget proposal, and when the true-up is being applied and experienced. During the 1<sup>st</sup> year, actual costs are not known until after completion of the 1<sup>st</sup> year, while we are in the 2<sup>nd</sup> year. During the 2<sup>nd</sup> year, the 3<sup>rd</sup> year budget proposal will be developed, and the true-up will be applied to that budget. The 1<sup>st</sup> year true up is then experienced in the 3<sup>rd</sup> year. The table cells are color coded, to correspond with the period the information belongs to.



**Exhibit D**  
**Proposed Operating Budget for Fiscal Year 2019-20**  
**(July 1, 2019 - June 30, 2020)**

City of Solvang (DRAFT)	City of Goleta	
	(7) FY 19/20 Solvang Adjusted	
Solvang - Library	FY 19/20 Proposed	
<b>Revenues</b>		
Donations	\$	21,500.00
Fees and Service Charges	\$	2,500.00
County Per Capita	\$	82,438.00
City Contribution	\$	141,534.00
Library Fines	\$	4,800.00
Other Revenue	\$	7,500.00
<b>Total Revenues</b>	<b>\$</b>	<b>260,272.00</b>
<b>Expenditures</b>		
<b>Salary and Benefits</b>		
<b>Total Salary and Benefits</b>	<b>\$</b>	<b>179,200.00</b>
<b>Supplies and Services:</b>		
Black Gold	\$	19,163.00
Office Supplies & Expense	\$	2,665.00
Special Supplies and Expense	\$	4,115.00
Facilities Maint.	\$	7,938.00
Non-Contractual Services	\$	2,400.00
Meeting & Travel	\$	50.00
Training	\$	200.00
Advertising	\$	150.00
Printing & Binding	\$	500.00
Messenger/Delivery	\$	8,760.00
Postage/Delivery	\$	100.00
Telephone	\$	1,500.00
Utilities	\$	5,000.00
Internet/Cable	\$	2,800.00
Custodial	\$	7,015.00
Vehicle Fuel and Maintenance	\$	265.00
IT Services and Software (Direct Costs)	\$	18,848.28
<b>Total Supplies and Services</b>	<b>\$</b>	<b>81,469.28</b>
<b>Capital Equipment:</b>		
Book Acquisitions	\$	39,119.00
<b>Total Capital Equipment</b>	<b>\$</b>	<b>39,119.00</b>
<b>Subtotal Expenditures</b>	<b>\$</b>	<b>299,788.28</b>
<b>Support Time and Materials (Mgmt. Fee):</b>		
Gen Gov	\$	13,078.45
Finance	\$	4,305.65
Library	\$	17,997.45
<b>Total Support Staff Time and Materials</b>	<b>\$</b>	<b>35,381.55</b>
Conversion to Admin Fee Rate		11.80%
<b>Total Expenditures</b>	<b>\$</b>	<b>335,169.83</b>
<b>Net Revenues Over Expenditures</b>	<b>\$</b>	<b>(74,897.83)</b>

## Exhibit D-1 Library Staffing

The purpose of this section is to incorporate into this agreement, the specific library staffing, including salary and benefits levels and authorized hours per/week for SOLVANG.

### SCHEDULE OF AUTHORIZED POSITIONS FOR SOLVANG LIBRARY

SOLVANG LIBRARY STAFF: FY 2019-2020								
Position	Status	Class	Base Wage	Salaries	Benefits	Total S/B	Authorized Hrs/Week	Benefit Level
Senior Library Technician	Reg/FT	104/5	\$29.92	\$63,200	\$25,400	\$88,600	40	Full time
Library Technician	Hourly	103/1	\$22.79	\$18,100	\$1,400	\$19,500	15	N/A**
Library Technician	Hourly	103/1	\$22.79	\$18,100	\$1,400	\$19,500	15	N/A**
Library Technician	Hourly	103/1	\$22.79	\$18,100	\$1,400	\$19,500	15	N/A**
Library Technician	Hourly	103/1	\$22.79	\$18,100	\$1,400	\$19,500	15	N/A**
Page 1	Hourly	N/A	\$14.90	\$11,700	\$900	\$12,600	15	N/A**
					<b>Total</b>	<b>\$179,200</b>		

\*\* CA Paid Sick Leave (24 hours)

*Salary and benefits have been rounded and include a 3% salary increase effective on the first pay period after January 1, 2020, subject to the Memorandum of Understanding with SEIU, Local 620. Future staffing levels, authorized hours, and rates are dependent upon funding provided by SOLVANG.*