This agreement ("Agreement") is entered into pursuant to Oregon Revised Statutes ("ORS") 190.010, by and between the Lincoln County Library District ("District"), and the City of ("City"), both municipal corporations and political subdivisions of the State of Oregon. This Agreement shall be effective upon signing by both parties hereto.

RECATALS

WHEREAS, the District was established by voters in 1988 to provide fee-free library services ("the Services") to District residents pursuant to ORS chapter 357; and

WHEREAS, ORS 357.261(10) and 357.410(2) authorize the District to contract with a local government unit to provide free use of the library for the residents of the local government unit, under such terms and conditions as may be agreed upon; and

WHEREAS, through written agreements the District provides funding and other support to the cities of Newport, Lincoln City, Toledo, Siletz, and Waldport to support provision of the Services for District residents; and

WHEREAS, the District’s Board of Directors has determined that changes to the District’s funding model are necessary to ensure allocation of funds equitably and fairly among member and partner libraries and the residents they serve; and

WHEREAS, the parties seek to establish terms and conditions for the continued provision of the Services and allocation of funding therefor;

NOW, THEREFORE, pursuant to the authorities granted in of ORS chapters 357 and 190, and for the mutual consideration herein stated, the parties agree as follows:

AGREEMENT

In consideration of the mutual obligations stated herein, the parties agree as follows:

1. DEFINITIONS. When used in this Agreement, unless the context indicates otherwise:

   A. “City” means the City of, in Lincoln County, Oregon.

   B. “County” means Lincoln County, Oregon.

   C. “District” means the Lincoln County Library District. (Appendix C)

   D. “Library” means the Library in , Oregon.
2. **TERM.** This Agreement shall take effect November 15, 2022 and shall be of indefinite duration unless and until modified pursuant to Section 3 or terminated pursuant to Section 13 of this Agreement.

3. **REVIEW AND RENEGOTIATION.** The terms of this Agreement, including but not limited to terms and methods for Funding, are subject to review and renegotiation every three (3) years. Either party may submit a written request for review and renegotiation to the other party at least twelve (12) months prior to the end of the applicable three (3)-year period. Upon the other party’s receipt of such request, the parties shall engage in good-faith negotiations regarding any modifications. If the parties cannot agree to the modified terms within six (6) months of the date on the written notice, either party may terminate the Agreement as provided in Section 13. Failure to provide timely notice under this paragraph shall be deemed consent to renew the Agreement according to its existing terms until the next review period.

4. **DUTIES AND OBLIGATIONS OF THE PARTIES.**

   A. **For the City.** The City’s obligations under this Agreement shall be as follows:

      (1) **Operations.** In operating the Library, be responsible for the following:

         (a) Purchasing materials, supplies, equipment and services necessary for the setup and continued operation.

         (b) Preparing and approving an annual Library budget.

         (c) Entering into contracts with any person, firm or corporation, or any agency or government, as necessary, to acquire goods or services for the development of and the operation of the Library.

         (d) Contracting or providing for the use of space for its operations, staff, a supervisor, or auxiliary services, including but not limited to records, payroll, accounting, purchasing and data processing.

         (e) Reviewing staff contracts and job descriptions annually to maintain alignment with Priorities for Programs and Service Delivery and performing annual employee evaluations based on those job descriptions.

         (f) Determining the level of staffing required to provide Library Services according to all applicable standards and in compliance with this Agreement. Employing, supervising, and terminating a director and other Library employees.

         (g) Compensating the Head Librarian/Library Director or equivalent at not less than 150% of the State of Oregon minimum wage.
Taking any other action necessary and proper for the management of the Library and the performance of its functions.

(2) Standards. Complying with all applicable State of Oregon laws and administrative rules relating to hours of operation, staffing levels, and collection size. (Appendix B) To the extent feasible the Library will strive to meet Oregon Library Association Public Library Standards.

(3) Interlibrary Loan. Participating in universal borrowing for all District residents.

(4) Support for the District. Acknowledging the District’s contributions on Library website, brochures, newsletters, etc. Providing other support and advocacy for the District upon request.

(5) Annual Library Service Plan.

(a) On or before May 1 of the current fiscal year, prepare and submit to the District an Annual Library Service Plan (“ALSP”) proposal for the next fiscal year. The ALSP shall be based on the then-current District guidelines for programs. Funding under this Agreement is expressly conditioned upon District approval of the ALSP.

(b) No later than October 31 of each year, present a written review of the prior fiscal year’s ALSP to the District Board of Directors.

(6) Annual Statistical Report. On or before December 1 of each fiscal year, furnish to the District a copy of the Library’s annual statistical report that is sent to the Oregon State Library.

(7) Funding Conditions. Comply with all Funding Conditions described in Section 5 of this Agreement.

(8) Financial Reporting.

(a) Account for all Library resources and expenditures through a separate freestanding fund or a readily identifiable department function within the City General Fund, consistent with accounting and budgeting requirements under Oregon law.

(b) Budget any unexpended Funding from the prior fiscal year budget as beginning cash balance in the following fiscal year’s Library budget, consistent with accounting and budgeting requirements under Oregon law.

(c) Provide additional or supplemental information upon request.

(d) On or before February 1 of each fiscal year, provide an annual audit showing
expenditures of Funding during the prior fiscal year.

B. For the District. Subject to the availability of funds, the District’s obligations under this Agreement shall be as follows:

1. **Funding.** Subject to the terms and conditions stated in Section 5 of this Agreement, on an annual basis provide to the City funding (“Funding”) for Library Services according to the formula described in Appendix A, which is attached hereto and incorporated herein by this reference.

2. **Annual Budget.** As soon as available, provide a copy of the District’s anticipated annual funding distribution amounts to the City for use in the budgeting process. The parties recognize that both parties’ budgets must conform to Oregon budget laws.

3. **Distribution of Funds.** Upon receipt of property tax revenues from the Lincoln County Treasurer, transfer to the City its proportionate share of the Funding as described in Appendix A.

4. **District Director.** Provide District Director services for the purposes of providing advice, sharing information, serving as a resource, and assisting in solving problems. When appropriate the District Director shall act as a Communication Liaison for cooperative projects.

5. **Technical Services.** Provide Technical Services, including cataloging assistance, resolving database issues, access to OCLC cataloging and interlibrary loan products and one-on-one library site visits at least twice per year.

6. **Resource Sharing.** When, in the District’s sole discretion, it is reasonable and cost-effective, the District shall provide the following shared resources:

   (a) **Courier Service.** Contract courier services for delivery of books and other library materials from and to the participating libraries within the County.

   (b) **Public Resources.** Additional resources that will be accessible through the Library to a resident with a local library card.

   (c) **Joint Purchasing Opportunities.** When appropriate and upon agreement of all participating parties, pursue and coordinate joint purchasing opportunities.

   (d) **Professional Learning Opportunities.** Share free resources for training elected officials and non-Library personnel.

7. **District Annual Service Plan (ALSP).** By May 1 of each year, provide a copy of the District’s Annual Service Plan on the District website for public viewing. Provide hard copies of the Plan upon request. By October 31, provide an evaluation process
of the previous fiscal year’s ALSP.

5. FUNDING TERMS AND CONDITIONS.

A. Use of Funds. The parties intend that Funding provided pursuant to paragraph 4.B(1) will be used solely to support operation of the Library and implementation of the Library’s Annual Library Service Plan (ALSP). The Funds may not be used for the purchase, rehabilitation, or maintenance of a building or grounds for the City library; for structural modification of an existing City library; or for maintenance or operation of the Library’s physical plant.

B. Annual Library Service Plan. Receipt of Funding is expressly conditioned upon the District’s approval of the City’s timely submitted Annual Library Service Plan (“ALSP”) proposal pursuant to paragraph 4.A(5)(a) of this Agreement.

C. Budget Availability. The parties recognize that the District is a special taxing district which receives its funding through property tax receipts collected by Lincoln County. In the event the tax revenues are less or more than those in the budget adopted by the District for the applicable fiscal year, the allocations of funds to the City shall be proportionately reduced or increased by the same percentage as the reduced or increased level of tax revenues. For example, if the total annual revenues were reduced/increased by one (1%) percent, then the City’s total receipts from the District would be reduced/increased by one (1%) percent.

D. Withholding Funding. If the City fails to comply with any term of this Agreement, the District shall notify the City in writing of any failure to comply and the parties shall work in good faith to promptly cure the failure. If the City fails to comply and substantial steps toward a cure are not taken within thirty (30) days of the date on the written notice, the District reserves the right to withhold distributions of Funding to the City until all terms are met. If after working in good faith the parties are unable to resolve the issue, either party may demand commencement of the dispute resolution process in Section 10 of the Agreement.

E. Changes to Funding Formula. The Funding formula described in Appendix A is subject to change every three (3) years based on changes in ZIP Code information provided by Portland State University Population Research Center.

6. NO EMPLOYMENT RELATIONSHIP. Any and all employees of the City, while engaged or performing any work or service required under this Agreement, shall be considered employees of the City and not employees of the Library District. Any claims that may arise under the Workers’ Compensation Act on behalf of such employees while so engaged; any claim for or regarding compensation or benefits for such employees; and any and all claims made by third parties as a consequence of any act or omission on the part of the City or its employees shall be the sole obligation and responsibility of City.

7. NOTICES. Any notice required to be given under this Agreement shall be effective on the
date of actual receipt or two (2) days after deposit as registered or certified mail, return receipt requested, postage prepaid and addressed to either party at the address stated below or such other addresses as either party may specify by written notice to the other party:

City of Waldport  Lincoln County Library District
355 NW Alder St.  PO Box 2027
Waldport, OR 97394  Newport, OR  97365

8. SEVERABILITY. If any part, paragraph, section or provision of this Agreement is adjudged to be invalid by any court of competent jurisdiction, such adjudication shall not affect the validity of any remaining section, part or provision of this Agreement.

9. GOVERNING LAW. This Agreement shall be construed and regulated by the laws of the State of Oregon. Venue for any dispute hereunder shall lie in Lincoln County, Oregon.

10. DISPUTE RESOLUTION.

A. Negotiation. Prior to any mediation or arbitration of any dispute arising under this agreement, the parties agree to submit each such dispute to negotiation and to attempt to settle such dispute in good faith.

B. Mediation. If the dispute cannot be resolved by good-faith negotiations, a mediator will be selected by and paid equally by the parties. If the matter is not settled after one mediation session, then the arbitration provisions of this agreement shall apply.

C. Arbitration. If any dispute arises between the parties which is not settled by mediation, such dispute shall be resolved by binding arbitration. Either party may request arbitration in writing to the other party. The parties shall mutually select a single arbitrator. If the parties cannot agree on an arbitrator, the presiding judge of the Lincoln County Circuit Court will choose an arbitrator. The arbitration shall take place in Lincoln County, Oregon, and shall be conducted according to the rules of the Arbitration Service of Portland, Oregon. Costs of the arbitration shall be shared equally by the parties, but each party shall pay its own attorney fees incurred in connection with the arbitration.

11. INDEMNITY. Subject to the limitations of the Oregon Constitution and the Oregon Tort Claims Act [ORS 30.260 to 30.300], each party shall defend, indemnify and hold the other party harmless from any claims, damages, suits or actions, including third-party actions, arising out of or in connection with the indemnifying party’s performance pursuant to this Agreement.

12. AMENDMENT. This Agreement may be modified only by mutual written consent of the parties hereto.

13. TERMINATION. Either party may terminate this Agreement without cause by giving written notice to the other party not less than six (6) months prior to the end of the then-current fiscal year. Such termination shall become effective at midnight of the last calendar
day of the fiscal year in which such notice is given.

14. COMPLETE AGREEMENT. This Agreement represents the parties’ complete understanding of the terms and conditions stated herein. It shall supersede any prior or concurrent written or oral agreement or understanding, whether formal or informal.

IT IS HEREBY AGREED:

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<th>LINCOLN SPECIAL LIBRARY DISTRICT</th>
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<td>Board President</td>
<td>City Manager/Mayor</td>
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<td>Board Secretary</td>
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ATTACHMENTS:

Appendix A: Explanation of Distribution of Funds to Member and Partner Libraries

Appendix B: Oregon Public Libraries Definition & Link to Oregon Library Association Public Library Standards

Appendix C: LCLD Organizational Governance Outline