

## **AGREEMENT REGARDING TRANSFER OF APPROPRIATION LIMIT**

This Agreement, effective as of the date last signed below, is by and between the County of Santa Clara, a political subdivision of the State of California (“County”), and the Town of Los Gatos, a municipal corporation (“Town”) (collectively, the “Parties”).

**WHEREAS**, on June 18, 2019, by resolution of the Town Council, the Town annexed twenty-four unincorporated County islands identified as LG 01, LG 02-02, LG 03, LG 04, LG 05, LG 06, LG 07, LG 09, LG 10, LG 11, LG 12, LG 14, LG 15-01, LG 15-02, LG 16, LG 17-01-01-01, LG 17-01-01-02, LG 17-01-02, LG 17-02, LG 17-03, LG 17-04, LG 17-05, LG 18-01, and LG 18-02 (“Annexation”);

**WHEREAS**, Article XIII B of the California Constitution establishes limits on the appropriations of local governments;

**WHEREAS**, section 3 of Article XIII B provides that, when the financial responsibility of providing services is transferred by annexation from one government entity to another, then the appropriations limit of the transferee entity shall increase, and the appropriations limit of the transferor entity shall decrease, by such reasonable amount as said entities shall mutually agree;

**WHEREAS**, on August 30, 2019, the Santa Clara County Local Agency Formation Commission issued a Certification of Completion for the Annexation;

**WHEREAS**, as part of the Annexation, the effective tax rates of certain taxing jurisdictions within the Annexation area were adjusted to reflect the transfer of responsibility to the Town for providing certain services, and this adjustment resulted in a portion of the County’s property tax revenues from the Annexation area being reallocated to the Town (“County Revenue Transfer”); and

**WHEREAS**, the Parties agree that the appropriations limit of the Town shall increase in the amount of the County Revenue Transfer, and the County’s appropriations limits shall decrease the same amount in accordance with Article XIII B.

**NOW, THEREFORE**, the Parties agree as follows:

1. As of fiscal year 2020-21, the appropriations limit for the Town of Los Gatos shall be increased by \$130,503, and the resulting appropriations limit shall serve as the base amount for any subsequent increases or adjustments implemented pursuant to law.
2. As of fiscal year 2020-21, the appropriations limit for the County of Santa Clara shall be decreased by \$130,503, and the resulting appropriations limit shall serve as the base amount for any subsequent increases or adjustments implemented pursuant to law.
3. The Parties agree to take such administrative steps as may be necessary to implement this Agreement.

4. Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

**ACCEPTED AND AGREED TO:**

COUNTY OF SANTA CLARA:

TOWN OF LOS GATOS:

By: \_\_\_\_\_  
Miguel Márquez, Chief Operating  
Officer

By: \_\_\_\_\_  
Laurel Prevetti, Town Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM AND LEGALITY:**

DocuSigned by:  
*Lesley Pak*  
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Lesley Pak  
Deputy County Counsel