

PUBLIC ADVISORY REGARDING COVID-19 AND PUBLIC PARTICIPATION

Consistent with Executive Order No. N-29-20 issued by Governor Newsom on March 17, 2020, and the County of Santa Cruz Health Services Agency Shelter In Place Public Health Order dated March 31, 2020, the regular meetings of the:

**LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA) AND
THE LIBRARY JOINT POWERS AUTHORITY (LJPA) BOARD
ON THURSDAY, OCTOBER 7 AT 5:00 PM**

This meeting will be held via Zoom teleconference ONLY

Board Members and Library Staff Members will be participating remotely via videoconference.

Public Viewing:

The meeting will be broadcast through the Santa Cruz Libraries YouTube channel <https://www.youtube.com/user/SantaCruzPL> which you can access through the Santa Cruz Libraries website by scrolling to the bottom of the page and clicking on the YouTube icon.

Public Participation:

For those wishing to participate via Zoom you can join from a PC, Mac, iPad, iPhone or Android device by entering or clicking on the following URL:

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/95002230476>

Or One tap mobile :

US: +16699006833,,95002230476# or +12532158782,,95002230476#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592 or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free) or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)

Webinar ID: 950 0223 0476

International numbers available: <https://us06web.zoom.us/j/95002230476>

The meetings will be recorded and posted for viewing after the meetings on the Santa Cruz Public Libraries website <http://www.santacruzpl.org/>

There are four ways to comment during meetings. All comments must be received prior to the close of public comment on that agenda item:

1. How to comment on agenda items via email before the meeting begins:

Members of the public may provide public comment by sending comments via email to the Library Board Clerk at clerk@santacruzpl.org

- Identify the agenda item number in the subject line of the email.
- Emailed comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time.
- Each emailed comment will be read aloud for up to three minutes.
- Emails received by clerk@santacruzpl.org outside of the comment period outlined above will not be included in the record.

2. How to comment on agenda items during the meeting and prior to the close of public comment on an item, via the Zoom Q&A feature:

- Type your comment using the Q&A feature found on the Zoom teleconference control bar.
- Identify the agenda item first, then type your comment
- Your comment will be read aloud

3. How to comment aloud on agenda items, during the meeting and prior to the close of public comment on an item, via the Zoom “raise hand” feature:

If you are accessing the meeting using the Zoom app and computer audio:

- Use the “raise hand” icon found on the Zoom teleconference control bar
- The moderator will announce your name or the last 3 digits of your phone number
- Unmute yourself using the microphone icon
- Identify the agenda item
- Introduce yourself using your first and last name.
- You will have three minutes of speaking time.

If you are accessing the Zoom teleconference using telephone audio:

- Press *9 to raise your hand during the comment period for that agenda item.
- The moderator will announce your name or the last 3 digits of your phone number when it is your turn.
- Unmute yourself using *6 – to toggle the mute/unmute.
- Identify the agenda item
- Introduce yourself using your first and last name.
- You will have three minutes of speaking time.

Board Member Rosemary Menard
Board Member Casey Estorga
Board Member Carlos Palacios
Board Member Jamie Goldstein



**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
(LFFA)
REGULAR BOARD MEETING
THURSDAY OCTOBER 7, 2021
5:00 P.M.**

1. CALL TO ORDER / ROLL CALL

Board Members Jamie Goldstein, Carlos Palacios, Casey Estorga and Rosemary Menard

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

Interim Library Director's Report for October (p.6-7)

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

7. CONSENT CALENDAR

- A. Consider the August 5, 2021 LFFA Board Meeting Minutes
Staff Recommendation: Approve Board Meeting Minutes for August 5, 2021 (p.8-10)

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.

8. GENERAL BUSINESS

- A. Election of Interim Chair and Vice-Chair for October through December 2021
Staff Recommendation: Elect Interim Chair and Vice-Chair for the remainder of 2021 (p.11)

- B. Municipal Advisor Agreement
Staff Recommendation: Approve the Municipal Advisor Agreement for the third series of the CFD Special Tax Bonds. (p.12-22)

- C. Remote Teleconference Meetings Pursuant to Assembly Bill 361.
Staff Recommendation: Adopt Resolution No. 2021-XX Authorizing Remote Teleconference Meetings pursuant to Assembly Bill 361. (p.23-27)

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.

9. SCHEDULED UPCOMING MEETINGS

December 2, 2021	Virtual Meeting	Anticipated Upcoming Agenda Items
9:00 am		

10. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday December 2, 2021 at 9:00 a.m. via Zoom teleconference.

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

October 2021

Interim Library Director's Report to the LFFA



APTOS: Library Services Temporarily Suspended; Preparation for Demolition is Underway

The existing 8,000 sf building, built in 1975, suspended its services in June in preparation for a new building. The new 12,000 sf library will feature flexible community, meeting and study rooms; garden and terrace areas; a local history section; children, teen and adult reading areas; it will also maximize its energy efficiency. *Design by Anderson Brule Architects, construction and project management by Bogard Construction. Reopening in late spring, 2023.*

BOULDER CREEK: Library Services Temporarily Suspended, Construction is Underway

Interior remodel of the existing 4,500 sf library includes new infrastructure (HVAC, plumbing, entry, electrical, and lighting); upgrades throughout to comply with accessibility standards and increased exterior lighting of the parking lot; complete redo of the children's area; renovation of the main room and meeting room. Design by Jayson Architecture, CRW builders, construction management by Bogard. *Reopening January 2022*

BRANCIFORTE (Santa Cruz) Library Services Temporarily Suspended, Construction is Underway

Renovation will build on the character of this iconic mid-century building (1967), refreshing the 6,800 sf interior for improved flexibility, function and accessibility with areas for adult reading, children, and teens; electrical and telecommunication upgrades; the project also includes the development of a new community room and a children's outdoor patio. *Design by Jayson Architecture; JPB Designs builder; construction management by Bogard. Reopening late Spring/Summer 2022.*

CAPITOLA: Construction complete!

The Previous temporary facility has been replaced with a stunning new 11,700 sf library. The new branch opened to the public in June and is already quite busy. A hub for community activity, the new library features a large meeting room, expanded children's wing, study and reading rooms, outdoor deck, fireplace and teen space. Solar panels and an energy efficient design make this one of the greenest buildings in the Library system.

DOWNTOWN SANTA CRUZ: Current library open; planning underway for new Library mixed Use Project on Cedar Street

The Santa Cruz City Council has voted to proceed with a mixed use project at Cedar and Lincoln Street (Lot 4) incorporating a new Downtown Library, at least 50 units of affordable housing, and parking for a maximum of 400 cars. Griffin Structures has been retained as Owners Representative; selection the Master Architect/Design team was awarded to Jayson Architecture on September 14th. Active community engagement will proceed on design and features for the new library. In parallel, the city has initiated a re-use visioning process for the current library site, and is working to establish a permanent home for the Farmers' Market. *Construction to start in 2023, completed by 2025.*

FELTON: Construction completed in 2021; now re-opened to browsing.

The Felton branch operated for nearly 60 years in a historic church building; charming, but not a modern library. The new 9,000 sf branch opened in Feb. 2020 on 2 acres of nearby land, the first Measure S project to be completed. This stunning space includes comfortable reading areas, free computers/WiFi, teen and children's areas, community room and adjacent discovery park. Teall Messer architect, Noll and Tam interior, Thompson Builders contractor.

GARFIELD PARK (Santa Cruz): Library Services Temporarily Suspended; Construction Underway

The renovation will bring new life to the historic 2,300 sf Carnegie library building (1915) with a refreshed and cohesive design. Features include central seating area around the fireplace, children's area, a more open plan, better use of windows for natural light, meeting room and refreshed outdoor space. Design by Jayson Architecture, CRW builders, construction management by Bogard. *Reopening in January, 2022.*

LA SELVA BEACH: Open! Renovation completed March 2021

Renovation included replacement of dilapidated interior finishes plus new lighting, electrical, and mechanical systems. Sliding glass wall between the adult and children's areas improves acoustics, lighting and flexibility. Lounge seating areas are provided for both children and adults for reading, tutoring and community programs; and an expanded deck increases usable outdoor space. Jayson Architecture design, C2Builders construction.

LIVE OAK: Suspension of Services in September 2021, Construction Will Take a Few Months

The Live Oak Library renovation will revitalize the children's area and transform it into an ocean themed learning space. New acoustic wood ceiling and wall treatments, carpeting and redesigned seating are both functional and playful. A custom designed wall serves to separate the children's collections from an "under-the-sea" inspired reading lounge and homework room. *Design by Jayson Architecture. Reopening January 2022*

LIVE OAK ANNEX

This will be a new addition to the Simpkins Center providing a classroom and study rooms – a community learning center to complement existing uses. Design by Noll and Tam; construction documents and permitting being completed. Construction is expected to begin in December, 2021. *Opening in fall, 2022.*

SCOTTS VALLEY: Library Services Temporarily Suspended, Construction to Begin in August

This 13,150 sf library was opened in 2011 with design by Group 4, dramatically transforming a previous roller rink with contemporary library features such as flexible space, dedicated areas for children, teens and adults, custom art and seating, community room and courtyard. A new roof, HVAC system, and repairs to the parking lot were completed in early 2021; a needed seismic upgrade will happen while the branch is closed. This project will address some long-standing operational issues by establishing zones for 'little' and 'big' kids' collections and use, relocating the staff service desk closer to the entrance, redesigning the entry to create a more welcoming environment, sound attenuation throughout the building including enclosing the Fireside Room to help mitigate long-standing noise issues, repainting the interior and installing new carpet, and addressing some other infrastructure needs. *Opening in March, 2022.*

Chair Martin Bernal
Vice Chair Tina Friend
Board Member Carlos Palacios
Board Member Jamie Goldstein



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

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

Virtual Meeting

**REGULAR MEETING MINUTES
THURSDAY AUGUST 5, 2021
9:00 A.M.**

1. ROLL CALL

PRESENT: Tina Friend, Carlos Palacios, Steve Jesberg (Alternate for Jamie Goldstein) and Martin Bernal

STAFF: Interim Library Director Eric Howard, Edith Driscoll, Treasurer

2. ADDITIONAL MATERIALS

None

3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of August 5, 2021 was approved by consensus.

4. ORAL COMMUNICATIONS

NONE

5. EXECUTIVE DIRECTOR REPORT

A. Interim Library Director's Report – August 2021

Interim Library Director Eric Howard reported on the recent activities of the libraries and the status of facilities.

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

Director Friend gave an update on the Scotts Valley Branch renovations. The Scotts Valley City Council awarded a \$ 2.8 million contract for the Scotts Valley Library renovations. Work is scheduled to get underway in late August and will last about six months.

7. CONSENT CALENDAR

RESULT: APPROVED CONSENT CALENDAR

A. Approved Minutes of June 3, 2021. [UNANIMOUS]

MOVER: Tina Friend
SECONDER: Carlos Palacios
AYES: Friend, Jesberg, Bernal, Palacios

8. GENERAL BUSINESS

A. Special Tax Bond Quarterly Financial Statements

Edith Driscoll, Treasurer, presented the financial statements.

RESULT: Accepted and filed the financial statements of the CFD No. 2016-1 as of June 30, 2021. [UNANIMOUS]

MOVER: Carlos Palacios
SECONDER: Tina Friend
AYES: Friend, Jesberg, Bernal, Palacios

Ruby Marquez, Assistant County Counsel, reminded the Board that the suspended Brown Act rules which allow Virtual Meetings are set to expire at the end of September. Hopefully the Governor will issue an extension at that time. The October meeting may have to be held in person or in some sort of hybrid mode. Proper notice will be given.

9. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:12 a.m. to the Regular Meeting on Thursday October 7, 2021 at 5:00 p.m. via Zoom teleconference.

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.

Board Member Rosemary Menard
Board Member Casey Estorga
Board Member Carlos Palacios
Board Member Jamie Goldstein



STAFF REPORT

AGENDA: October 7, 2021

TO: Board of Directors

FROM: Eric Howard, Interim Library Director

SUBJECT: Election of Interim Board Chair and Board Vice-Chair

RECOMMENDATION

Elect the Interim Board Chair and Vice-Chair as the County of Santa Cruz and the City of Capitola respectively.

BACKGROUND

The LFFA agreement requires that at the first meeting of the new year (January/February) the Board shall elect a Chair and a Vice-Chair. The Chair is the presiding officer and shall sign all contracts of the LFFA unless otherwise provided by a Board resolution. Due to the resignations of the 2021 Chair (City of Santa Cruz) and the Vice-Chair (City of Scotts Valley) interim Board Chairs have to be nominated.

DISCUSSION

The rotation schedule for 2021 and the next 4 years is as follows:

YEAR	CHAIR	VICE-CHAIR
2021	City of Santa Cruz	City of Scotts Valley
Interim for October through December 2021	County of Santa Cruz	City of Capitola
2022	City of Scotts Valley	County of Santa Cruz
2023	County of Santa Cruz	City of Capitola
2024	City of Capitola	City of Santa Cruz

Report prepared by: Kira Henifin, Principal Management Analyst

Reviewed and Forwarded by: Eric Howard, Interim Library Director

STAFF REPORT

AGENDA: October 7, 2021
DATE: September 27, 2021
TO: Board of Directors
FROM: LFFA Interim Executive Director
SUBJECT: Approval of Municipal Advisor Agreement

RECOMMENDATION:

Approve the Municipal Advisor Agreement for the third series of the CFD Special Tax Bonds.

DISCUSSION

The Santa Cruz Libraries Facilities Financing Authority Community Facilities District (CFD), was formed for the purpose of levying a special tax to fund Library Facilities of each of the members. The CFD began levying the special tax in 2016-17. The taxes may be levied for a total of 30 years. Harrell & Company Advisors (the LFFA Municipal Advisor) developed a funding template that provided for a combination of tax revenue and special tax bond proceeds sufficient to meet the Library Facilities construction financing needs of each member over time, while raising the bond proceeds as cost efficiently as possible.

The first series of special tax bonds was issued in 2017 and raised \$21.6 million. The second series of special tax bonds was issued in 2020 and raised \$19.1 million.

The Board is reviewing the requirements and discussing the issuance of the third series of bonds in the approximately amount of \$20 million. In connection therewith, the Board requires assistance from the LFFA Municipal Advisor to provide standard services for planning for and issuance of the third series of special tax bonds.

The attached agreement with Harrell & Company Advisors for the third series of special tax bonds is recommended for approval. The agreement for bond counsel services (Jones Hall) for all three series was already approved in 2016. Other services needed in connection with the third series of special tax bonds are provided by the special tax consultant and the disclosure counsel. Contracts for those services will be presented with the documents required to issue the bonds when the Board is ready to move forward with the issuance.

The fees payable to the LFFA Municipal Advisor are contingent on the sale of the bonds. The proposed fee is \$62,500 with an expense limit of \$2,000. This is consistent with the fees for the first series of \$65,000 (\$21.2M issue size) and the second series of \$60,000 (\$18.6M issue size).

Attachment:

Harrell & Company Advisors Agreement

MUNICIPAL ADVISOR AGREEMENT

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2021, by and between the Santa Cruz Libraries Facilities Financing Authority (hereinafter, the "LFFA"), whose address is 117 Union Street, Santa Cruz, CA 95060, and Harrell & Company Advisors, LLC, (hereinafter, The "ADVISOR"), whose address is 13891 Newport Avenue, Suite 145, Tustin, CA 92780.

WITNESSETH:

WHEREAS, the LFFA desires to retain ADVISOR to do the necessary financial consulting, municipal advisory and analytical work hereinafter outlined, upon the terms and conditions hereinafter set forth, for the issuance of Library Facility Improvement Bonds (the "Phase 3 Library CFD Bond"); and

WHEREAS, ADVISOR is specifically trained and experienced in providing the services requested by LFFA regarding the Phase 3 Library CFD Bond, and hereby represents that it is ready, willing and able to perform said work; and

WHEREAS, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") ADVISOR is duly registered as a "municipal advisor" with, and subject to certain rules promulgated by, the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"); and

NOW, THEREFORE, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

1. Description of Work

ADVISOR shall perform the work set forth in Exhibit A, attached hereto and made a part hereof.

ADVISOR shall provide all labor, equipment, material and supplies required or necessary to properly, competently and completely perform the work or render the services under this Agreement. ADVISOR shall determine the method, details and means of doing the work or rendering the services.

2. Compensation

The total compensation for ADVISOR services in connection with the work described in Exhibit A is \$62,500 with an expense reimbursement limit of an additional \$2,000. LFFA payment of the ADVISOR fee for this engagement and the ADVISOR reimbursement of expenses, if any, will be contingent upon the successful sale and closing of Phase 3 Library CFD Bond. The fee shall be paid from the proceeds of Phase 3 Library CFD Bond. If the Phase 3 Library CFD Bond is not issued, ADVISOR shall be paid for services related to the CFD as noted in Exhibit A.

3. Term and Time For Completion

This Agreement shall become effective on the date first hereinabove written and will continue in effect until the services provided herein have been completed, unless sooner terminated as provided in Paragraph 11.

4. Payment For Services

ADVISOR shall submit to LFFA invoice(s) at the time of completion for the services rendered. If the work is satisfactorily completed, LFFA shall pay such bill within thirty (30) days of its receipt. Should the Phase 3 Library CFD Bonds close, all fees will be credited against the bond issuance costs shown in Exhibit A. Should LFFA dispute any portion of any bill, LFFA shall pay the undisputed portion within the time stated above, and at same time advise ADVISOR in writing of the disputed portion.

5. Compliance with Laws

ADVISOR agrees that it shall conduct its work and perform its services in compliance with all laws and regulations of Santa Cruz County, California, and any officer, department or agency thereof, as well as other laws and regulations as may be applicable thereto.

6. Errors and Omissions Insurance

ADVISOR shall have such errors and omissions insurance that shall protect LFFA, its officers, directors, employees and agents from claims based on alleged errors or negligent acts or omissions which may arise from ADVISOR's operations or performance under this Agreement, whether claims be made during or subsequent to the term of this Agreement, and whether such operations or performance be by ADVISOR or its employees, ADVISOR's, agents or anyone else directly or indirectly employed by any of the foregoing. The amount of this insurance shall not be less than \$1,000,000 per occurrence.

ADVISOR shall provide to LFFA a certificate of insurance on a form acceptable to LFFA indicating the deductible or self-retention amounts and the expiration date of said policy, and shall provide renewal certificates within ten (10) days after expiration of each policy term.

7. General Insurance

ADVISOR shall, at its expense, maintain in effect at all times during the duration of this Agreement not less than the following coverage and limits of insurances:

A. Workers Compensation. ADVISOR shall obtain and keep in full force and effect Worker's Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

B. General Liability. ADVISOR shall obtain and keep in full force and effect general liability insurance including provisions for contractual liability, personal injury, ADVISOR's contractors and broad form property damage coverages. This insurance shall be on a comprehensive occurrence basis form with a stand cross liability clause or endorsement. The limit for this insurance shall be no less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. The

City, its officers, officials and employees will be covered as additional insureds on this policy with respect to liability arising out of work or operations performed by or on behalf of ADVISOR.

C. Automobile Liability. Since the ADVISOR will not operate any vehicle on LFFA property or elsewhere on LFFA's behalf or on LFFA business, Automobile Liability coverage is not required.

D. Certificates of Insurance. Promptly upon execution of this Agreement and prior to commencement of any work, ADVISOR shall provide LFFA with certificates of insurance evidencing that all insurance and/or endorsements required by this Agreement have been obtained and are in full force and effect. Approval of the insurance by LFFA shall not relieve or decrease any liability of ADVISOR. The certificates and policies of ADVISOR shall provide thirty (30) days' written notice of any material change, reduction in coverage or cancellation of the insurance policies will be provided to LFFA. In addition, in the event any change is made in the insurance carrier, policies or nature of coverage required under this Agreement, ADVISOR shall notify LFFA prior to making such changes. Such insurance shall include a provision for endorsement naming LFFA, its officers, directors, employees and agents as additional insureds with respect to liability arising out of the performance of any work under this Agreement, and providing that such insurance is primary insurance with respect to the interest of LFFA and that any other insurance maintained by LFFA is excess and not contributing insurance with the insurance required hereunder.

E Waiver of Subrogation. ADVISOR hereby grants to LFFA a waiver of any right to subrogation which any insurer of said ADVISOR may acquire against the LFFA by virtue of the payment of any loss under such insurance. ADVISOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the LFFA has received a waiver of subrogation endorsement from the insurer.

8. Indemnification and Hold Harmless

ADVISOR shall protect, indemnify, hold harmless and defend LFFA, its directors, officers, employees and agents, from any and all claims, fines, demands, costs, expenses (including but not limited to attorneys' fees and costs of litigation or arbitration), liability, losses, penalties, causes of action, awards, suits or judgments for damages of any nature whatsoever (hereinafter collectively referred to as "Claims") to the extent arising out of the breach of this Agreement in whole or in part by, or willful or fraudulent misconduct or negligent acts, errors or omissions by ADVISOR, its employees, agents or contractors, or the agent, employee or contractors of any one of them in the performance of their duties or in their operations under this Agreement, but not including the sole or active negligence or the willful misconduct of LFFA.

Neither termination of this Agreement nor completion of the acts to be performed under this Agreement shall release ADVISOR from its obligations to indemnify as to any claims so long as the event upon which such Claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by ADVISOR, its employees, agents or advisors, or the employee, agent or advisor of any one of them.

Submission of insurance certificates or other proof of compliance with the insurance requirements in this Agreement does not relieve ADVISOR from liability under this indemnification and hold harmless clause. The obligation of this indemnity article shall apply whether or not such

insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

9. Conflicts of Interest

Except as disclosed in Exhibit B, ADVISOR is unaware of any actual or potential conflicts of interest of which might impair its ability either to render unbiased and competent advice to or on behalf of the LFFA or to fulfill its fiduciary duty to the LFFA. Furthermore, ADVISOR hereby represents that it has not (i) made any payments directly or indirectly to obtain or retain the LFFA's municipal advisory business, (ii) received any payments from third parties to enlist the ADVISOR's recommendation to the LFFA of its services, any municipal securities transaction or any municipal financial product, (iii) made any fee-splitting arrangements with any provider of investments or services to the LFFA, (iv) entered into any other engagements or relationships that might impair the ADVISOR's ability either to render unbiased and competent advice to or on behalf of the LFFA or to fulfill its fiduciary duty to the LFFA.

10. Representations of ADVISOR

ADVISOR makes the following representations to the LFFA:

(i) ADVISOR does not have any legal or disciplinary events that are either (a) considered material to the LFFA's evaluation of the ADVISOR or the integrity of its management or advisory personnel, or (b) which was disclosed by ADVISOR on the most recent Form MA filed with the SEC;

(ii) ADVISOR believes that compensation provided for herein is fair and reasonable, and therefore not excessive, in relation to the municipal advisory activities to be performed;

(ii) ADVISOR will not deliver an invoice for fees or expenses for municipal advisory activities that does not accurately reflect the activities actually performed or the personnel that actually performed those services;

(iii) ADVISOR will not make, or participating in, any fee-splitting arrangements with underwriters, or any undisclosed fee-splitting arrangements with providers of investments or services to the LFFA; and

(iv) ADVISOR will not make payments for the purpose of obtaining or retaining municipal advisory business of the LFFA.

11. Termination

This Agreement may be terminated at any time and for any reason by LFFA upon thirty (30) days' advance written notice. In the event of such termination, ADVISOR is to be fairly compensated for all work performed to the date of termination as calculated by LFFA based on Paragraph 2 hereof, provided that such compensation shall not in any case exceed the maximum sum set forth in Paragraph 2 hereof. Compensation under this paragraph shall not include costs related to lost profit associated with the expected completion of the work or other such payments relating to the benefit of the bargain.

12. Attorneys' Fees

In the event that any arbitration, litigation or other action or proceeding of any nature between LFFA and ADVISOR becomes necessary to enforce or interpret all or any portion of this Agreement or because of an alleged breach by either party of any of the terms hereof, it is mutually agreed that the losing or defaulting party shall pay the prevailing party's reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action or proceeding.

13. Entire Agreement

This writing constitutes the entire Agreement between the parties relative to the services specified herein, and no modifications hereof shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement. There are no understandings, agreements, conditions, representations, warranties or promises with respect to the subject matter of this Agreement except those contained in or referred to in this writing.

14. Independent Contractor

It is expressly understood and agreed by the parties hereto that ADVISOR's relationship to LFFA is that of an independent contractor. All persons hired by ADVISOR and performing the work shall be ADVISOR's employees or agents. LFFA shall not be obligated in any way to pay any wages or other claims by any such employees or agents or any other person by reason of this Agreement. ADVISOR shall be solely liable to such employees and agents for losses, costs, damage of injuries by said employees or agents during the course of the work.

15. Ownership of Work

All original documents prepared by ADVISOR for this Agreement, whether complete or in progress, are the property of the LFFA, and shall be given to LFFA at the completion of ADVISOR's services, or upon demand from the LFFA. No such documents shall be revealed or made available by ADVISOR to any third party without the prior written consent of the LFFA. ADVISOR shall be allowed to retain copies of all documents prepared under this Agreement.

16. Successors and Assignment

This Agreement shall be binding on the heirs, successors, executors, administrators and assigns of the parties; however, ADVISOR agrees that it will not assign, transfer, convey or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, or its power to execute the same without the prior written consent of LFFA.

17. Severability

If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

18. Waiver of Rights

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

19. Remedies Not Exclusive

The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of any remedy provided by law.

20. Notices

All notices, statements, reports, approvals or requests or other communications that are required either expressly or by implication to be given by either party to the other under this Agreement shall be in writing and signed for each party by such officers as each may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three (3) days after mailing if enclosed in a properly addressed and stamped envelope and deposited in the U.S. post office for delivery. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses shown on the following page:

LFFA
Eric Howard Santa Cruz Public
Libraries
117 Union Street
Santa Cruz, CA 95060

ADVISOR
Suzanne Harrell
Harrell & Company Advisors, LLC
13891 Newport Avenue, Suite 145
Tustin, CA 92780

21. Sub-Consultants

No sub-contract shall be awarded, or an outside consultants engaged, by ADVISOR unless prior written approval is obtained from LFFA.

22. Attachments

This contract also includes the following attachments as listed in this section and hereby incorporated by reference. Should a conflict arise between the language of the contract and any attachments, the contract controls.

- Exhibit A: Professorial Municipal Advisory Services – Scope of Services
- Exhibit B: Municipal Advisor Disclosures

IN WITNESS WHEREOF the parties execute this Agreement on the day and year first hereinabove written.

LFFA

ADVISOR

By: _____
Name: Eric Howard
Title: Interim Executive Director
Approved as to Form:

By: _____
Name: Suzanne Harrell
Title: Managing Member

By: _____
Santa Cruz County Counsel's Office
Legal Advisor to the LFFA

EXHIBIT "A"
PROFESSIONAL MUNICIPAL ADVISORY SERVICES
SCOPE OF SERVICES

ADVISOR shall perform the following services for the Phase 3 Library CFD Bond:

1. Structure and size the Phase 3 Library CFD Bonds.
2. Prepare the Official Statement including any required information relating to the CFD and RMA, the County and the Cities within the District.
3. Review and comment on all legal documents, including bond resolutions and closing documents.
4. Prepare rating agency presentation.
5. Prepare Staff for dialogue with ratings analysts/bond insurers (if any).
6. Draft staff reports for LFFA Board actions (and any member agency board actions if required).
7. Keep the LFFA apprised of market conditions relating to interest rates.
8. If appropriate, analyze insurance bids and make a recommendation for purchase of full, partial or no insurance on the Phase 3 Library CFD Bonds.
9. Prepare staff for due diligence call.
10. For the competitive sale of Phase 3 Library CFD Bonds:
 - a. conduct the public sale using IPREO® internet platform;
 - b. arrange for advertising of the bond sale in nationally prominent financial publications
 - c. coordinate local publication requirements; and
 - d. evaluate the bids and recommend the most favorable bid for award.
11. Provide guidelines for post-closing compliance with continuing disclosure requirements.
12. Provide any post-closing follow up as required.
13. Provide any other services reasonably requested and not otherwise set forth above.

EXHIBIT "B"

MUNICIPAL ADVISOR DISCLOSURES

Harrell & Company Advisors, LLC (Harrell & Co.) is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act (Act) and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The SEC has approved MSRB Rule G-42 which, among other matters, requires Harrell & Co. to provide the LFFA with information regarding any conflicts of interest that Harrell & Co. may have and with information about where to find Harrell & Co.'s SEC filings on the SEC website.

As a municipal advisor in connection with the Phase 3 Library CFD Bonds, Harrell & Co. will owe a fiduciary duty to the LFFA and will carry out its duties in accordance with such duty. Simply put, this means that Harrell & Co. owes the LFFA both a duty of loyalty and a duty of care and that in performing services that Harrell & Co. may undertake in connection with any bond issue, Harrell & Co. will put the needs of the LFFA ahead of its own. This standard of care is higher than that required of other financial services providers such as underwriters.

The fees to be paid by the LFFA to Harrell & Co. are based on the relative size of the transaction and are contingent on the successful closing of the financing. Although this form of compensation may be customary, it presents a conflict because Harrell & Co. may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the LFFA. In addition, if facts or circumstances arise that could cause the financing to be delayed or fail to close, Harrell & Co. may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing. Harrell & Co. manages and mitigates this conflict primarily by adherence to the fiduciary duty which Harrell & Co. owes to municipal entities such as the LFFA which require Harrell & Co. to put the interests of the LFFA ahead of its own.

Harrell & Co. separately provides municipal advisory services to the County of Santa Cruz, which is a member of the LFFA, but not in connection with the Phase 3 Library CFD Bonds.

Harrell & Co. has determined, after exercising reasonable diligence, that other than described above, it has no known material conflicts of interest that would impair its ability to provide advice to the LFFA in accordance with its fiduciary duty to municipal entity clients such as the LFFA. To the extent any such material conflicts of interest arise after the date of our engagement Harrell & Co. will inform the LFFA of such conflicts as described below.

The LFFA may terminate Harrell & Co.'s services at any time upon written notice as provided in the Agreement. Harrell & Co. may withdraw from its representation as Municipal Advisor upon

written notice to the LFFA subject to the fiduciary duty described above which may require it to continue to represent the LFFA until an appropriate replacement is identified which will depend on the status of the transaction.

Harrell & Co. is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving us. Pursuant to MSRB Rule G-42, Harrell & Co. is required to disclose any legal or disciplinary event that is material to the LFFA's evaluation of Harrell & Co. or the integrity of its management or advisory personnel. As reflected in Harrell & Co.'s filings with the SEC, Harrell & Co. has determined that no such event exists.

Copies of our filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either "Harrell & Co Advisors" or for our CIK number which is 0001610917.

The Act further prohibits underwriters from switching from a financial advisory role in developing a financing to an underwriting role. Harrell & Co. is not engaged in underwriting.

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

STAFF REPORT

AGENDA: October 7, 2021

DATE: October 1, 2021

TO: Libraries Facilities Financing Authority Board

FROM: Mary Haley Ousley, General Counsel

SUBJECT: Resolution Authorizing the Libraries Facilities Financing Authority to Continue Remote Teleconference Meetings Pursuant to Assembly Bill 361.

RECOMMENDATION:

Adopt Resolution No. 2021-XX Authorizing Remote Teleconference Meetings pursuant to Assembly Bill 361.

DISCUSSION

On March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic. Following that Proclamation, on March 17, 2020, the Governor issued Executive Order N-29-20, which included a provision suspending the traditionally strict provisions of the Ralph M. Brown Act (“Brown Act”) relating to holding and participating in meetings via teleconferencing in order to enable safe public meetings while health orders were in place.

On June 11, 2021, the Governor issued Executive Order N-08-21, which stated that the Brown Act teleconferencing suspensions were to expire on September 30, 2021. On September 16, 2021, the Governor signed Assembly Bill 361 (“AB 361”), an urgency measure effective upon signing, which amended the Brown Act to allow legislative bodies to meet via teleconferencing provided that particular conditions are met.

Pursuant to AB 361, legislative bodies may use teleconferencing to conduct public meetings during a proclaimed State of Emergency, as defined under the California Emergency Services Act, if one of the following circumstances apply: (A) State or local officials have imposed or recommended measures to promote social distancing; (B) The legislative body is meeting to determine whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or (C) The legislative body has determined that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.¹

¹ Cal. Gov’t Code § 54953(e)(1)(A)-(C).

The State of Emergency the Governor proclaimed on March 4, 2020 is still in effect today. Moreover, state and local officials continue to recommend measures to promote social distancing, as demonstrated by both the California Department of Public Health and the Santa Cruz County Health Officer recommending that individuals continue to wear face coverings in indoor settings.²

Additionally, since early August, the highly contagious delta variant has caused an increase in positive cases and hospitalization rates throughout the community. While the CDC has indicated community transmission in Santa Cruz County is moderate, COVID-19 transmission rates are unpredictable and have the potential to rapidly increase. As a result, holding public meetings in person, in an indoor setting, would present imminent risks to the health and safety of attendees.

Should community transmission decline such that members of the public may safely attend public meetings indoors, it is recommended that hybrid meetings be held starting December of this year. This would give members of the public the option of attending meetings in person or remotely, while also allowing individuals who may be at higher risk of severe COVID-19 illness to continue participating in public meetings remotely.

To continue teleconferenced meetings under AB 361, the Board will need to declare every thirty (30) days that it has reconsidered the circumstances of the State of Emergency, and either (i) the state of emergency continues to directly impact the ability of the members to meet safely in person; or (ii) state or local officials continue to impose or recommend measures to promote social distancing.³

Attachment:
Resolution No. 2021-XX

² See CDPH, *Guidance for the Use of Face Coverings* (July 28, 2021), <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx>; *Santa Cruz County Health Officer Release* (September 29, 2021), https://www.santacruzhealth.org/Portals/7/pdfs/Coronavirus/Santa%20Cruz%20County%20Moves%20to%20Moderate%20Community%20Transmission_092921.pdf.

³ Cal. Gov't Code § 54953(e)(3).

RESOLUTION # 2021-XXX
RESOLUTION OF THE SANTA CRUZ LIBRARIES FACILITIES FINANCING
AUTHORITY BOARD AUTHORIZING THE CONTINUED USE OF
TELECONFERENCED MEETINGS PURSUANT TO ASSEMBLY BILL 361

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency, pursuant to the Emergency Services Act, in response to the COVID-19 pandemic; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended certain requirements of Government Code section 54950 *et seq.*, the Ralph M. Brown Act (“Brown Act”), in order to allow local legislative bodies to conduct meetings telephonically or electronically without a physical meeting place; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, providing that the provision suspending the Brown Act requirements in Executive Order N-29-20 would remain in effect through September 30, 2021, at which point the suspension would expire; and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 (“AB 361”), an urgency measure effective upon adoption, amending the Brown Act to allow legislative bodies to continue teleconferencing during a proclaimed State of Emergency, and either state or local officials have imposed or recommended measures to promote social distancing, or the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees;

WHEREAS, the State of Emergency proclaimed by the Governor on March 4, 2020, remains in effect; and

WHEREAS, state and local officials have imposed and/or recommended measures to promote social distancing, as demonstrated by both the California Department of Public Health’s and the Santa Cruz County Health Officer’s recommendations that all individuals wear masks indoors; and

WHEREAS, since early August, the highly contagious delta variant has caused increased community transmission and rates of hospitalizations within the County; and

WHEREAS, according to the CDC, community transmission of COVID-19 in Santa Cruz County is moderate, but may increase due to the unpredictable nature of the virus and potential proliferation of COVID-19 variants; and

WHEREAS, the Libraries Facilities Financing Authority Board hereby finds and determines that the above conditions create an imminent risk to the health and safety of

attendees should they be required to attend meetings in person in a shared indoor public meeting space; and

WHEREAS, should community transmission decline to a point where members of the public may safely meet in person, by December of this year, the Libraries Facilities Financing Authority Board intends to conduct hybrid meetings – where members of the public will have the option of attending meetings in person, or members may participate remotely, in consideration of those individuals who are at higher risk for severe COVID-19 illness; and

WHEREAS, the Libraries Facilities Financing Authority Board wishes to authorize remote meetings as set forth in this Resolution.

NOW THEREFORE, be it resolved by the Libraries Facilities Financing Authority Board (“Board”) as follows:

- A. The Board hereby acknowledges the Governor of the State of California’s Proclamation of State of Emergency related to the COVID-19 pandemic remains in effect; and
- B. The Board finds that due to the continued threat of COVID-19 transmission in the community, holding in person meetings for the legislative bodies of the Libraries Facilities Financing Authority Board would present imminent risks to the health or safety of attendees.
- C. The legislative bodies of the Libraries Facilities Financing Authority Board are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
- D. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) thirty days from the adoption of this Resolution, or (ii) such time the Libraries Facilities Financing Authority Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the Libraries Facilities Financing Authority Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

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PASSED AND ADOPTED THIS 7th day of October 2021 by the following votes:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED

Chair

ATTEST

Board Clerk