

Chair: Jamie Goldstein  
Vice Chair: Martin Bernal  
Board Member: Chuck Comstock  
Board Member: Susan Mauriello



**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
(LFFA)**

**REGULAR BOARD MEETING**

**THURSDAY, MARCH 3, 2016**

**6:00 P.M.**

**BOULDER CREEK BRANCH LIBRARY**

**13390 WEST PARK AVE. BOULDER CREEK, CA 95006**

**1. CALL TO ORDER / ROLL CALL**

Board Members Martin Bernal, Chuck Comstock, Susan Mauriello, and Chair Jamie Goldstein

**2. ADDITIONAL MATERIALS**

*Additional information submitted after distribution of the agenda packet.*

**3. ADDITIONS AND DELETIONS TO AGENDA**

**4. ORAL COMMUNICATION**

*Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board, so that we may properly respond to all comments on that subject at the same time. In general 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.*

**5. EXECUTIVE DIRECTOR REPORT**

A. Report of Executive Director of recent events and Schedule of Important Dates (PG.3-5)

**6. CONSENT CALENDAR**

A. Approve Minutes of the February 4 and 11, 2016 Board Meetings (PG.6-10)

B. Approve Signatories to the Arguments in Favor of the Ballot Measure (PG.11-12)

*All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.*

## 7. GENERAL BUSINESS

*Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.*

- A. Contribution and Reimbursement Agreement between the Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-01 and the Santa Cruz County Library Authority. (PG.13-22)
- B. The Libraries Facilities Financing Authority and CFD 2015-2016 fiscal year budget in the amount of \$584,000. (PG.23-39)

## 8. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday, April 7, 2016, at 9:00 a.m. at the Downtown Branch Meeting Room located at 224 Church St., Santa Cruz, CA 95060.

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831)427-7706 at least five days in advance so that we can arrange for such special assistance, or email [library\\_admin@santacruzpl.org](mailto:library_admin@santacruzpl.org).

## STAFF REPORT



**SANTA CRUZ  
PUBLIC LIBRARIES**

Library Facilities  
Financing Authority

AGENDA: March 3, 2016  
DATE: February 23, 2016  
TO: Board of Directors  
FROM: Rich Hill, Interim Executive Director  
SUBJECT: Item 5.A.--Executive Director Report

### **RECOMMENDATION**

Receive and file this report.

### **DISCUSSION**

The following activities were pursued during the Month of February 2016:

- Preparation of the FY 2015-2016 fiscal year budget, including: Program narrative; Itemization of expenditures; budget message and staff report.
- Review current fiscal year contracts.
- Review and comment on Contribution and Reimbursement agreement.
- Identify and list LFFA activities post-election.
- Work on identifying SCPL budget amendments
- Review and prep for signature Jones Hall contract
- Review and comment on draft minutes
- Discuss certain legal matters with ABC-Law
- Review and comment on information Mailer
- Talk with Marcus on financial history of the LFFA
- Review to-do list for LFFA agreement. Still waiting to hear from insurance carrier.

### **ATTACHMENT**

1. Revised List of Important Dates

ATTACHMENT 1

List of Important Dates

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)  
SANTA CRUZ PUBLIC LIBRARIES (SCPL)**

**COMMUNITY FACILITIES DISTRICT FORMATION AND ELECTION CYCLE**

**June 7, 2016 Election: Schedule of Key Dates (version 13)**

3/03/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – Consider ballot signers and arguments; consider budget for the 2015-16 fiscal year
3/11/2016 (Fri)	<b>LFFA</b>	County deadline to submit Resolution Calling Special Election (which reflects exact form of ballot wording) for the June 7, 2016 Election
3/11/2016 (Fri)	<b>LFFA</b>	County deadline to submit tax rate statement for bond measures
3/12- 3/21/2016	<b>LFFA</b>	10-day public inspection for local measures on the ballot
3/17/2016 (Thur)	<b>LFFA</b>	County deadline to submit arguments and analyses (which include arguments for or against ballot measures, County Counsel's independent analysis, and County Auditor's fiscal analysis)
3/18- 3/28/2016	<b>LFFA</b>	10-day public inspection for arguments
3/24/2016 (Thur)	<b>LFFA</b>	County deadline to submit rebuttal arguments
3/25- 4/4/2016	<b>LFFA</b>	10-day public inspection for rebuttals
4/07/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
4/28- 5/28/2016	<b>LFFA</b>	County mails sample ballots and Secretary of State mails voter guide
5/5/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
6/2/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
6/07/2016 (Tue)	<b>LFFA</b>	Election Day
7/05/2016 (Tue)	<b>LFFA</b>	Certified statement of results available
7/18/2016 (Mon)	<b>LFFA</b>	Final Resolution Declaring Election Results due to Secretary
7/28/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – Consider Resolution Declaring Election Results and First Reading of CFD Ordinance; Adopt CFD Ordinance (1)
8/10/2016 (Wed)	<b>LFFA</b>	Notice of Special Tax Lien recorded and direction provided to County Auditor-Controller-Treasurer-Tax Collector
9/01/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
10/06/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
11/03/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
12/01/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined

(1) Bonds are currently scheduled to be issued in March 2018. A Resolution Authorizing Bond Issuance will need to be approved before March 2018.

**SANTA CRUZ PUBLIC LIBRARIES  
A CITY-COUNTY SYSTEM**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
(LFFA)**

**REGULAR MEETING MINUTES  
DOWNTOWN BRANCH MEETING ROOM  
224 CHURCH STREET, SANTA CRUZ, CA 95060**

**THURSDAY, FEBRUARY 4, 2016  
9:25 A.M.**

**1. ROLL CALL**

**PRESENT:** Vice Chair Martin Bernal; Board Member Chuck Comstock; Board Member Susan Mauriello;

**REMOTE CONNECTED from the Miramonte Hotel Lobby at 45000 Indian Wells Lane, Indian Wells, CA 92210:** Chair Jamie Goldstein

**STAFF:** Interim Executive Director Rich Hill; Interim Library Director Janis O'Driscoll

**2. ADDITIONAL MATERIALS**

Summary Charts of Voter Survey Results provided by Gene Bregman of Gene Bregman & Associates; and copies of presentation points provided by Jeremy Hauser of TBWB.

**3. ADDITIONS AND DELETIONS TO AGENDA**

None.

The Agenda of February 4, 2016 was approved by consensus.

**4. ORAL COMMUNICATIONS**

None

**5. EXECUTIVE DIRECTOR REPORT**

- A. Report of Executive Director of recent events and Schedule of Important Dates  
ACTION: Receive report

<b>RESULT:</b>	<b>RECEIVED REPORT</b>
<b>MOVER:</b>	<b>Susan Mauriello, Board Member</b>
<b>SECONDER:</b>	<b>Chuck Comstock, Board Member</b>
<b>AYES:</b>	<b>Goldstein, Bernal, Comstock, Mauriello</b>

**6. CONSENT CALENDAR**

- A. Approve Minutes of the January 14, 2016 Board Meeting  
ACTION: Approve minutes

**RESULT: THE BOARD APPROVED MINUTES [UNANIMOUS]**  
**MOVER: Susan Mauriello, Board Member**  
**SECONDER: Chuck Comstock, Board Member**  
**AYES: Goldstein, Bernal, Comstock, Mauriello**

**7. GENERAL BUSINESS**

- A. Presentation of voter survey results by Gene Bregman of Bregman & Associates and Jeremy Hauser with TBWB Strategies.  
NO ACTION REQUIRED
- B. Receive and file a Community Facilities District Report, prepared by NBS. Conduct a Public Hearing to consider the formation of a Community Facilities District; and consider the adoption of resolutions: 1) of Formation of Community Facilities District; 2) Determining Necessity to Incur Bonded and Other Indebtedness; 3) Calling Special Election. All as required for a Special Tax Election on June 7, 2016.  
ACTION: RECEIVE CFD REPORT AND DIRECT STAFF TO FILE REPORT AND CONTINUE HEARING UNTIL FEBRUARY 11, 2016 FOR PUBLIC HEARING

**RESULT: RECEIVED COMMUNITY FACILITIES REPORT AND DIRECTED STAFF TO FILE AS RECOMMENDED**  
**MOVER: Susan Mauriello, Board Member**  
**SECONDER: Chuck Comstock, Board Member**  
**AYES: Goldstein, Bernal, Comstock, Mauriello**

**RESULT: OPENED PUBLIC HEARING, RECEIVED NO COMMENTS, AND CONTINUED PUBLIC HEARING TO FEBRUARY 11, 2016 AT 1:00 P.M. AT THE DOWNTOWN BRANCH MEETING ROOM [UNANIMOUS]**  
**MOVER: Susan Mauriello, Board Member**  
**SECONDER: Chuck Comstock, Board Member**  
**AYES: Goldstein, Bernal, Comstock, Mauriello**

- C. Preparation of information mailer/fact sheet by TBWB in the approximate amount of \$37,000.

ACTION: AUTHORIZE THE INTERIM EXECUTIVE DIRECTOR TO DIRECT THE FIRM OF TBWB TO PREPARE AN INFORMATION MAILER/FACT SHEET IN AN AMOUNT NOT TO EXCEED \$37,000; AND DIRECT STAFF TO PREPARE A BUDGET AMENDMENT TO REFLECT CURRENT AND FUTURE ESTIMATED COSTS FOR A PROGRAM TO DEVELOP, BRING TO BALLOT AND IMPLEMENT A SPECIAL TAX FOR LIBRARY FACILITIES, INCLUDE THESE TBWB COSTS UNDER CURRENT CONSIDERATION.

**RESULT: APPROVED RECOMMENDED ACTION SUBJECT TO TBWB ALSO ADVISING THE AUTHORITY WHETHER ADDITIONAL EDUCATIONAL MATERIALS WILL BE NECESSARY TO DISTRIBUTE. [UNANIMOUS]**

**MOVER: Susan Mauriello, Board Member**

**SECONDER: Chuck Comstock, Board Member**

**AYES: Goldstein, Bernal, Comstock, Mauriello**

#### 8. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 10:03 a.m. to the Public Hearing on Thursday, February 11, 2016 at 1:00 p.m. in the Downtown Branch Meeting Room at 224 Church Street, Santa Cruz.

ATTEST: \_\_\_\_\_  
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz.



**SANTA CRUZ PUBLIC LIBRARIES  
A CITY-COUNTY SYSTEM**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
(LFFA)**

**REGULAR MEETING MINUTES  
DOWNTOWN BRANCH MEETING ROOM  
224 CHURCH STREET, SANTA CRUZ, CA 95060**

**THURSDAY, FEBRUARY 11, 2016  
1:00 P.M.**

**1. ROLL CALL**

**PRESENT:** Chair Jamie Goldstein, Vice Chair Martin Bernal; Board Member Chuck Comstock; Board Member Susan Mauriello;

**STAFF:** Interim Executive Director Rich Hill; Interim Library Director Janis O'Driscoll

**2. ADDITIONAL MATERIALS**

Copy of Resolutions to be adopted and Copy of Proof of Publication (handouts)

**3. ADDITIONS AND DELETIONS TO AGENDA**

None.

The Agenda of February 11, 2016 was approved by consensus.

**4. ORAL COMMUNICATIONS**

None

**5. EXECUTIVE DIRECTOR REPORT**

None

**6. CONSENT CALENDAR**

None

**7. GENERAL BUSINESS**

- A. Continued Hearing from the Regular Board Meeting of February 4, 2016 Item: 7. B Public Hearing to consider the formation of a Community Facilities District; and consider the adoption of resolutions: 1) of Formation of Community Facilities District (CFD); 2) Determining Necessity to Incur Bonded and Other Indebtedness; 3) Calling Special Election. All as required for a Special Tax Election on June 7, 2016.

ACTION: ADOPT RESOLUTIONS

**RESULT:** PUBLIC HEARING WAS CONTINUED, OPPORTUNITY FOR PUBLIC COMMENT WAS PROVIDED, NO PUBLIC COMMENTS WERE MADE, AND PUBLIC HEARING WAS CLOSED AT 1:04 P.M.

**RESULT:** ADOPTED RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT [UNANIMOUS]  
**MOVER:** Susan Mauriello, Board Member  
**SECONDER:** Martin Bernal, Board Member  
**AYES:** Goldstein, Bernal, Comstock, Mauriello

**RESULT:** ADOPTED RESOLUTION DETERMINING NECESSITY TO INCUR BONDED AND OTHER INDEBTEDNESS [UNANIMOUS]  
**MOVER:** Susan Mauriello, Board Member  
**SECONDER:** Chuck Comstock, Board Member  
**AYES:** Goldstein, Bernal, Comstock, Mauriello

**RESULT:** ADOPTED RESOLUTION CALLING SPECIAL ELECTION [UNANIMOUS]  
**MOVER:** Susan Mauriello, Board Member  
**SECONDER:** Chuck Comstock, Board Member  
**AYES:** Goldstein, Bernal, Comstock, Mauriello

## 8. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 1:09 p.m. to the Regular Meeting on Thursday, March 3, 2016 at 6:00 p.m. at the Boulder Creek Branch Library located at 13390 W. Park Ave., Boulder Creek.

ATTEST: \_\_\_\_\_  
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz.



AGENDA: March 3, 2016  
DATE: February 8, 2016  
TO: Board of Directors  
FROM: Rich Hill, Interim Executive Director  
SUBJECT: Approval of Signatories of the Ballot Arguments in Favor of the Proposed Bond Measure

**RECOMMENDATION**

Identify and discuss individuals the Board would like to designate as signatories to the Ballot Arguments in Favor of the upcoming proposed Libraries Facilities measure.

**BACKGROUND**

The LFFA Board was formed to secure bond funding for the construction of Library Facilities. This process includes the approval of a ballot measure levy a special tax to modernize upgrade and repair local libraries.

**DISCUSSION**

The ballot process for the proposed measure allows for individuals to submit arguments in favor. The County Clerk of Elections through a stipulated procedure selects the arguments in favor from those arguments submitted by the appropriated deadline. Your Board is able to specifically identify and approve specific individuals who the Board would like to be signatory to the arguments in favor.

Attachment 1 is a list of names of individuals who have agreed to act as signatories to the Ballot Arguments in Favor. Ballot arguments must be received by the County no later than March 17, 2016.

Prepared and approved by:  
Richard Hill, Interim Executive Director

Attachment 1: Signatories of the Ballot Arguments in Favor of the Proposed Bond Measure

ATTACHMENT 1.  
Signatories of the Ballot Arguments in Favor of the Proposed Bond Measure

**STEPHANIE HARLAN**

*Capitola Council member, retired nurse*

**WILLIAM OW**

*Owner, Ow Family Properties, University Business Park*

**MARY LOU GOEKE**

*Executive Director, United Way of Santa Cruz County*

**MICHAEL WATKINS**

*Superintendent, Santa Cruz County Office of Education*

**HILARY BRYANT**

*Former Santa Cruz mayor; CMO Calliope Waterworks*

**BRUCE McPHERSON**

*Santa Cruz County Supervisor, Fifth District*

**KAREN DELANEY**

*Executive Director, Volunteer Center of Santa Cruz County*

**NEAL COONERTY**

*Retired County Supervisor, 3<sup>rd</sup> District; Founder, Bookshop Santa Cruz*

**MARY HAMMER**

*Founding member and Past President, Valley Women's Club*

**JIM HART**

*Santa Cruz County Sheriff*



## STAFF REPORT

AGENDA: March 3, 2016  
DATE: February 23, 2016  
TO: Board of Directors  
FROM: Richard Hill, Interim Executive Director  
SUBJECT: Contribution and Reimbursement Agreement

### **RECOMMENDATION**

Adopt the Resolution Approving the Contribution and Reimbursement Agreement between the Libraries Facilities Financing Authority Community Facilities District 2016-01 and the Joint Powers Authority created by the 1996 Agreement, the Authority.

### **BACKGROUND**

In the summer of 2013 the Authority conducted a survey to assess the feasibility of establishing a Community Facilities District to place a bond measure before the voter to pay for the construction and improvements of library facilities. In December 2014 the Libraries Facilities Financing Authority (LFFA) was formed to conduct surveys and analyses to further explore the feasibility of a Bond Measure, and prepare for the creation of a Community Facilities District in order to set boundaries and make the necessary determinations to place a ballot measure on the ballot. On February 11, 2016 a public hearing was concluded, the authorizing resolutions were adopted and Community Facilities District 2016-01 (CFD) was formed.

### **DISCUSSION**

The LFFA board is comprised with members representing the County of Santa Cruz, the City of Santa Cruz, the City of Scotts Valley, and the City Capitola. The Authority was not a party to the LFFA formation and therefore did not enjoy board membership. Nonetheless, it was determined at the time of the initial bond measure feasibility process that the Authority would front the costs of this process with the understanding that should the ballot measure be successful, the SCLA would be reimbursed.

Further, since the LFFA was formed under the California Joint Exercise of Powers Act, certain strict accounting procedures are required to be followed. Because the LFFA and the CFD, as formed, do not have any revenues or assets, a reimbursement agreement between the CFD and the Authority to reimburse the Authority is a proper part of the accounting procedures. The Mello-Roos law, the CFD formation authority, allows the CFD to contract with a public entity to advance funds and in-kind work to accommodate the various formation needs of the CFD and the prerequisite tasks to place a measure on the ballot.

The Contribution and Reimbursement Agreement (see attachment 1) defines the nature of Advances and defines allowable Initial Costs, which include in part:

- Appraisals, absorption studies and other reports
- Consultant fees and expenses
- Printing, publication and distribution costs
- Costs associated with the formation of the CFD
- Accounting and administration costs

Mello-Roos law requires that this agreement be adopted by resolution.

Prepared and approved by:  
Richard Hill, Interim Executive Director.

Attachment:

1. Resolution Approving the Contribution and Reimbursement Agreement

ATTACHMENT 1

Resolution Approving the Contribution and Reimbursement Agreement

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING A CONTRIBUTION AND REIMBURSEMENT AGREEMENT**

**WHEREAS**, during the calendar year of 2013 and thereafter, the Joint Powers Authority created by the 1996 Agreement (SCLA) expended resources and made other contribution), including staff resources (Expenses) to explore the possibility of placing before the SCLA voters the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness or other debt (Ballot Measure) to fund the construction and improvements of library facilities; and

**WHEREAS**, the SCLA continued in their efforts to place the Ballot Measure before the voters, and in December 2014 formed the Santa Cruz Libraries Facilities Financing Authority (LFFA) pursuant to the California Joint Exercise of Powers Act, title 1, division 7, chapter 5, sections 6500 et seq. of the California Government Code; and

**WHEREAS**, the LFFA on February 11, 2016 the Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1 (CFD) was formed to place before the voters the Ballot Measure, pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

**WHEREAS**, the SCLA would like to be reimbursed for the Expenses should the Ballot Measure be successful.

**NOW, THEREFORE, IT IS ORDERED**, by the Board of the Santa Cruz Libraries Facilities Financing Authority, as follows:

- 1. Approval of Agreement.** The Contribution and Reimbursement Agreement, as presented in Exhibit A is hereby approved, and the Interim Executive Director of the LFFA is directed to execute the agreement on behalf of the Board.
- 2. Effective Date.** This resolution shall be effective upon its adoption by the Board.

\*\*\*\*\*

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAINING:



the foregoing resolution is hereby adopted on March 3, 2016.

\_\_\_\_\_  
Chairman of the Board

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A**

**CONTRIBUTION AND REIMBURSEMENT AGREEMENT**

## CONTRIBUTION AND REIMBURSEMENT AGREEMENT

### SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY Community Facilities District No. 2016-1

THIS CONTRIBUTION AND REIMBURSEMENT AGREEMENT (the "Agreement"), dated for convenience as of March 3, 2016, is by and among the Santa Cruz Libraries Facilities Financing Authority (the "LFFA"), on behalf of itself and the Santa Cruz Libraries Facilities Financing Authority Community Facilities District 2016-01 (the "CFD"), and the Joint Powers Authority created by the 1996 Agreement (the "Authority").

#### RECITALS:

WHEREAS, the members of the Authority have undertaken proceedings (the "Proceedings") to establish the LFFA and the CFD, to authorize the levy of special taxes (the "Special Taxes") to finance the acquisition and construction of certain public library facilities (including assessment of the probability of a successful ballot measure to authorize the Special Taxes), and to authorize the issuance of one or more series of bonds or other debt (collectively, the "Bonds") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") secured by the Special Taxes;

WHEREAS, section 53314.9 of the California Government Code allows the LFFA, as legislative body of the CFD, to accept advances of funds or work in-kind from any source before or after the CFD formation, and may enter into an agreement, by resolution, with a public entity advancing the funds or work in-kind to repay all or a portion of such advances;

WHEREAS, the Authority is willing to advance funds to the LFFA or to its agents and consultants as necessary to ensure payment of any and all costs of the LFFA in connection with the Proceedings and the issuance of Bonds, provided that such advances are reimbursed to the Authority by the LFFA, as may be allowed by its legislative body, from the proceeds of the Special Taxes and the Bonds, to the extent legally permissible;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### AGREEMENT:

##### Section 1. The Advances.

(a) The Authority agrees to advance to the LFFA, or provide directly on behalf of the LFFA, from time to time and upon written request submitted by the LFFA, or in the judgment of the Authority, amounts (collectively the "Advances") incurred or reasonably

expected to be incurred by the LFFA to pay Initial Costs (as defined below), understanding that such initial costs may have been incurred before or after the formation of the LFFA.

(b) The "Initial Costs" include, but are not limited to:

(i) the fees and expenses of any consultants to the LFFA engaged in connection with the Proceedings and the issuance of Bonds (such as engineering, legal counsel, including special counsel to the LFFA, financial advisory and special tax consultant), excluding such fees and expenses that are payable on a basis contingent on the issuance of the Bonds;

(ii) the costs of appraisals, absorption studies and other reports necessary or deemed advisable by LFFA or Authority staff in connection with the Proceedings and the issuance of Bonds;

(iii) costs of publication of notices, preparation and mailing of ballots and other costs related to any election with respect to the CFD, the Special Taxes or the Bonds; but in all cases excluding any costs related to advocacy in connection with any CFD elections;

(iv) the costs of any action prosecuted in the superior court to validate the CFD, the Special Taxes or the Bonds;

(v) a reasonable charge for an allocable share of administrative expenses with respect to staff of the Authority's or LFFA's members related to the Proceedings, the issuance of Bonds, or the design and planning activities for the Bond-financed facilities;

(vi) any costs incurred by the Authority or LFFA in connection with discussions with or applications to bond rating agencies, if applicable; and

(vii) any and all other actual costs and expenses, direct and indirect, incurred by the Authority or LFFA with respect to the Proceedings, the Special Taxes and the Bonds.

Section 2. Reimbursement of Advances. The Advances shall be reimbursed by the LFFA solely from the following sources, and solely to the extent permitted under the Act: (a) available proceeds of the Special Taxes, if and to the extent levied, (b) available proceeds of the Bonds, if and to the extent issued.

Section 3. Reimbursement of Other Costs. Nothing contained herein shall prohibit reimbursement of other costs and expenses of the Authority or the LFFA incurred in connection with the Proceedings, the Special Taxes and the Bonds from any legally available sources of funds, including without limitation available proceeds of the Special Taxes or the Bonds.

Section 4. Agreement Not Debt or Liability of the LFFA. It is hereby acknowledged and agreed that this Agreement is not a debt or liability of the LFFA or the CFD.

Section 5. Accounting. The Advances may be commingled with other funds of the LFFA for purposes of investment and safekeeping, but the Authority, unless otherwise directed by the LFFA legislative body, shall at all times maintain records of the receipt, expenditure and reimbursement of all Advances. The cost of maintaining such records shall be considered an Initial Cost.

Section 6. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

Section 9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

\*\*\*\*\*

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first written above.

SANTA CRUZ LIBRARIES FACILITIES  
FINANCING AUTHORITY

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

Name: Richard Hill

Its: Interim Executive Director

AUTHORITY

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

Name: Janis O'Driscoll

Its: Interim Executive Director



AGENDA: March 3, 2016

DATE: February 22, 2016

TO: Board of Directors

FROM: Rich Hill, Interim Executive Director

SUBJECT: 2015-2016 Fiscal Year Budget

### RECOMMENDATION

Approve the 2015-2016 fiscal budget in the amount of \$584,000, as presented.

### BACKGROUND

Since 2013 the Santa Cruz Public Libraries JPA (SCPL) has been working to put before the voters a bond measure to fund Library Facilities. Most recently during this fiscal year, the SCPL expended resources to secure that the bond measure will be presented as part of the June 7, 2016 ballot.

In December 2014 the Libraries Facilities Financing Authority (LFFA) was formed pursuant to the Joint Exercise of Powers Act (the Act) in order to create a community facilities district pursuant to the Mello-Roos Act of 1982. On February 11, 2016 the Libraries Facilities Financing Authority Community Facilities District No. 2016-1 (CFD) was created.

### DISCUSSION

The 2015-2016 fiscal year proposed expenditures total \$584,000. See Attachment 1. The breakdown by expenditure category is:

• Personnel	\$ 36,000
• Contracts/Services	\$ 545,500
• Supplies	<u>\$ 2,500</u>
Total Proposed Expenditures	\$ 584,000

Personnel costs reflect the part-time activities of the Interim Executive Director. The major services cost is an estimated \$350,000 for services related to the county consolidated election.

Finally, included in the budget are two yet to be approved contracts with NBS. See Attachments 2 and 3. The NBS contracts are: 1) services to refine the special tax method for \$10,000; and 2) research and development of tax procedures for \$4,500, and the tax administration fee for \$13,500, which is incurred if the election is successful.

Prepared and approved by:

Richard Hill, Interim Executive Director

Attachments:

1. 2015-2016 Fiscal Year Program Budget
2. NBS agreement, December 20, 2015
3. NBS agreement, January 19, 2016



ATTACHMENT 1

2015-2016 Fiscal Year Program Budget

THE SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
JPA  
AND COMMUNITY FACILITIES DISTRICT  
2015-2016 FISCAL YEAR PROGRAM BUDGET



FUTURE EPISCOPAL BRANCH LIBRARY

PROJECT NO. 1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044-1045-1046-1047-1048-1049-1050-1051-1052-1053-1054-1055-1056-1057-1058-1059-1060-1061-1062-1063-1064-1065-1066-1067-1068-1069-1070-1071-1072-1073-1074-1075-1076-1077-1078-1079-1080-1081-1082-1083-1084-1085-1086-1087-1088-1089-1090-1091-1092-1093-1094-1095-1096-1097-1098-1099-1100-1101-1102-1103-1104-1105-1106-1107-1108-1109-1110-1111-1112-1113-1114-1115-1116-1117-1118-1119-1120-1121-1122-1123-1124-1125-1126-1127-1128-1129-1130-1131-1132-1133-1134-1135-1136-1137-1138-1139-1140-1141-1142-1143-1144-1145-1146-1147-1148-1149-1150-1151-1152-1153-1154-1155-1156-1157-1158-1159-1160-1161-1162-1163-1164-1165-1166-1167-1168-1169-1170-1171-1172-1173-1174-1175-1176-1177-1178-1179-1180-1181-1182-1183-1184-1185-1186-1187-1188-1189-1190-1191-1192-1193-1194-1195-1196-1197-1198-1199-1200-1201-1202-1203-1204-1205-1206-1207-1208-1209-1210-1211-1212-1213-1214-1215-1216-1217-1218-1219-1220-1221-1222-1223-1224-1225-1226-1227-1228-1229-1230-1231-1232-1233-1234-1235-1236-1237-1238-1239-1240-1241-1242-1243-1244-1245-1246-1247-1248-1249-1250-1251-1252-1253-1254-1255-1256-1257-1258-1259-1260-1261-1262-1263-1264-1265-1266-1267-1268-1269-1270-1271-1272-1273-1274-1275-1276-1277-1278-1279-1280-1281-1282-1283-1284-1285-1286-1287-1288-1289-1290-1291-1292-1293-1294-1295-1296-1297-1298-1299-1300-1301-1302-1303-1304-1305-1306-1307-1308-1309-1310-1311-1312-1313-1314-1315-1316-1317-1318-1319-1320-1321-1322-1323-1324-1325-1326-1327-1328-1329-1330-1331-1332-1333-1334-1335-1336-1337-1338-1339-1340-1341-1342-1343-1344-1345-1346-1347-1348-1349-1350-1351-1352-1353-1354-1355-1356-1357-1358-1359-1360-1361-1362-1363-1364-1365-1366-1367-1368-1369-1370-1371-1372-1373-1374-1375-1376-1377-1378-1379-1380-1381-1382-1383-1384-1385-1386-1387-1388-1389-1390-1391-1392-1393-1394-1395-1396-1397-1398-1399-1400-1401-1402-1403-1404-1405-1406-1407-1408-1409-1410-1411-1412-1413-1414-1415-1416-1417-1418-1419-1420-1421-1422-1423-1424-1425-1426-1427-1428-1429-1430-1431-1432-1433-1434-1435-1436-1437-1438-1439-1440-1441-1442-1443-1444-1445-1446-1447-1448-1449-1450-1451-1452-1453-1454-1455-1456-1457-1458-1459-1460-1461-1462-1463-1464-1465-1466-1467-1468-1469-1470-1471-1472-1473-1474-1475-1476-1477-1478-1479-1480-1481-1482-1483-1484-1485-1486-1487-1488-1489-1490-1491-1492-1493-1494-1495-1496-1497-1498-1499-1500-1501-1502-1503-1504-1505-1506-1507-1508-1509-1510-1511-1512-1513-1514-1515-1516-1517-1518-1519-1520-1521-1522-1523-1524-1525-1526-1527-1528-1529-1530-1531-1532-1533-1534-1535-1536-1537-1538-1539-1540-1541-1542-1543-1544-1545-1546-1547-1548-1549-1550-1551-1552-1553-1554-1555-1556-1557-1558-1559-1560-1561-1562-1563-1564-1565-1566-1567-1568-1569-1570-1571-1572-1573-1574-1575-1576-1577-1578-1579-1580-1581-1582-1583-1584-1585-1586-1587-1588-1589-1590-1591-1592-1593-1594-1595-1596-1597-1598-1599-1600-1601-1602-1603-1604-1605-1606-1607-1608-1609-1610-1611-1612-1613-1614-1615-1616-1617-1618-1619-1620-1621-1622-1623-1624-1625-1626-1627-1628-1629-1630-1631-1632-1633-1634-1635-1636-1637-1638-1639-1640-1641-1642-1643-1644-1645-1646-1647-1648-1649-1650-1651-1652-1653-1654-1655-1656-1657-1658-1659-1660-1661-1662-1663-1664-1665-1666-1667-1668-1669-1670-1671-1672-1673-1674-1675-1676-1677-1678-1679-1680-1681-1682-1683-1684-1685-1686-1687-1688-1689-1690-1691-1692-1693-1694-1695-1696-1697-1698-1699-1700-1701-1702-1703-1704-1705-1706-1707-1708-1709-1710-1711-1712-1713-1714-1715-1716-1717-1718-1719-1720-1721-1722-1723-1724-1725-1726-1727-1728-1729-1730-1731-1732-1733-1734-1735-1736-1737-1738-1739-1740-1741-1742-1743-1744-1745-1746-1747-1748-1749-1750-1751-1752-1753-1754-1755-1756-1757-1758-1759-1760-1761-1762-1763-1764-1765-1766-1767-1768-1769-1770-1771-1772-1773-1774-1775-1776-1777-1778-1779-1780-1781-1782-1783-1784-1785-1786-1787-1788-1789-1790-1791-1792-1793-1794-1795-1796-1797-1798-1799-1800-1801-1802-1803-1804-1805-1806-1807-1808-1809-1810-1811-1812-1813-1814-1815-1816-1817-1818-1819-1820-1821-1822-1823-1824-1825-1826-1827-1828-1829-1830-1831-1832-1833-1834-1835-1836-1837-1838-1839-1840-1841-1842-1843-1844-1845-1846-1847-1848-1849-1850-1851-1852-1853-1854-1855-1856-1857-1858-1859-1860-1861-1862-1863-1864-1865-1866-1867-1868-1869-1870-1871-1872-1873-1874-1875-1876-1877-1878-1879-1880-1881-1882-1883-1884-1885-1886-1887-1888-1889-1890-1891-1892-1893-1894-1895-1896-1897-1898-1899-1900-1901-1902-1903-1904-1905-1906-1907-1908-1909-1910-1911-1912-1913-1914-1915-1916-1917-1918-1919-1920-1921-1922-1923-1924-1925-1926-1927-1928-1929-1930-1931-1932-1933-1934-1935-1936-1937-1938-1939-1940-1941-1942-1943-1944-1945-1946-1947-1948-1949-1950-1951-1952-1953-1954-1955-1956-1957-1958-1959-1960-1961-1962-1963-1964-1965-1966-1967-1968-1969-1970-1971-1972-1973-1974-1975-1976-1977-1978-1979-1980-1981-1982-1983-1984-1985-1986-1987-1988-1989-1990-1991-1992-1993-1994-1995-1996-1997-1998-1999-2000-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DATE: February 24, 2016  
TO: Board of Directors  
FROM: Rich Hill, Interim Executive Director  
SUBJECT: Fiscal Year 2015-2016 Budget Message

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## INTRODUCTION

This budget reflects the anticipated 2015/16 fiscal year fiscal activities of the “Santa Cruz Libraries Facilities Financing Authority” Joint Powers Authority (LFFA), as created in accordance with the Joint Exercise of Powers Act, section 53311 et seq. of the California Government Code, and the “Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1” (CFD), as formed under the Mello-Roos Community Facilities Act of 1982, section 6500 et seq. of the California Government Code.

The LFFA was formed in December 2014 through an agreement with the County of Santa Cruz, and the cities of Santa Cruz, Capitola and Scotts Valley. It is noted that the Santa Cruz Library Joint Powers Authority (LJPA) was not a party to this agreement. Both the LFFA and the CFD had no assets or source of revenues at the time this budget was developed, and the purposes are identical. This is unusual in that the “legislative body”, the entity creating the CFD, more often provides the funding and in-kind assistance necessary to create the CFD and secure a source of funding.

The Joint Exercise of Powers Act discusses frequently the possibility of the parties to the JPA agreement as contributing in some fashion, either directly or through loans, to the expenses supporting the activities of the JPA. In the case of the LFFA, the LJPA, again not a party to the LFFA agreement, is providing the primary financial support to the LFFA, although the County of Santa Cruz and the City of Santa Cruz are both providing significant in-kind support in the form of staff assistance. Further, the Joint Exercise of Powers Act requires “strict accountability”. It discusses accounts, reports, and audits, but only seems to consider financial assistance from parties to the agreement. The Mello-Ross Act is considerably less specific with regard to issues of accountability. Furthermore, section 53314.9 of the Act specifically allows the LFFA to enter into an agreement, by resolution, with any person or entity willing to advance funds or provide in-kind work.

To recap the salient points above:

- The LJPA is providing the larger portion of advance funding and in-kind staff support, noting also that the County of Santa Cruz and the City of Santa Cruz are providing in-kind staff support.
- The LFFA and the CFD both have no revenues or assets, and the LFFA has no other purpose than that as defined by the CFD.

- The Joint Exercise of Powers Act requires strict accountability.
- The Mello-Roos Act allows CFD's to contract with entities to advance funds and provide in-kind work.

To address these issues the following actions have or will take place:

1. An agreement between the LFFA and the LJPA to advance funds and provide in-kind work to complete the program. Authority to provide in-kind work by the parties to the LFFA is inherent in the Joint Exercise of Powers Act.
2. The LFFA and the CFD will be considered as one program from a fiscal and financial accountability point of view, since the only financial resources will come from a successful election that will fund the CFD. This budget is presented as one budget representing the fiscal activities of both entities.
3. Developing a budget to identify and track all past expenses and in-kind support that are directly and indirectly related to this program.
4. Working with the LFFA's Controller-Treasurer, the appropriate financial systems will be established should the bond measure be successful.

These actions should ensure strict accountability, reasonably accommodate and contribute to good management of the program, and provide similar assurances to the public.

#### PROGRAM ACTIVITIES

The program budget proposed total expenditure for this fiscal year is \$484,000, broken down as:

• Personnel	\$ 36,000
• Contracts/Services	\$ 545,500
• Supplies	\$ <u>2,500</u>
Total	\$584,000

This fiscal year a lot of effort went into developing the information and resolutions necessary to create the (CFD) and the data acquisition and analysis for the special tax measure. The CFD is that public entity which is created to define a boundary within which a special tax may be assessed, which in this case will fund the much needed construction and improvements of library facilities throughout the County. The proposed tax for a single-family property will be \$49.50, a little more than \$4/mo. or less than 14 cents per day. Should this ballot measure be successful, the revenues will secure bonds to construct improvement for the library branches throughout the county. A recent poll conducted in January assessed voters' support for the proposed measure indicated that the voters favor the bond measure.

This 2015-2016 fiscal year budget addresses all LFFA/CFD activities leading up to the June 7, 2015 election, and represents the lion's share of the expenditures. It is also important to note that at the beginning of the calendar year the LFFA/CFD acquired through the Libraries JPA the services of dedicated temporary, part-time Interim Executive Director to provide managerial/administrative support. This too is viewed as another element in accommodating the strict accountability protocols.

With most of the legal, managerial and administrative systems in place, the remaining program activities from the date of this budget adoption will include election costs estimated at \$350,000, and two NBS contracts and meeting the deadlines as determined by the election calendar. The NBS contracts are: 1)

services to refine the special tax method for \$10,000; and 2) research and development of tax procedures for \$4,500, and the tax administration fee for \$13,500, which is incurred if the election is successful. Approval of this budget will approve these two contracts with NBS.

If the ballot measure is unsuccessful, the remainder of the fiscal year will conclude with activities relating to abandoning the LFFA/CFD and transitioning and concluding the duties of the temporary, part-time Interim Executive Director.

Should the election be successful, the fiscal year-end activities would include:

- Development of a reimbursement plan and schedule for direct and indirect costs associated with this program as provided by other agencies.
- Tax administration activities as provided by NBS.
- Document preparation and management of the pre-sale process for the first issue of bonds to fund the construction and improvements of the libraries.
- Executive Director transition plan.
- LFFA/CFD general administration and management.

These activities would continue into the next fiscal year, and require interim funding from the Libraries JPA until the tax proceeds are received, which initially should be early in January 2017.

Developing the reimbursement plan and managing the pre-sale process will likely be complex and time consuming. Consideration should be given to these activities when transitioning the Executive Director duties to existing Libraries JPA staff.

Finally, it is important to note that the program goals of the LFFA/CFD have come a long ways since the Bond Measure election was first conceived, and with considerable success. This success, as well as the preparation and submission of this budget, is the result of the considerable efforts from the Libraries JPA administrative staff and management, and the capable assistance of Marcus Pimentell, past Interim Executive Director and Nicole Coburn, Senior Analyst with Santa Cruz County.

## BUDGET PROGRAM AND EXPENSES

### **THE AUTHORITY**

The Libraries Facilities Financing Authority (LFFA) is an entity established by agreement, in December 2014, among the County of Santa Cruz and the Cities of Santa Cruz, Capitola and Scotts Valley, through the Joint Exercise of Powers Act as allowed by the California Government Code. This authority is created for the specific purpose of establishing a Community Facilities District that sets boundaries for the assessment of a special tax for the purposes of financing much needed construction and improvements of Library Facilities, and related costs. The boundaries of the LFFA are those of Santa Cruz County with the exception of the City of Watsonville city limits. In December 2015 the LFFA formation agreement was amended to define the special tax, and the nature and distribution of any future Bond Proceeds.

### **THE PROGRAM**

For the 2015-2016 fiscal year the program consists of various administrative activities for the preparation of a ballot measure for the June 7, 2016 primary election. These activities include in part: 1) opinion surveys; 2) tax area analysis and boundary definition; 3) development and preparation of rates and method of apportionment; 4) Community Facilities District creation; 5) Ballot language development; 6) Authority administration; 7) preparation and management of contracts; and, 8) Development of financial information, including budget development and administration.

Subsequent to a successful election, this program will fund the Library Facilities construction and improvements from the proceeds of bond sales, and from revenue received through the successful June 7, 2016 ballot measure. Prior to the election this program will be funded by the Santa Cruz Libraries JPA and in-kind service provided by the County Santa Cruz and the City of Santa Cruz.

### **THE PEOPLE**

The Santa Cruz Libraries JPA during this fiscal year is providing the financing and staffing for the LFFA. The County of Santa Cruz, and the City of Santa Cruz are providing additional staff support, until the ballot measure is passed. One part-time Interim Executive Director, funded through the Libraries JPA, is providing dedicated administrative and managerial staff services to the LFFA.

*The Interim Executive Director:* Supports the LFFA Board including advising and recommending actions and policies to the Board, attend meetings, respond to Board direction and inquiries, and provides other duties relating to direct staff support; coordinates with SCPL, City of Santa Cruz, and County of Santa Cruz staff on matters and interests related to the LFFA; coordinates with consultants and manages contracts for services related to: Financial Advisor, Bond Counsel, surveys, Tax information development and calculations and others as needed; and provides other services including budget development, reimbursement plan, and management systems review and development.

The Treasure-Controller of the Authority is the Santa Cruz County Auditor Controller.

### **THE CONTRACTS**

The LFFA is serviced, during this fiscal year, by five consultants under ten different contracts and amendments. These contracts services are:

- Public Opinion Survey (2 contracts)

- Tax development and Administration (4 Contracts)
- Ballot Measure and Data Development (2 Contracts)
- Financial Advisory (1 contract which includes non-contingent fees)
- Bond Counsel ( 1 contract which includes non-contingent fees for CFD creation)
- Consolidated County Election

### **OTHER SERVICES**

Other services include:

- In house legal counsel provided by ABC Law.
- Liability Insurance

### **SUPPLIES**

The cost of supplies is mostly for the printing of information fliers, which are made available to the public upon request.

**RECOMMENDED FY 2015-2016 EXPENSES**

<b>Contract And Services Expenses</b>	
TBWB: Feasibility Assessment Ballot Measure	\$ 20,000.00
TBWB: Mailer Printing	\$ 17,000.00
TBWB: Mailer Postage	\$ 20,000.00
Jones Hall non contingent:	\$ 10,000.00
Jones Hall non contingent exp (est.)	\$ 1,000.00
Harrell Co. non contingent:	\$ 5,000.00
Harell Co. non contingent exp:	\$ 1,500.00
NBS Rate and Method of Appropriations August 31, 2015	\$ 23,000.00
NBS: Data collection/analysis, sf est. September 15, 2015	\$ 15,000.00
NBS: Refine special Tax method December 20, 2015	\$ 10,000.00
NBS: Research/ development procedures/tax admin January 19, 2016	\$ 18,000.00
Bregman: Survey August 10, 2015	\$ 20,000.00
Bregman: Survey January 7, 2016	\$ 20,000.00
Estimated Elections Cost	\$350,000.00
Authority Counsel	\$ 10,000.00
Insurance (Workers Compensation and Liability)	\$ 5,000.00
<b>Subtotal Contracts and Services</b>	<b>\$545,500.00</b>
<b>Personnel Costs (Interim Executive Director)</b>	<b>\$ 36,000.00</b>
January 15, 2016 - June 30, 2016	
24 weeks at \$1500/wk	
<b>Supplies</b>	<b>\$ 2,500.00</b>
<b>TOTAL RECOMMENDED LFFA BUDGET</b>	<b>\$584,000.00</b>



ATTACHMENT 2

NBS agreement, December 20, 2015



32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

Toll free: 800 676 7516

[nbsgov.com](http://nbsgov.com)

December 20, 2015

Janis O'Driscoll  
Interim Library Director  
**Santa Cruz Public Libraries**  
809 Center Street, Room 101  
Santa Cruz, CA 95060

**Subject: Third Addendum to Original Agreement to Provide Consultation on Viable Funding Options Services for Santa Cruz Libraries**

Dear Ms. O'Driscoll:

As discussed, both NBS and the Santa Cruz Library desire to extend our contract by adding additional services as discussed below. Such an extension is allowed by the current contract if authorized by the Library Director. As the current interim Director, you authorize the following extension of term, fees and scope as detailed below. It is anticipated that these services will be completed by the end of February.

Please print two (2) copies of this Addendum. Upon signing, please return one copy to the undersigned and keep one copy for your records.

**Scope of Services**

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NBS will refine the final special tax methodology and prepare for certain meetings with library staff, board, and attorneys/consultants.

NBS will also prepare certain documents including a Special Tax Report as well as a boundary map for recordation, and provide consulting and advice to the Library and team in support of the possible adoption of a special tax measure.

**Fees**

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**Consulting Services**

Additional Hourly Fees Not to Exceed .....\$10,000

**Expenses**

Customary out-of-pocket expenses will be billed at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

Please feel free to contact me if you have any questions or need further information.

Best regards,

**NBS Government Finance Group,  
DBA NBS**

**Santa Cruz Public Libraries**

  
\_\_\_\_\_  
Michael Rentner

\_\_\_\_\_  
Name

\_\_\_\_\_  
President and CEO  
Title

\_\_\_\_\_  
12/20/2015  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

ATTACHMENT 3

NBS agreement, January 19, 2016



32605 Temecula Parkway Suite 100  
Temecula, CA 92592

Toll free: 800.676.7516

[nbsgov.com](http://nbsgov.com)

January 19, 2016

Janis O'Driscoll  
Interim Library Director  
**Santa Cruz Public Libraries**  
117 Union Street  
Santa Cruz, CA 95060

**Subject: CFD Tax Administration Services for the Santa Cruz Public Libraries/LFFA**

Dear Janis,

NBS would like to thank you for the opportunity to provide CFD Tax Administration Services, in anticipation of success for the proposed CFD tax measure this coming June (2016). These optional services will be rendered for the Library upon a simple notice to proceed to NBS. We anticipate providing some initial research and development of procedures starting approximately May 1, 2016 so that the parcel tax can be successfully applied to the Santa Cruz County tax rolls by approximately August 10, 2016. The bulk of the work will commence immediately upon initial election results and your official go ahead in early June. Further details and a breakdown is provided below.

This letter may be used as a basis (back up document) for your purchase order or professional services contract.

### **Scope of Services**

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#### **Initial research and development of procedures**

**Process architecture and documentation:** NBS will review relevant documents and parcel data, and research procedures as needed for the county. NBS will document the process, data flow, and flow of funds, and make certain procedural recommendations in a technical memo that can be used for agency documentation. NBS will obtain a "fund number" which will allow placement of a new tax on county tax bills.

#### **Annual tax administration**

With approval after a successful tax election, NBS will proceed with additional services as described below.

**Data Gathering:** Gather and review data pertinent to the calculation and billing of the tax. Data will be obtained from various sources such as the county Assessor's Secured Roll, assessor's parcel maps and public databases as determined to be necessary based on the requirements of the formula.

**Quality Control:** Perform cross-reference tests looking at the various data sources, land use codes, and other pertinent information to achieve accuracy in the levy application.

**Database Maintenance:** NBS will maintain and periodically update a database of all parcels within the service area and relevant parcel information.

**Levy Calculation:** NBS will calculate the annual tax levy for each parcel within the CFD area following the guidelines established in the formula/measure.

**County Submittal:** NBS will submit the levies to the County Auditor Controller in the required electronic format. Levies rejected by the Auditor Controller will be researched and resubmitted for collection on the county tax roll. Any parcels that are not submitted for collection will be invoiced with payment to be directed to the agency or designee.

**Reporting:** NBS will provide a simple annual Levy Report: This Levy Report can be used as the basis for compliance with State Government Code Section 50075.3. In addition, NBS will provide data for any required State Controller's Office annual reporting. Parcel and levy data can be provided via a CD ROM, diskette or emailed electronic file, if desired.

**Toll-Free Phone Number:** NBS will provide a toll-free phone number for placement on the County tax bills and for use by agency staff, other interested parties and all property owners. Our staff will be available to answer questions regarding the levy. Bilingual staff is available for Spanish-speaking property owners.

**Fees**

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**Optional Services**

One Time Initial research and development of procedures .....	\$4,500
Annual Tax Administration Fees .....	\$13,500

The Annual Tax Administration Fees would commence June 1, if the measures passes. After the first year, the Annual Tax Administration services may be renewed annually by mutual agreement by both parties. The Year Two and Three Annual Administration Fees would be \$13,500.00 (no change).

**Expenses**

Customary out-of-pocket expenses will be billed to the Agency at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees. These expenses should not exceed \$500 annually.



## Additional Services

The following table shows our current hourly rates. Additional services authorized by the Library but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Director	\$ 205
Senior Consultant/Engineer	160
Consultant	140
Analyst	120
Clerical/Support	95
Expert Witness	TBD; with minimum fee

## Terms

Hourly services will be invoiced monthly. The Annual Tax Administration Fees will be billed quarterly. Expenses will be itemized and included in the next regular invoice. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days, simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel contracts with 30 days written notice.

Please feel free to contact Tim Seufert or I if you have any questions or need further information.

Best regards,

**NBS Government Finance Group,  
DBA NBS**



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Michael Rentner

President and CEO      January 19, 2016  
Title                              Date