



TO: North County Library Authority (NCLA) Commission

FROM: Marcie Scott, Liaison

DATE: May 10, 2021

SUBJECT: NCLA Financial Status Update

RECOMMENDATION: Receive update and provide direction as appropriate.

At the March 22, 2021 NCLA meeting, the Commission voted to accept the report and analysis prepared by Mr. Russ Morreale concluding additional interest is due to NCLA resulting from NCLA funds held in a commingled investment account at the City. The Commission directed the Ad Hoc Committee to work with the City to confirm payment of monies due and then ensure transfer of the remaining NCLA funds from the City of Los Altos to Santa Clara County. This report was sent to the City prior to the March meeting.

The Ad Hoc Committee sent Mr. Morreale's summary slides to the City on March 24th, and offered to arrange a meeting for City staff with Mr. Morreale to walk through the analysis if that would be helpful. The City has indicated the following efforts are in progress:

"Staff is working on NCLA's request and is undertaking the following:

- 1. Fixing NCLA cash balances on City's accounts**
 - 1. Expensing the amount already transferred to County**
 - 2. Reconciling interest receivables**
- 2. Posting interest amounts to the NCLA accounts to finalize amount still to be transferred to County**
- 3. Transferring funds to County no later than June 30, 2021**

Once funds are transferred to the County, the City will close all internal NCLA accounts."

Based on this communication the Ad Hoc Committee expects to received feedback from the City on whether they agree with the analysis. The Commission authorized the Ad Hoc

Committee to finalize the interest payment from the City if the amount is within 10% of the identified interest due. The transfer of all NCLA funds to the County, including the interest due, is expected by the end of this fiscal year.