

**FOURTH AMENDMENT TO THE JOINT EXERCISE OF POWERS
AGREEMENT ESTABLISHING THE SANTA CRUZ COUNTY LIBRARY
FINANCING AUTHORITY**

WHEREAS, the Santa Cruz County Library Financing Authority (“the Financing Authority”) was created in 1996 for the purpose of financing library services and facilities; and

WHEREAS, the Financing Authority was established pursuant to the Joint Exercise of Powers Law of the State of California, constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (“the Act”); and

WHEREAS, an original agreement entitled the “Joint Exercise of Powers Agreement Santa Cruz County Library Financing Authority” (“the Agreement”) was entered into by each of the parties in May 1996; and

WHEREAS, an agreement amending the original Agreement was entered into by each of the parties in November 2013; and

WHEREAS, a Second Amendment to the Agreement was entered into by each of the parties in December 2015; and

WHEREAS, a Third Amendment to the Agreement was entered into by each of the parties in June 2021; and

WHEREAS, a Fourth Amendment to the Agreement is necessary to increase the Maintenance of Effort contributions and extend the term three years; and

WHEREAS, said Section 9.5 of said Second Amendment authorizes amendments at any time, or from time to time, only by the unanimous consent of the parties.

NOW THEREFORE, the Board of Supervisors of the County of Santa Cruz, and the City Councils for the Cities of Santa Cruz, Watsonville, Scotts Valley and Capitola agree to further amend the Third Amendment as follows:

1. **Article III – Contributions** is hereby amended as follows:

Section 3.1 – Maintenance of Effort Contributions of the Cities. Commencing with the 2022-23 fiscal year, the City of Santa Cruz shall contribute a Maintenance of Effort (“MOE”) amount each year in the amounts shown below:

City of Santa Cruz Maintenance of Effort

Fiscal Year	Amount
2022-23	\$1,976,853
2023-24	\$2,214,546
2024-25	\$2,452,089

Commencing with the 2022-23 fiscal year, the City of Watsonville shall contribute a MOE amount each year in the amounts shown below:

City of Watsonville Maintenance of Effort

Fiscal Year	Amount
2022-23	\$541,684
2023-24	\$541,684
2024-25	\$541,684

Section 3.2 – Maintenance of Effort Contributions of the County. Commencing with the 2022-23 fiscal year, and subject to the terms below, the County of Santa Cruz, on behalf of the Unincorporated Area and the cities of Capitola and Scotts Valley, shall contribute a MOE amount from the County Library Fund each year in the amounts shown below:

County Library Fund Maintenance of Effort

Fiscal Year	Amount
2022-23	\$6,322,019
2023-24	\$6,870,918
2024-25	\$7,422,372

If the Annual Net Amount of Allocated Taxes received by the County Library Fund is less than the annual MOE amount shown above, the County shall contribute the lesser amount as its annual MOE contribution. In no instance shall the County’s annual MOE contribution exceed the Annual Net Amount of Allocated Taxes received by the County Library Fund.

If the Annual Net Amount of Allocated Taxes received by the County Library Fund exceeds the annual MOE amount shown above, the County shall allocate any excess funds in the County Library Fund for exclusive use on library improvements, major maintenance, or services at County Library Fund branches (including Capitola and Scotts Valley branches) with input by library staff and the cities of Capitola and Scotts Valley.

2. **Article IV – Annual Budget/Disbursement of Funds** is hereby amended as follows:

Section 4.3 – Disbursement of Funds. Commencing with the 2023-23 fiscal year, the amounts available from MOE contributions, taxes or fees, and carryover balances or surplus funds shall be disbursed as follows:

(A) The estimated amount available from MOE contributions shall be distributed to the Santa Cruz City/County Library System and the Watsonville Library each year in the amounts shown below:

Santa Cruz City/ County Library System

Fiscal Year	Amount
2022-23	\$7,276,853
2023-24	\$8,114,546
2024-25	\$8,952,089

Watsonville Library

Fiscal Year	Amount
2022-23	\$1,563,703
2023-24	\$1,512,602
2024-25	\$1,464,056

The Watsonville Library’s MOE distribution remains fixed at \$1,563,703 in the 2022-23 fiscal year and then reduces so that the Watsonville Library’s share of the Annual Net Amount of Allocated Taxes received by the County Library Fund reaches the targeted level of funding based on the population served.

3. **Article VI – Term and Withdrawal** is hereby amended as follows:

Section 6.1 – Term. The changes outlined in this Fourth Amendment shall commence upon the execution by the parties hereto, and will continue to remain in effect through June 30, 2025.

All other provisions of said Agreement shall remain the same.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be executed and attested by their proper officers thereunto duly authorized on the day and year stated below the name of each of the parties. This Fourth Amendment may be signed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

COUNTY OF SANTA CRUZ

Approved as to form:

By: _____

Dated: _____

CITY OF SANTA CRUZ

Approved as to form:

By: _____

Dated: _____

CITY OF WATSONVILLE

Approved as to form:

By: _____

Dated: _____

CITY OF CAPITOLA

Approved as to form:

By: _____

Dated: _____

CITY OF SCOTTS VALLEY

Approved as to form:

By: _____

Dated: _____