

THE CITY OF PROVIDENCE  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

# RESOLUTION OF THE CITY COUNCIL

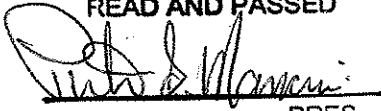
No. 424

Approved November 17, 2008

RESOLVED, That the Mayor is authorized to sign a two year agreement with the Providence Public Library for City funding and Library operation of Branches in the City of Providence.

IN CITY COUNCIL

NOV 6 2008  
READ AND PASSED



PRES.



CLERK

APPROVED



MAYOR

11/17/08

## AGREEMENT FOR LIBRARY SERVICES

This Agreement for Library Services entered into by and between the City of Providence (hereinafter, "City") and the Providence Public Library (hereinafter, "PPL") this \_\_\_\_ day of \_\_\_\_\_, 2008, sets forth the mutual obligations and promises of the City and PPL pursuant to which the PPL will provide library services during the term of this agreement, commencing July 1, 2008.

WHEREAS, the PPL is a private, non-profit corporation whose mission is to "establish and maintain in the City of Providence a public library and such branches thereof as may be advisable ...," and to furnish library services to the people of the City; and

WHEREAS, the PPL has since its founding developed into a system that includes a central library in downtown Providence ("Central Library") that serves as a public library facility, a repository of valuable historic collections of books and artifacts, and the administrative offices of the PPL, as well as nine library branches across the City's neighborhoods ("Branches"); and

WHEREAS, the PPL has derived the annual revenues necessary for the operation of its library system through income from its endowment, grants, donations, and significant financial support from the City; and

WHEREAS, the expenses of running the PPL system have risen steadily and the PPL has been required to reduce hours and services in order to keep expenditures within the operating revenues; and

WHEREAS, notwithstanding the best efforts of the PPL to make the most efficient and cost-effective use of the funds and facilities that are available to it, and notwithstanding the City's and the PPL's best efforts to raise and provide financial support for the PPL, the revenues that are available for the present, and for the foreseeable future, are insufficient to sustain the PPL library system as it currently exists; and

WHEREAS, PPL projects that continued operation of the existing library system will result in annual budget deficits of more than \$1 million;

WHEREAS, the sustainable future of the PPL requires that the PPL Foundation preserve and grow its endowment, so that funds will be available from the income produced by the endowment principal to provide operating funds to PPL in perpetuity; the maximum sustainable amount that may be drawn from the endowment to provide operating funds in any year for the PPL being six percent of the average principal balance over the preceding three years; and

WHEREAS, it is necessary to transition from the current unsustainable library system to a sustainable 21<sup>st</sup> century library system with fewer Branches as the Branches are currently configured that can be operated and maintained within the revenues that are foreseeably available; and

WHEREAS, in years to come, the number of Branches that can be operated and maintained will depend, in part, on the possibility of new facilities for library services becoming available through co-location with or joint use of structures with other public or private institutions, together with additional sources of funding to create and operate such locations; and

WHEREAS, the consolidation and relocation of library operations to a sustainable 21<sup>st</sup> century library system will involve extraordinary expenses over and above the costs of operation for PPL;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the City and PPL agree as follows:

1. PPL shall immediately commence planning for the structure of a library system consisting of Central Library and such number of Branches, and such program of services, that can be operated in a fiscally responsible manner to provide quality library services in the City of Providence within the funds that can be reasonably anticipated as being available for operation of the PPL system (a "Sustainable Library System"). The City acknowledges and agrees that "funds that can be reasonably anticipated as being available" to PPL from the PPL Foundation shall not exceed a 6% annual draw from the funds managed by the PPL Foundation, or such lesser percentage as the PPL Foundation may from time to time determine to be fiscally prudent. In planning for the Sustainable Library System, the PPL shall consult regularly and frequently with the City, and give careful consideration to any recommendations made by the City regarding the nature and structure of the Sustainable Library System. The PPL shall complete its planning, and designate facilities that are to be operated as the Sustainable Library System by December 31, 2008.
2. In connection with its planning for a Sustainable Library System, the PPL shall also, in close consultation with the City, conduct studies and

planning to assist the City in making its determination whether to exercise the option set forth in Section 8 below. The studies shall address the manner, logistics, and financial requirements for City acquisition of all Branch library facilities, and operation of those Branches as library facilities. The purpose of these studies shall be to assist the PPL and the City in planning for the most efficient and effective use of Branch facilities for delivery of library and/or alternative public services to the residents of the City. In conducting these studies the PPL and/or the City may retain the services of one or more consultants with expertise in the affected disciplines. All such studies shall be completed in time to permit the City to make an informed decision whether to elect to acquire all Branch facilities pursuant to Section 8 below.

2.3. The PPL and the City acknowledge that the concept of a Sustainable Library System is not static, but will evolve over time, particularly as new opportunities for location of library facilities and services in other public or private buildings and structures may become available, and as opportunities may arise for profitable disposition of existing library facilities, including Central Library. The PPL and the City agree that they will engage in a continuing effort to review and analyze the structure and facilities operated by PPL as the Sustainable Library System to identify ways in which the PPL can continue to evolve to best meet the public's needs and requirements for a public library system in the City of Providence.

3.4. PPL shall continue to operate under its current configuration of Central Library and nine Branches during the fiscal year beginning July 1, 2008, under a program of services that is equivalent to the program of services provided in the fiscal year ending June 30, 2008 as set forth in Appendix 1 of the Memorandum of Agreement dated July 27, 2007. PPL agrees to request from the PPL Foundation a one-time extraordinary contribution from the endowment to fund the deficit that will be incurred in operating Central Library and nine Branches for such fiscal year and to pay for the necessary expenses of consolidation and relocation of library operations arising from the transition to the Sustainable Library System.

Notwithstanding the foregoing, nothing in this Agreement shall prohibit the relocation of the Fox Point Branch to the Fox Point Bath House at Vartan Gregorian Elementary School should the PPL and the City so agree.

4.5. The PPL shall operate the Sustainable Library System in FY 2010 and thereafter; provided, however, that the City may, by notification given the PPL not later than March 1, 2009, defer the transition to the Sustainable Library System until July 1, 2010, by paying to the PPL, in addition to the contribution provided for in Section 6 below, the amount of deficit incurred by the PPL in the continued operation of the Branches on and after July 1, 2009. For the purposes of this paragraph, the term "deficit" shall mean the difference between the budget for operation of the current library system, according to a plan of facilities and services that is

equivalent to the plan of facilities and services being provided by the PPL during the year ending June 30, 2008, and the budget for the program of facilities and services that the PPL determines is the best level of services that can be provided within the funds that are reasonably anticipated as being available, including the funding from the City as provided in paragraph 6 below.

5.6. The term of this Agreement shall be ~~four~~ two years, commencing July 1, 2008, and ending June 30, ~~2012~~ 2010 with two (2) one year extensions.

6.7. The City shall contribute to PPL the sum \$3,415,500 for the fiscal year beginning July 1, 2008. The extensions are subject to annual appropriation by the Providence City Council The extensions The City may make up to \$415,500 of this contribution under its Master Lease program for expenditures within the PPL budget that the City deems to be properly eligible for funding under the Master Lease; the balance shall be by direct appropriation. Subject to Section 4 above, for each succeeding fiscal year during the term of this Agreement, the City shall contribute to PPL the same amount as the preceding fiscal year, with a base increase equal to the lesser of: a) the rate of increase for such year as PPL is required to pay under its collective bargaining agreement with its union employees; or b) three percent (3%). The amount may be further adjusted, by the agreement of the PPL and the City, to account for inflation as measured by the Bureau of Labor Statistics Consumer Price Index for the Northeast for all urban consumers for each March for the preceding year.

The City's payments of its annual contribution shall be made in four equal quarterly installments, payable during the final month of each quarter.

7.8. On or before June 30, 2009, the City in its sole discretion may give notification to the PPL that it intends to assume ownership of all of PPL's Branch facilities owned by PPL, including the right to transfer ownership to another entity, for the purpose of operating public libraries in the City, and intends to use city and other funds to support the operation. PPL agrees that if the City gives such notification, it shall convey to the City such facilities, together with all of the equipment, books and materials therein, as expeditiously as is practicable. As to the Rochambeau and South Providence Branches, such conveyances shall be on condition of reverter, for the maximum period for which such conditions are valid, such that the ownership of the real estate shall revert to the PPL if a Branch facility shall no longer be in use by the City for public library purposes.

8.9. If the City elects to acquire PPL's Branch facilities pursuant to Section 78 above, the PPL shall continue to operate the Branch facilities as libraries, under such program of services as the City shall specify, during the period from July 1, 2009 until the conveyances are complete. The City shall pay to the PPL, in addition to the contribution provided for in Section 67 above, the amount of the deficit incurred by PPL in the continued operation of the Branches on and after July 1, 2009. Upon completion of the conveyances of the Branch facilities to the City, the City shall have no



further obligation to make contribution to the PPL, provided, however, that the City shall cooperate with PPL in obtaining for PPL only that portion of the matching grand in aid from the State of Rhode Island that is associated with contributions to PPL by the Providence Public Library Foundation from the PPL endowment, as provided for in R. I. Gen. Laws §29-6-2, as that statute may from time to time be amended, or pursuant to any similar or related statute or program that may be enacted, and shall forthwith upon receipt of such grant convey the same to the PPL; the City shall be entitled to retain the remainder of the grant-in- aid from the State of Rhode Island (that is, any grants-in-aid not associated with contributions from the PPL endowment). The City and PPL shall cooperate and collaborate to assure that all requirements for receipt of such grants-in-aid are fulfilled.

9.10. This Agreement may be terminated by either party prior to its termination date only for cause. As to the PPL, cause shall be defined as the failure of the PPL to operate the library system in accordance with this Agreement. As to the City, cause shall be defined as the failure of the City to make payments in accordance with its obligations under this Agreement.

10.11. This Agreement shall not be considered to be executed and the binding mutual obligation of the parties until ratified and approved by the Providence City Council. Upon such ratification and approval, this Agreement shall create binding obligations on the City and the PPL as set forth above, for the entire four year term of this Agreement.

11.12. This Agreement is the full agreement between the parties. No amendment or modification hereof will be effective unless in writing and signed by both parties. This Agreement is the valid and binding obligation of the City and the PPL, effective for the entirety of its four year term.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives, effective as of July 1, 2008.

PROVIDENCE PUBLIC LIBRARY

CITY OF PROVIDENCE

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form and acceptable  
to me:

\_\_\_\_\_  
City Solicitor