

Joint Exercise of Powers Agreement Between the City of Santa Cruz and the County of Santa Cruz and the Cities of Capitola and Scotts Valley, Relating to Library Services

May 1996

This is an agreement between the City of Santa Cruz, the County of Santa Cruz and the Cities of Capitola and Scotts Valley, relating to the joint exercise of powers over library services throughout Santa Cruz County except within the City of Watsonville.

Whereas the City of Santa Cruz has since 1916, by contract, provided library services to the County and its citizens, and the parties have determined that it would be to their mutual advantage, and in the best interest of their respective citizens to continue a library arrangement, and join together to provide on a long term basis library service for both the residents of the City of Santa Cruz and residents of the County Library Fund under a single comprehensive library system, with the City of Santa Cruz acting as administrative agency;

WHEREAS, the City of Santa Cruz and the County of Santa Cruz are currently parties to a Library Agreement executed on October 4, 1988 and the parties desire to modify the terms and conditions under which the library system is operated and it is intended that this agreement shall supersede and replace the agreement dated October 4, 1988;

Whereas, the Cities of Capitola and Scotts Valley are located within the County Library Fund service area and the City of Santa Cruz and the County of Santa Cruz believe, it would be desirable to include these cities in the governance of the Library System;

Whereas, the City of Santa Cruz has independent authority to provide library services within its jurisdiction;

Whereas, the County of Santa Cruz through the County Library Fund, whose service area consists of the unincorporated area of the County and the cities of Capitola and Scotts Valley has authority to provide library services within its jurisdiction;

Whereas, the cities of Capitola and Scotts Valley have independent authority to provide library services within their jurisdictions; and

Whereas, pursuant to the joint exercise of powers provisions set forth in chapter 5, Division 7 of Title 1 of the Government code of the State of California (Sections 6500 et seq.), the parties may contract for the exercise jointly of any power common to all;

Now, therefore, in consideration of the mutual promises and covenants contained herein, the parties to this agreement agree as follows:

1. Purpose of Agreement and Parties

The parties to this agreement with the consent of their respective legislative bodies, hereby join together for the purpose of providing extended library services within their communities and by establishing a Library Joint Powers Authority to exercise the powers described herein.

2. Term

A. Effective Date

This joint powers agreement shall commence upon the execution of this agreement by the parties hereto, and shall be operative upon receipt by Library Joint Powers Authority of funds from the Santa Cruz County Library Financing Authority.

The agreement shall continue for a term of ten years from the date it becomes operative.

B. Termination/Withdrawal

Commencing when there are five years remaining on the term, any agency may withdraw from the joint powers authority by, not less than five years prior to expiration of the then current term, advising the other parties in writing that its participation in the Agreement shall be terminated at the end of the then current term. Withdrawal by the City of Santa Cruz shall terminate the agreement.

C. Effect of Termination/Withdrawal

Each agency which participates in the library system shall, upon termination or withdrawal, remain liable for its proportionate share of any outstanding debt service for system-wide costs which exist at the time of termination. In addition, each agency which participates in the Library System shall, upon termination, remain liable for its proportionate share of legal fees and costs, including payment of claims, attributable to uninsured claims, made after the termination of the agreement based upon incidents which occurred when the agreement was in effect.

Participation shall be based upon the agency's percentage of the library system's service area as defined in Section 4.3 of the Joint Powers Agreement for the Santa Cruz County Library Financing Authority at the time of termination or withdrawal from this agreement. The table which follows illustrates each agency's percentage of the library system's service area as defined in Section 4.3 based on the estimated population on January 1, 1995.

Jurisdiction	1995 Pop.	Pop. Adj.	1995 Adj. Popu.	% of Total	% of System
Watsonville Library	33,800	12,133	45,933	18.9%	-
<i>Library System</i>					
--City of Santa Cruz	52,700	-	52,700	-	26.8%
<i>--County Library Fund</i>					
.....Unincorporated Area	135,600	(12,133)	123,467	-	62.8%
.....Scotts Valley	9,750	-	9,750	-	5.0%
.....Capitola	10,800	-	10,800	-	5.5%
Total Library System	208,850	0	196,717	81.1%	100.0%
Grand Total	242,650	0	242,650	100.0%	NA

3. Governing Board

There is hereby created the Library Joint Powers Board ("Board"), which shall be responsible for administering this agreement. The Library Joint Powers Board shall consist of the following:

1. Two members appointed by the Board of Supervisors, from among its members, who shall serve at the pleasure of the appointing body.
2. Two members appointed by the Santa Cruz City Council, from among its members, who shall serve at the pleasure of the appointing body.

3. One member appointed by the Capitola City Council, from among its members, who shall serve at the pleasure of the appointing body.
4. One member appointed by the Scotts Valley City Council from among its members, who shall serve at the pleasure of the appointing body.
5. Three At-Large Citizens appointed by the Governing Board from among the electors of the Library Service Area and representing the geographic diversity of the area.

Each Citizen member shall serve a four-year term, commencing from the January 1st closest to their appointment date, provided that the terms of the initial Citizen Members shall be staggered to end at 36 months, 42 months and 48 months respectively, so as to ensure continuity among the members. The initial Citizen Members shall draw lots to establish their respective terms.

4. Organization of the Board

Except as provided in the Section 7 of this agreement, actions of the Board shall be effective upon approval of a majority of the members of the Board. In February of each year, the Board shall select a chairperson and a vice-chairperson and shall meet quarterly or more frequently as determined by the Board.

A quorum of the Board shall consist of a majority of its members and shall be necessary to conduct business, except that less than a quorum may adjourn from time to time. The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary. The Board shall be governed by the requirements of the Ralph M. Brown Act.

5. Employees

A. Director of Libraries

The Director of Libraries shall have department head status under the City of Santa Cruz's personnel system and shall be responsible for the administration and supervision of the library system. The Director of Libraries shall serve as staff to the Library Joint Powers Board, shall cooperate to assist the Board in performing its responsibilities and shall cause a notice of this Agreement to be filed with the Secretary of State pursuant to the Act.

The Director of Libraries shall be an employee of the City of Santa Cruz who receives salary and benefits consistent with City of Santa Cruz department heads. The Director of Libraries shall be recruited and hired by the City of Santa Cruz, but the Santa Cruz City Manager shall solicit the participation, advice and consent of the Library Joint Powers Board in making a hiring decision. The Santa Cruz City Manager shall be responsible for the day to day supervision of the Director of Libraries. The performance of the Director of Libraries shall be appraised periodically by the Santa Cruz City Manager, who shall solicit written comments from each jurisdiction administrative officer, as well as the Library Joint Powers Board.

The Director of Libraries shall periodically meet with the County Administrative Officer and the City Managers of each jurisdiction to discuss matters relative to the library system. In addition, the Director of Libraries shall make an annual written and an oral report to the elected body of each jurisdiction on the status of public library services.

B. Other Library Staff

Library system personnel shall be part of the City of Santa Cruz's civil service system. Notwithstanding this provision, proposed changes in the number of personnel after the date this agreement becomes effective shall not be approved by City of Santa Cruz without the prior review and concurrence of the Library Joint Powers Board. In addition, prior to any final action by City of Santa Cruz on changes to

the classification of personnel the Library Joint Powers Board shall be provided the opportunity to review and comment upon the proposed classification changes.

6. Support Services

The City of Santa Cruz will continue to provide counsel, purchasing, payroll, budget, treasury and other services to the library system. The City of Santa Cruz shall receive as compensation for these administrative services an amount equal to 5.5% of the net operating costs of the library system.

7. Annual Budget Process

A. Public Hearing on Library Service and Budget Priorities

The annual budget process for the Santa Cruz City/County Library System shall commence in February for each year with a public hearing by the Library Joint Powers Board for the purpose of considering the service and budget priorities for the next fiscal year.

B. Development of Proposed Library Budget

Subsequent to the Library Joint Powers Board's public hearing on service and budget priorities, the Director of Libraries shall prepare the proposed operating and capital budget for the upcoming fiscal year (the "Proposed Budget") utilizing the budget procedures for the City of Santa Cruz Finance Department. The Proposed Budget shall be based on the estimated carryover balance for the Library System and the Santa Cruz County Library Financing Authority's determination of the proposed amount to be distributed to the City/County Library System for the upcoming fiscal year.

C. Public Hearing on Proposed Budget

The Library Joint Powers Board shall hold a public hearing on the Proposed Budget which shall be held during the last week of May. The Proposed Budget will be presented to the Library Joint Powers Board by the Director of Libraries at this hearing. Copies of the Proposed Budget shall be available for public inspection at least ten days prior to the public hearing.

At the conclusion of the public hearing the Board shall request such supplemental reports as it deems appropriate and schedule final action on the Proposed Budget for a public meeting to be held during the last week of June.

D. Approval of Final Budget

Prior to the Board's final action on the Proposed Budget, the Director of Libraries will provide the Board with:

1. an update on the available financing for the Library System based on Santa Cruz County Library Financing Authority's determination concerning the final distribution of funds for the Library System for the upcoming fiscal year; and
2. such supplemental budget reports as the Board may have requested.

The Board shall take final action on the Proposed Budget on or before June 30th. Notwithstanding any other provision of this agreement, a total of six (6) affirmative votes of the nine members of the Board shall be required to approve and adopt the Final Library Budget for the upcoming fiscal year.

8. Library Policies

All policies relating to the provision of library services, including hours, organization, staffing levels and type, and other services, shall be determined by the Joint Powers Library Board. Current policies with respect to the library shall continue in full force and effect until changed by the Board. In addition, libraries are subject to general State laws with respect to libraries, including the provisions of Education Code Section 19146 which vests power to select materials in the Librarian.

A. Revenues

The library services provided through this agreement shall be funded through funds made available to the Joint Powers Authority by the Santa Cruz County Library Financing Authority. The parties agree that any resident of Santa Cruz County regardless of residence shall have free access to the library facilities, materials and services of the Library System.

B. Supplemental Revenues

Each participating City and the County may supplement revenues to provide for enhanced services at individual library facilities.

C. Director of Finance

The City of Santa Cruz's Director of Finance shall assure that the accounts and financial records of the Library Joint Powers Authority are maintained, and that they are audited on the same basis as the financial records of the City of Santa Cruz.

9. Finances

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10. Insurance and Property

A. Insurance

1. Casualty Insurance

Casualty insurance insuring all library assets, except buildings, shall be provided by the City of Santa Cruz's blanket casualty policy of insurance, and the premiums shall be charged as a system-wide cost. Each agency shall insure the library system buildings situated within their respective jurisdictions against casualty losses. The cost for insuring such buildings shall be considered direct costs, and shall be borne by the agency within whose jurisdictions the

building is located, provided, however, that the cost of insurance coverage on the Central Branch building shall be shared as a system-wide cost.

2. Liability Insurance

While the City of Santa Cruz shall not be obligated to purchase liability insurance and coverage for the library system, it may do so if such insurance can be obtained at a reasonable rate, and it is recommended by the Board. If such insurance is purchased, the cost shall be shared proportionately according to circulation at the time the policy premium is determined.

3. Uninsured Claims

All uninsured costs of providing liability defense, including payments for legal fees and costs, and including payment of claims, shall be advanced by City of Santa Cruz and then billed to the library system. Repayment of such costs and expenses shall be made to the City of Santa Cruz within sixty (60) days after they are billed.

B. Title to Library System Assets

The City of Santa Cruz owned all of the assets of the library system acquired under the 1964 agreement, with the exception of certain buildings situated within County territory. It is the intention of the parties that the ownership of those assets acquired during the term of the 1964 agreement shall be reallocated so that County becomes the owner of a portion of those assets equivalent to its proportionate share of payments into the system during the term of the 1964 agreement. It is further the intent of the parties that all assets acquired after the effective date of the 1988 Agreement be owned by the parties in direct proportion to their respective contributions to the library system, provided that, except as otherwise mutually agreed by the parties, all buildings, furniture, and fixtures located within the City of Santa Cruz at the time such assets are acquired shall be owned by the City of Santa Cruz, and all buildings, furniture, and fixtures located outside the City of Santa Cruz at the time such assets are acquired shall be owned by the County. Annexation or incorporation of an area shall not affect title to any library system assets located in such an area unless expressly otherwise agreed by the parties. To accommodate the reallocation of the title to assets acquired during the 1964 and 1988 agreements, and to provide for proportionate ownership of assets acquired pursuant to this Agreement, the following formulas shall apply:

1. Assets Acquired under the 1964 Library System Agreement

Title to assets, other than buildings, furniture and fixtures acquired by City of Santa Cruz during the term of the 1964 agreement, shall be allocated to the County on an incremental basis, at a rate of 3.25% of the value of said assets each year, until the County's ownership is equal to its proportionate share of funding under the 1964 Agreement. For this purpose, it is agreed that County's "proportionate share of funding" shall be the proportional share paid by the County during the last operative year of the 1964 Agreement.

2. Assets Acquired under the 1988 Library System Agreement

Assets acquired under the shared cost provisions of the 1988 Agreement shall be owned by the City of Santa Cruz and the County in direct proportion to their respective contributions to the library system during the term of this Agreement, provided that, except as otherwise mutually agreed by the parties, all buildings, furniture, and fixtures located within the City of Santa Cruz at the time such assets are acquired shall be owned by the City of Santa Cruz, and all buildings, furniture, and fixtures located outside the City of Santa Cruz at the time such assets are acquired shall be owned by the County. Annexation or incorporation of an area shall not affect title to any library system assets located in such an area unless expressly otherwise agreed by the parties.

3. Assets Acquired with Funds Made Available by the Santa Cruz County Library Financing Authority

Assets acquired with funds made available to the Library System by the Santa Cruz County Library Financing Authority shall be owned by the City of Santa Cruz, the City of Capitola and the City of Scotts Valley and the County in direct proportion to their respective share of the population in the library system service area as defined in Section 4.3 of the Joint Powers Agreement for the Santa Cruz County Library Financing Authority during the term of this Agreement, provided that, except as otherwise mutually agreed by the parties, all buildings, furniture, and fixtures located within the City of Santa Cruz at the time such assets are acquired shall be owned by the City of Santa Cruz, and all buildings, furniture, and fixtures

located outside the City of Santa Cruz at the time such assets are acquired shall be owned by the County except as provided in separate agreements between the County and the Cities of Capitola and the Scotts Valley and their Redevelopment Agencies. Annexation or incorporation of an area shall not affect title to any library system assets located in such an area unless expressly otherwise agreed by the parties.

4. Distribution of Assets on Termination of Agreement or Withdrawal by the City of Santa Cruz or the County

The assets provided for in subparagraphs (1), (2) and (3) above shall be distributed to the parties upon the termination of this Agreement or withdrawal by the City of Santa Cruz or the County as herein provided. Within one hundred and twenty days after notice of termination of this Agreement, the City of Santa Cruz and the City of Capitola, the City of Scotts Valley and County shall agree on a method of inventory and valuation of all assets of the library system to be apportioned to the parties, and shall cause the completion of such inventory and valuation within six months after notice of termination. The costs of such inventory and valuation shall be a library system cost under this agreement. In determining specific assets to be distributed to the parties, the parties agree that every effort shall be made to first distribute to each party those assets then located within that party's jurisdiction. The remaining assets shall then be apportioned and distributed as deemed most convenient to the parties. The City of Santa Cruz agrees to cooperate with the City of Capitola, the City of Scotts Valley and the County by freely sharing its catalogue and other information regarding library materials.

5. Distribution of Assets on Withdrawal by the City of Capitola or the City of Scotts Valley

The assets provided for in subparagraph(3) above shall be distributed to the parties upon the withdrawal by the City of Capitola or the City of Scotts Valley in the following manner. Within one hundred and twenty days after notice of withdrawal of this Agreement, the City of Santa Cruz and the City of Capitola, the City of Scotts Valley and the County shall agree on a method of inventory and valuation of the assets of the library system acquired pursuant to subparagraph (3), and shall cause the completion of such inventory and valuation within six months after notice of termination. The costs of such inventory and valuation shall be a library system cost under this agreement. In determining specific assets to be distributed to the parties, the parties agree that every effort shall be made to first distribute to each party those assets then located within that party's jurisdiction. The remaining assets shall then be apportioned and distributed as deemed most convenient to the parties. The City of Santa Cruz agrees to cooperate with the City of Capitola or the City of Scotts Valley by freely sharing its catalogue and other information regarding library materials.

6. Special Collections

It is understood and agreed that the apportionment and allocation of assets pursuant to this paragraph shall not result in the separation or breaking up of the Central Branch reference collection, periodical backfiles, local history collection, or Californian collection. All of those collections and materials shall remain the property of the City of Santa Cruz. Further, the arbitrator and the parties shall honor all special conditions and agreements imposed by donors of special collections to the library system.

7. Other Assets

Automation system assets and other equipment purchased on a shared cost basis shall be apportioned, valued and distributed to the parties as set in paragraphs (2),(3) and (4) of this section.

C. Responsibility for Construction Defects

The party which selects or approves the architect and oversees the construction of a branch library shall be financially responsible for any and all construction defects for a period of fifteen years following the acceptance of the building by that party and shall have an obligation to correct the defects within a reasonable period following the discovery of the defect.

11. Arbitration

The parties agree to submit to arbitration in accordance with this paragraph any impasse or other inability to agree upon any of the following matters:

- (A) Division and distribution of assets pursuant to Section 10 of this agreement;
- (B) Any other matters which the parties mutually agree to submit to arbitration.

Upon request in writing by any party that any of the above-listed matters be submitted to arbitration, the County Administrative Officer and the City Managers shall meet to attempt to resolve the dispute and to agree upon an arbitrator if the dispute is not otherwise resolved. In the event the dispute is not resolved and no agreement is reached on the selection of an arbitrator within thirty days of the request for arbitration, then the parties shall request the Presiding Judge of the Superior Court of Santa Cruz County to appoint an independent arbitrator. Each of the parties shall pay an equal share of the fees and expenses of the arbitrator.

Except as provided in this Agreement, any arbitration arising hereunder shall be conducted in accordance with the California Arbitration Act (Section 1280, et seq., of the California Code of Civil Procedure.)

12. Mutual Hold Harmless

Each party to this agreement shall defend, indemnify and hold harmless other parties and their respective officers, employees and agents against any and all claims, actions, loss, liability or expense (including attorneys fees) arising out of, based upon, or resulting from willful or negligent acts or omissions by that party's officers, employees or agents.

13. Amendments

This Joint Powers Agreement may be amended as provided by the Joint Powers Act. In the event there is a change in law affecting a material term of this agreement, the parties agree to engage in good faith negotiations on a successor agreement within 45 days of the change in law.