

DISCUSSION / DIRECTION / DECISION

on the closure of the library expansion capital project and disposition of remaining project funds

Option A – remaining funds go back to the Friends of the Library (close project)

I MOVE TO request the remaining funds (estimated to be approximately \$150,000) be returned to the Friends of the Library.

Option B1 – staff completes approved requested improvements, remaining funds returned to General Fund

I MOVE TO have CBS staff complete the approved requested improvements, and, any remaining funds, if any, after completion of all approved requested improvements, be returned to the General Fund.

OR

Option B2 – staff completes approved requested improvements, remaining funds returned to the Friends of the Library

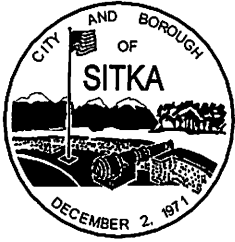
I MOVE TO have CBS staff complete the approved requested improvements, and, any remaining funds, if any, after completion of all approved requested improvements, be returned to the Friends of the Library.

Option C – close project and transfer funds back to working capital or for a specific purpose

I MOVE TO close the project and transfer funds back to the General Fund.

Option D – transfer remaining funds from the general capital project fund back to original funds/sources in an amount proportional to the percentage of original non-grant project funding obtained from each

I MOVE TO transfer the remaining funds (estimated to be approximately \$150,000) from the general capital project fund back to the CPET Fund, General Fund, and Friends of the Library, in an amount proportional to the percentage of original non-grant project funding obtained from each.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members

From: Keith Brady, Municipal Administrator

Cc: Andrew Murphy, Library Director
Michael Harmon, Public Works Director
Jay Sweeney, Finance Director

Date: 12-6-17

Subject: Closure of Sitka Public Library Expansion Capital Project and Disposition of Remaining Project Funds

Background

The awarded construction contract for the Sitka Public Library is complete, as construction is finished and the warranty period has expired. Unexpended project funds from various sources remain.

The Friends of the Library has requested that some of the items on the requested improvements list, in the original plan, be implemented with the remaining funds. The Library Director has worked with the Friends of the Library and the Library Commission to shortlist this request based on the remaining fund balance. The results of this effort are attached in summary form and are outlined in priority order. It is not anticipated that the full amount of funding remaining will be expended with the reduced scale of the Library's list of requested improvements.

Analysis

A decision is needed as to (1) whether or not to officially close the project, and (2) to determine the disposition of remaining project funds.

The list of requested improvements will improve overall aesthetic of the Sitka Public Library/Harrigan Centennial Hall Campus & improve services to the community. However, CBS will own and maintain what is purchased/constructed and that will likely increase operational and replacement expenses. The requested improvements could strain resources in Public Works. Without bumping current project priorities resources will not be available to work on these improvements until FY-20. Closing the Project will leave elements of the original building plans, which were dropped from the approved contracted work, unimplemented.

Options

A. All remaining funds go back to the Friends of the Library (close project)

PROS:

- Friends of the Library can use the funds to complete the scope of the requested improvements with oversight by CBS.
- Money will go further given they will not need to follow CBS procurement
- Staff time and cost will be much less.
- Recognizes/honors the Friends Donation and honorably gives back what is remaining in the project for their use.

CONS:

- CBS will have less control of what improvements are made to ensure what is purchased/constructed is high quality and/or easy to maintain.

B. All remaining funds remain with CBS and staff completes approved requested improvements (close Project but create new budget account)

PROS:

- CBS staff can purchase items that are in line with our standards for quality and ease of maintenance.
- CBS would define what is completed and when.

CONS:

- CBS procurement process will add time and cost to the work.

C. Close Project and direct funds either back to working capital or for any specific purpose

PROS:

- Can apply the funding to the highest needs in the CBS and reduce pressure on the budget.
- Demonstrate that we are fiscally conservative with project funds and finish under budget.

CONS:

- The requested improvements list for the Library will not be done.
- Users of the area (local and visitors) receive a lower level of amenities and aesthetics.
- Risk reducing confidence that private donor funds are spent with its intended purpose.
- Incomplete items such as sidewalks and landscape will put more pressure on future projects such as the last phase of the Sea-Walk.

D. Transfer all remaining funds from the general capital project fund back to originating funds in an amount proportional to the percentage of original non-grant project funding obtained from that source.

Given the amount of unexpended funds remaining today, the transfer would be as follows:

Library Building Fund Donations	\$ 530,244
General Fund	\$ 357,114
CPET Funds	<u>\$ 200,000</u>

Total: \$1,087,358

Percent of Total:

Library Building Fund Donations	\$ 530,244 / \$1,087,358 = 48.8%
General Fund	\$ 357,114 / \$1,087,358 = 32.8%
CPET Funds	\$ 200,000 / \$1,087,358 = 18.4%

Approximate remaining funds: \$150,000

Proposed Transfer: (return funds)

Friends of the Library	\$ 150,000 x 48.8% = \$73,200
General Fund	\$ 150,000 x 32.8% = \$49,200
CPET Funds	\$ 150,000 x 18.4% = \$27,600

Fiscal Note

Project 90739, the Sitka Public Library Expansion, had an authorized project budget of \$6,919,956. This budget was funded from the following sources in the following amounts:

State of Alaska Legislative Grant -	\$5,350,000
Library Building Fund Donations -	\$ 530,244
Design Deficiency Settlement -	\$ 482,598
General Fund -	\$ 357,114
CPET Funds	\$ 200,000

Total expenditures for all purposes under the project total \$6,720,752; this leaves approximately \$150,000 of project funds remaining.

Requested improvements list from Library Director

Current (2017) Reprioritization of Uncompleted Items

Landscaping/Local Art	\$90,000
Assistive Devices/Technology	\$10,000
Microform Reader/printer/scanner	\$10,000
Custom Art Window Clings for Glass	\$3,500
Donor Plaques	\$1,250

Notes - requested improvements

Background:

The requested improvements list is drastically reduced in scope and cost.

The 2015 Punch List includes self-checkout machines that utilize radio frequency technology, a 3D-Printer, additional public computers, a color printer, wireless printing software, a public scanner, \$6000 worth of tablets for Library use, and an elaborate DVD kiosk (\$45,000) – all of which have since been dropped from the Alternates List.

The requested improvements list has been scaled down from the May 9, 2016 List and the August, 2017 Alternate List. Rather than purchase a new patron counting system, SPL has reinstalled the previous door counter that was used prior to the remodeling work.

Notes on the requested improvements list:

The \$90,000 estimate for landscaping/art is cutting the original estimates for Local Art and merging with landscaping plans from the original design. Covered in this estimate are bike racks for the east side of the building near the front doors, benches for the east side of the building needed for tourist season, sidewalk completion on the west side of the building to connect to the emergency exit, completion of the Rain Garden on the west side of the building & improving the aesthetic of the north side of the building along Harbor Drive. The building was designed to support a Totem Pole, which is the intended use for Local Art. The glass clings will be used for two purposes: include Tlingit bilingual signage and function as a safety precaution on the glass walls and doors. The plaques are at the request of the Friends of the Library to recognize private donors that made the Library Expansion Project possible. The donor recognitions will not be hanging plaques, but rather carved wooden bowls that may be easily placed in the Library.