



June 18, 2015

Board of County Commissioners
 Clackamas County

Members of the Board:

Approval of a Resolution Delegating Signature Authority to the Library Service District Administrator Entering into Two Agreements Relating to the Transfer of Library Assets and Employees to the City of Happy Valley

Purpose/Outcome	Approval of a resolution Delegating Signature Authority to the Library Service District Administrator Entering into Two Agreements Relating to the Transfer of Library Assets and Employees to the City of Happy Valley
Dollar Amount and fiscal Impact	A one-time Capital Contribution in the amount of Two Million and No/100 Dollars (\$2,000,000.00).
Funding Source	Library Service District Fund
Safety Impact	N/A
Duration	June 30, 2015 and annually thereafter
Previous Board Action/Review	Original IGA Adopted July 1, 2009
Contact Person	Gary Barth, BCS Director 503.742.4299
Contract No.	N/A

BACKGROUND:

Staff at both the City of Happy Valley and Clackamas County have worked together collaboratively to structure Intergovernmental Agreement's concerning the Transfer of Sunnyside Library to the City of Happy Valley. The attached documents outline the agreements reached and memorialize the obligations of both the City and The County for this transfer effective July 1, 2015.

Clackamas County DES, County Counsel, BCS admin and Library staff have participated in the review and structure of these Agreements in compliance with all ORS guidelines prescribing action in such transfers, while also ensuring that the Sunnyside and Oak Grove Library needs are addressed and dealing thoughtfully and sensitively with affected library staff. We believe the plan, as memorialized in the IGA's, successfully addresses all these issues.

RECOMMENDATION:

Staff respectfully recommends adoption of the attached resolution providing signature authority to the Library District Administrator to execute the agreement with City Manager Tuck.

Sincerely,

Gary Barth, MBA
 BCS Director

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of authorizing
Entering into two agreements
Relating to transfer of library
Assets and employees to the
City of Happy Valley and
Delegating signing authority

} Resolution No. _____
}
}

WHEREAS, the Board of County Commissioners on behalf of Clackamas County (“County”) previously directed staff to work on transferring the Sunnyside Library assets and operations to the City of Happy Valley (“City”); and

WHEREAS, significant negotiations have taken place and the parties are very near to an agreement with the City agreeing to assume the responsibilities of a Library City with respect to an agreement with the Library District of Clackamas County (“District”) and a transfer agreement with the County for assumption and operation of the Sunnyside Library substantially in the form of agreements attached hereto as Exhibit A and Exhibit B, respectively; and

WHEREAS, the Board desires to ensure the optimal language to provide a smooth transfer for County employees who are transferring to the City in support of these agreements; and

WHEREAS, the parties are working cooperatively to meet that goal and desire to ensure that transition will take place on or before July 1, 2015;

NOW THEREFORE, BE IT RESOLVED by the Board of Clackamas County as the governing body of the Library District of Clackamas County that it desires to enter into the agreement substantially in the form attached hereto as Exhibit A, and hereby delegates authority to the District Administrator to execute said agreement on the Board’s behalf at such time as it is to his satisfaction; and

AND IT IS FURTHER RESOLVED by the Board of Clackamas County as the governing body of Clackamas County that it desires to enter into the agreement substantially in the form attached hereto as Exhibit B, and hereby delegates authority to the County Administrator to execute said agreement on the Board’s behalf at such time as it is to his satisfaction.

DATED this June 18, 2015.

BOARD OF COUNTY COMMISSIONERS
AS THE GOVERNING BODY OF THE LIBRARY
DISTRICT OF CLACKAMAS COUNTY

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of authorizing
Entering into two agreements
Relating to transfer of library
Assets and employees to the
City of Happy Valley and
Delegating signing authority

} Resolution No. _____
}

Chair

Recording Secretary

BOARD OF COUNTY COMMISSIONERS
ON BEHALF OF CLACKAMAS COUNTY

Chair

Recording Secretary



Mayor and City Council
16000 SE Misty Drive
Happy Valley, OR 97086

Meeting: 06/02/15 07:00 PM
Department: Administration
Category: Agreement
Prepared By: Marylee Walden
Department Head: Jason Tuck
DOC ID: 1096

RESOLUTION (ID # 1096)

A Resolution Authorizing the City Manager to Sign an Intergovernmental Agreement's With Clackamas County for Library Services

Explanation

Staff at both the City of Happy Valley and Clackamas County have worked together collaboratively to structure the following Intergovernmental Agreement's concerning the Transfer of Sunnyside Library to the City of Happy Valley. The attached documents outline the agreements reached and memorialize the obligations of both the City and The County for this transfer effective July 1, 2015.

Special Issues

Financial Impact

The financial impact of Library Services has been set out in the 2015-16 Budget Documents which has been approved by the Budget Committee and will be presented to Council for adoption on June 16, 2015.

Recommendation

Approval of Resolution 15-10 to Authorize the City Manager to sign the Intergovernmental Agreement's

ATTACHMENTS:

- IGA Resolution 15-10 revised (DOC)
- Happy Valley-County Library Transfer IGA (00444487-3xB8084) (PDF)
- Library IGA - Assumption Agreement (00444714-3xB8084) (DOC)

CITY OF HAPPY VALLEY, OREGON
RESOLUTION 15-10

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN INTERGOVERNMENTAL
AGREEMENT BETWEEN CLACKAMAS COUNTY AND THE CITY OF HAPPY VALLEY
CONCERNING LIBRARY SERVICES

WHEREAS, Happy Valley and Clackamas County have worked together collaboratively to form an agreement for the transfer of the Sunnyside Library to the City of Happy Valley; and

WHEREAS, the terms and conditions for this Cooperative Agreement have been set out in the attached Cooperative Intergovernmental Agreement Between Clackamas County and the City of Happy Valley,

WHEREAS, this agreement memorializes the one-time capital contribution of Clackamas County in the amount of Two Million and No/100 Dollars (\$2,000,000.00) towards library services for the Happy Valley and Damascus area including unincorporated areas identified; and,

WHEREAS, the Clackamas County continues to be responsible for the operation and service level of the Library Network to support the provision of services; and,

WHEREAS, the City shall receive title for all Real and Personal Property located at 13693 SE Sieben Parkway, Happy Valley, OR; and,

WHEREAS, the City shall assume operation and control of the Sunnyside Library including its employees, and account balances effective July 1, 2015.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Happy Valley, Oregon:

- 1) The City Manager is delegated to sign an Intergovernmental Agreement with Clackamas County for Library Services.
- 2) The Intergovernmental Agreement being signed is substantially akin to the version attached as Exhibit A and as approved by the City Attorney.
- 3) This resolution is effective immediately upon passage by the City Council.

PASSED by the City Council on this 2nd day of June, 2015.

APPROVED by the Mayor on this 2nd day of June, 2015.

Lori DeRemer
Mayor

Attest:

Marylee Walden
City Recorder

ASSUMPTION AGREEMENT AND NOTICE
REGARDING THE
COOPERATIVE INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE LIBRARY DISTRICT OF CLACKAMAS COUNTY,
AND
HAPPY VALLEY

This Assumption Agreement and Notice (this "Notice") is entered into this ____ day of _____, 2015, by and between the Library District of Clackamas County (the "District") a county service district formed under ORS Chapter 451, and the City of Happy Valley, a municipal corporation ("Happy Valley").

WHEREAS, the District and certain other Clackamas County cities entered into that certain intergovernmental agreement regarding the distribution of funds from the District to the Library Cities (as defined therein) in support of the provision of library services to the residents of the District dated July 1, 2009 (the "Agreement"); and

WHEREAS, the Agreement has been amended twice, with the second amendment (the "Second Amendment") allowing for the annexation of the City of Damascus and dealing with the anticipated transition of the Sunnyside Library from Clackamas County ("County") to Happy Valley; and

WHEREAS, Happy Valley has expressed its' willingness to assume operational responsibility for the Sunnyside Library, which serves Happy Valley, the City of Damascus, and portions of unincorporated Clackamas County east of I-205; and

WHEREAS, the County is willing to transfer the operations and physical assets relating to the Sunnyside Library to Happy Valley as anticipated in the Second Amendment and the parties anticipate entering into a separate agreement regarding said transition; and

WHEREAS, a necessary condition for Happy Valley's ability to assume operations of the Sunnyside Library is assuming the role of a Library City pursuant to the Agreement;

NOW, THEREFORE, the District and Happy Valley each agree to the following:

Section 1 Assumption

- 1.1 Happy Valley Assumption. The District and Happy Valley agree that as of July 1, 2015, and as authorized and anticipated in the Second Amendment, Happy Valley shall be considered a Library City with all rights and responsibilities thereof as set forth in the Agreement.
- 1.2 Distribution. On and after July 1, 2015, Happy Valley shall receive the distribution from District revenue currently allocated for the Sunnyside Library (Happy Valley (Town Center)) service area, and as indicated in the Second

Amendment and Section 1.6 of the Agreement, the Service Population Map and Distribution Formulas as previously agreed to be effective upon assumption of operation by City are hereby implemented to reflect the same.

Section 2 Ratification

- 2.1 No Changes. The District and Happy Valley ratify the Agreement and affirm that no changes are made hereby.
- 2.2 Notice and Publication. The parties hereto agree that a copy of this Assumption Agreement and Notice shall be provided to each Library City and the District Advisory Board. Happy Valley shall designate a representative to participate in the District Advisory Board as required by the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS, AS THE GOVERNING BODY OF THE	
LIBRARY DISTRICT OF CLACKAMAS COUNTY	
By: _____	
Title: <u>Chair</u>	
ATTEST: _____	

THE CITY OF HAPPY VALLEY	
By: _____	
Title: _____	
ATTEST: _____	

COOPERATIVE INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY
AND
THE CITY OF HAPPY VALLEY

THIS COOPERATIVE INTERGOVERNMENTAL AGREEMENT (this “Agreement”), is entered into this ___ day of _____, 2015, by and between the Clackamas County (the “County”) a political subdivision of the State of Oregon, and the City of Happy Valley, a municipal corporation (the “City”).

WHEREAS, the County has formed the Library District of Clackamas County (the “District”), a county service district dedicated to supporting the provision of library services within its boundaries; and

WHEREAS, as part of the preparatory process for the formation of the District, the Board of County Commissioners proposed a one-time contribution from the County general fund to each city providing library services in the District for the sole purpose of capital improvements to the libraries therein (the “Capital Contribution”); and

WHEREAS, the City and other cities within the District have entered into a separate intergovernmental agreement dated July 1, 2009 with the District for the distribution of District funds for the purposes of operating, maintaining and enhancing services at the libraries within the District as amended from time to time (the “District IGA”); and

WHEREAS, the County is entering into similar intergovernmental agreements with city library service providers (“Library Cities”) for their respective Capital Contributions; and

WHEREAS, The County has provided a one-time capital contribution of Two Million and No/100 Dollars (\$2,000,000.00) towards library services for the Happy Valley/Damascus area including unincorporated areas identified in Attachment B to the District IGA area and invested said funds in the construction of the Sunnyside Library (the “Capital Contribution”); and

~~WHEREAS, the City is authorized under ORS 357.410 to maintain a public library;~~
and

WHEREAS, the parties desire to enter into this Agreement to acknowledge the Capital Contribution by the County, articulate continuing obligations, and state the terms and conditions of the transfer of the Sunnyside Library to the City of Happy Valley;

NOW, THEREFORE, the County and City each covenant and agree to the following:

Section 1 Obligations of the County

- 1.1 Library Network. The County currently funds and operates the Library Network of Clackamas County (the “Network”) to support the provision of services by the libraries in Clackamas County. The County shall fund the Network to provide the following services to Sunnyside Library at an overall service level at least equal to that being provided by Network in fiscal year 2008/2009:
- 1.1.1 Automated library system and related telecommunications and technical support;
 - 1.1.2 Courier services;
 - 1.1.3 Administration;
 - 1.1.4 Database management services including creating/acquiring MARC format bibliographic records;
 - 1.1.5 Inter-library loan services;
 - 1.1.6 Inter and intra-regional cooperative library planning;
 - 1.1.7 Shared online databases for public use; and
 - 1.1.8 Internet Service Provider for member libraries.

The County shall not be financially or otherwise responsible for the provision of new services requested or added to Network solely at the request of the City; however, if new services are added by the County to the Network for all County libraries, the County agrees to provide those services to Sunnyside Library at no additional cost. To the extent the City or Library Cities generally request new or additional services, such requesting provider(s) will be billed back on separate contracts initiated as services are added. Such agreements shall not modify or restrict the covenants and agreements of the parties hereto.

Section 2 Obligations of the City

- 2.1 Capital Fund Disbursement. The City acknowledges the Capital Contribution as fulfilling the commitment made by the County as part of the formation of the Library District of Clackamas County.

Section 3 Term and Termination

- 3.1 Term. This Agreement shall commence on July 1, 2015 and automatically renew annually thereafter, unless otherwise terminated as set forth herein.
- 3.2 Termination. This Agreement shall terminate upon the agreement of both parties, or upon one hundred eighty (180) days prior written notice from one party to the other.
- 3.3 Amendment. This Agreement may be amended at any time upon the agreement of both parties.

Section 4 General Provisions

- 4.1 Indemnification. Each party shall release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, elected officials, employees, and agents, from and against all damages, claims, injuries, costs, or judgments that may in any manner arise as a result of the party's performance under this contract, subject to Oregon Tort claims limitations.
- 4.2 Governing Law. This Agreement shall be construed and governed in all respects in accordance with laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- 4.3 Savings. Should any portion of this Agreement or amendment there to be adjudged by a Court of appropriate final jurisdiction to be in violation of any local, state or federal law, then such portion or portions shall become null and void, and the balance of the Agreement shall remain in effect. Both parties shall immediately renegotiate any part of this Agreement found to be in such violation by the Court and to bring it into compliance with said laws.
- 4.4 Reasonable Attorney's Fees. In the event any action is brought to enforce, modify or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and costs incurred in connection with such action or on appeal or review; said amount to be set by the court before which the matter is heard.
- 4.5 Notices. Formal notices, demands and communications between the Parties shall be deemed given three (3) business days after being sent by registered or certified mail, postage prepaid, return receipt requested to the principal offices of the Agency and the City as designated herein. Such written notices, demands and communication may be sent in the same manner to such other addresses and to such other persons and entities as either party may from time to time designate by mail as provided in this section. Notices shall be sent to the addresses shown below and to the attention of the person indicated.

The principal offices and mailing address of the Parties are:

Clackamas County
Attn: County Administrator
2051 Kaen Road
Oregon City, Oregon 97045

City of Happy Valley
Attn: City Manager

16000 SE Misty Dr.
Happy Valley, OR 97086

- 4.6 No Personal Liability. No member, official, agent, or employee of the County or any City shall be personally liable to the other or any successor-in-interest thereto in the event of any default or breach by such entity.
- 4.7 No Agency. Neither anything in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.
- 4.8 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the party granting such waiver.
- 4.9 Further Action. The parties hereto shall, without additional consideration, acknowledge, execute, and deliver from time to time such further instruments as a requesting party may reasonably require to accomplish the purposes of this Agreement.
- 4.10 Non-Waiver of Rights. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the party's right thereafter to enforce any provision or exercise any right.
- 4.11 Time is of the Essence. A material consideration of the parties entering into this Agreement is that the parties will perform all obligations under this Agreement in a timely manner. Time is of the essence as to each and every provision of this Agreement.
- 4.12 Restricted Assignment. No party hereto may assign its rights, responsibilities or obligations hereunder to another party, by operation of law or otherwise, without (i) seeking and receiving an amendment of this Agreement and (ii) having said party join this Agreement on the terms, conditions and covenants herewith.
- 4.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.

- 4.14 Library Authority. Clackamas County operates public libraries pursuant to a board order creating public libraries for all Clackamas County residents dated July 9, 1938, as amended and updated pursuant to Board Order 85-1221 dated October 31, 1985. The Library Cities operate or in future plan to operate public libraries under state law within their boundaries. Under the District IGA, the Library Cities have agreed to provide public library services in unincorporated areas of the County as well as within City boundaries. Clackamas County nonexclusively delegates the authority to operate public libraries for the benefit of incorporated and unincorporated residents of Clackamas County to the City.

Section 5 **Transition of Sunnyside Library**

- 5.1 Capital Asset Transfer. The County shall assign, transfer, and otherwise convey to the City all its rights, title, and ownership in the land and building located at 13793 SE Sieben Park Way as more particularly described on Exhibit A attached hereto (the "Property") in the form of a bargain and sale deed. The transfer of the Property shall constitute full and complete fulfillment of all the County's obligations with respect to its Capital Contribution to the City. The County will be responsible for all associated recording fees which will be paid through the Fund (as defined in Section 5.7 below).
- 5.2 Transfer of Operations. The Parties hereto acknowledge that County currently operates the Sunnyside Public Library located on the Property (the "Sunnyside Library") for the benefit of unincorporated residents in the Happy Valley and Damascus Service Area as defined in the District IGA. The City shall assume operation and control of the Sunnyside Library to serve its current service population as of July 1, 2015 as set forth in the District IGA. The City as a Library City under the District IGA shall strive to operate the Sunnyside Library in accordance with the Service Standards as defined in the District IGA, including but not limited to maintaining hours of operation of at least 34 hours per week.
- 5.3 Library Board. The City agrees to create a Library Board of Trustees, advisory committee or similar body (a "Library Board"). The Board will include at least one person to represent the unincorporated and one person to represent the Damascus area. The City shall create and appoint the Library Board as soon as reasonably practicable after July 1, 2015. The County agrees that any current County library board with jurisdiction over the Sunnyside Library will take appropriate action to ensure it no longer controls or advises with respect to the Sunnyside Library effective upon creation of the Board.
- 5.4 Transfer of Assets. In consideration of the City's agreement to assume operation of the Sunnyside Library, the County shall transfer and/or assign, as appropriate, to the City as of July 1, 2015, all assets directly pertaining to the Sunnyside Library, including but not limited to:

- 5.4.1 its collection of books, CDs, DVDs, audio books, periodicals and any other item marked as owned by the Sunnyside Library in the Dynix computer system as of June 30, 2015;
- 5.4.2 all furnishings contained in the Sunnyside Library, such as bookshelves, tables, chairs, desks, storage units, containers, and any other item located at the Sunnyside Library used in the operation thereof;
- 5.4.3 all County-owned equipment such as PCs, thin clients, dumb terminals, printers, fax machines, telephones, answering machines, or lasers located in the Sunnyside Library as of June 30, 2015;
- 5.4.4 all miscellaneous office and other supplies, including but not limited to paper, ink ribbons, pens, staples, tapes, rubber bands, first aids kits, and other supplies located at the Sunnyside Library as of June 30, 2015;
- 5.4.5 any copy machines as may be owned or, if leased, as assigned pursuant to the applicable leasing agreement; and
- 5.4.6 assignment of the lease between the County and North Clackamas Parks and Recreation District ("NCPRD") for joint use of the parking lot owned by NCPRD and adjacent to the Sunnyside Library location.

The County remains solely responsible for all liabilities accrued or owed on or for any of the foregoing as of June 30, 2015.

- 5.5 Transfer of Contracts. Effective July 1, 2015, the County shall assign, transfer, or otherwise convey to the City all contracts, agreements, and other arrangements regarding the Sunnyside Public Library, including but not limited to all cleaning service contracts, HVAC maintenance contract currently scheduled to expire on June 30, 2015, and any post office box rental. Further, the County and the City shall arrange for all utility bills such as phone, water, electricity, garbage service, recycling, sewer and others to be transferred into the name of the City as of July 1, 2015. The County shall remain solely liable for all amounts owed on the foregoing for services through June 30, 2015. This transfer does not include a transfer of any collective bargaining agreements that the County has entered into with respect to any Sunnyside Library employees.
- 5.6 Security Transfers. The County shall collect access keys for the Sunnyside Library and deliver them to the City at close of business on June 30, 2015. The Parties acknowledge and agree that the keys for the book drop at the Sunnyside Public Library allow access to all book drops operated by the County, and therefore new book drop locks will be required after June 30, 2015.
- 5.7 Account Balance Transfer. The County shall transfer to the City on July 1, 2015 an amount equal to approximately seven (7) months of estimated operating expenses for the 2015-16 fiscal year from the balance of the account designated

for the Sunnyside Library (the "Fund"). The County may use any retained amounts in that Fund to pay all outstanding bills and transition costs associated with the Sunnyside Library, including payments to and for transferring employees, recording fees and other expenses relating to the implementation of this Agreement, audit expenses, and final reconciliation transfers. After, payment of all costs and expenses relating to the Sunnyside Library for FY14-15 are paid, and upon issuance of County's audited financials that include the Fund, the County shall complete a reconciliation of expenditures for the fiscal year 2014-15 and all expenses relating to this Agreement into a report for the City, and after the City agrees to such report, convey any remaining balance in the Fund, including interest, to the City. Such transfer shall take place after the reconciliation is completed, delivered to and accepted by the City. The report will be delivered as soon as reasonably possible but in no event later than 30 days after the completion of the County's FY14-15 audit. Any distributions that may be received from the Library District of Clackamas County on or after July 1, 2015 shall be conveyed to the City as part of the transfer and reconciliation described above.

- 5.8 Transfer of Employees. The County's employees of the Sunnyside Library as of June 30, 2015 ("Transferring Employees") shall be transferred to the employ of the City pursuant to ORS 236.605-640 on July 1, 2015, including but not limited to those individuals listed on Exhibit B attached hereto. City agrees to maintain the Transferring Employees' salary or hourly wage rate as of the Date of Transfer, including longevity, shift differential and bilingual pay already being received, for a period of twelve (12) months immediately following the Date of Transfer, as long as the Transferring Employee remains employed by City. The parties acknowledge that the City has an obligation to pay any employer-contributed deferred compensation due to transferring employees for a period of one year. However, the City's employment ordinances and payroll system does not currently allow for employer deferred compensation contributions and for ease of administration, the parties have agreed that any Transferring Employee entitled to employer-paid deferred compensation shall receive such contribution as a one-time payment into the Transferring Employee's deferred compensation account on June 30, 2015 up to the legally allowed maximum contribution. To the extent there is any remainder that otherwise would be contributed but for the accelerated timing of the contribution, then such amounts will be paid as non-deferred compensation at that time and all parties agree the obligation for payment will have been met.

- 5.8.1 After the first twelve (12) months of employment with City following the Date of Transfer have passed, City agrees to place the Transferring Employee who remains employed by the City at the closest salary or hourly wage for the position, as designated under City's then current salary schedule.

- 5.8.2 At the option of the Transferring Employee, which must be made on or before June 11, 2015 ("Election Date"), the Transferring Employee may elect to transfer any accrued and unused sick leave and may retain accrued vacation leave up to a maximum of two hundred (200) hours. Between the Election Date above and the Date of Transfer, any vacation leave hours or sick leave hours used by a Transferring Employee will result in a reduction of the transferred balance by an equivalent number of hours. During that period between the Election Date and the Date of Transfer, an employee will not be permitted to exceed the number of accrued and unused vacation leave hours and/or accrued and unused sick leave hours; in such a circumstance, the employee will be in a leave without pay status for any vacation leave hours and/or sick leave hours that go beyond the accrued amount. The County also acknowledges that the City does not participate in the Public Employee Retirement System (PERS) Sick Time Reporting Program (Program); as such the County will be responsible for any payments due the Transferring Employees pursuant to the County's participation in the Program. It will be the County's responsibility to reconcile these amounts with PERS. The obligations in this Section 5.8.2 shall survive any termination of this Agreement.
- 5.8.3 On the Date of Transfer, the County will liquidate and pay out to the Transferring Employee any accrued and unused compensatory time that the Transferring Employee has elected for payout, consistent with any applicable statute and/or applicable collective bargaining agreement.
- 5.8.4 The County and City acknowledge and agree that the Fund balance transfer described in Section 5.7 above (the "Fund Transfer") includes monies reserved and accrued against employee compensatory or vacation time, and that such transfer is full and complete payment for any additional obligation the City may incur in accepting the transfer of vacation, sick or other accrued benefit obligations of Transferring Employees except as set forth under Section 5.8.2 whereby the County is responsible for any payments due as a result of the County's participation in the Program.
- 5.8.5 City has requested and received a waiver of any waiting period for coverage of preexisting conditions under City's health insurance plan. The City and County acknowledge and agree that the Fund Transfer is full and sufficient consideration to City for any additional premium costs resulting from such waiver.
- 5.8.6 Within thirty (30) calendar days' after the Date of Transfer, the County will provide to City each Transferring Employees'

personnel file/employment records, as maintained by the County's Department of Employee Services.

- 5.8.7 The County participates in PERS. In accordance with ORS 236.620, any Transferring Employee may elect to continue under any retirement system in which the Transferring Employee was participating at the County before the transfer to City, for twelve (12) months; alternatively any Transferring Employee may elect to participate in the retirement system available to City employee, if the Transferring Employee meets the qualifications under the City retirement system. The Transferring Employee must make their chosen election in writing within thirty (30) days after the Date of Transfer. If the Transferring Employee elects to continue under the County's retirement system (in which the employee was participating prior to transfer), then the Transferring Employee shall retain all rights and be entitled to all benefits under that system; the Transferring Employee shall continue to make contributions to that system; and City shall make contributions on behalf of the Transferring Employee to that system as required of employers participating in that system, as if the transfer had not occurred. For those Transferring Employees electing to continue under the County's retirement system for twelve (12) months after the Date of Transfer, the contributions that City will make on behalf of the Transferring Employee do not include contributions to the deferred compensation program administered by the County.
- 5.8.8 City agrees to provide to Transferring Employees on the Date of Transfer, the benefits, hours, conditions, and privileges, as its other employees, including but not limited to a life insurance policy for \$15,000 and the opportunity to purchase higher coverage.
- 5.8.9 The parties agree that all PERS employer assets and liabilities based on PERS-covered service of the Transferring Employees from their date of hire with the County through June 30, 2015, shall be attributable to and the responsibility of the County, and all PERS employer assets and liabilities based on PERS-covered service of the Transferring Employees on and after July 1, 2015, shall be attributable to the City.

[Signature Page Follows]

DRAFT v3

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

THE CITY OF HAPPY VALLEY	CLACKAMAS COUNTY
By: _____	By: _____
Title: _____	Title: Chair
ATTEST: _____	ATTEST: _____

DRAFT v3

Exhibit A

[Property Description]

Exhibit B

Transferring Employees

Emp #	Last Name	First Name
9106	Arnold	Dana
24625	Bailey	Lianne
23434	Brown	Terra
23475	Bruce	Anna
22694	Buchholz	Lisa
25562	Cadwell	Dawn
2653	Croak	Terri
18493	Davis	Jennifer
18676	Dougherty	Tamara
22878	Fellows	Isaac
25148	Ferrara Rush	Jude
10480	Fowler	Evelyn
17662	Geiter	Eileen
4186	Grolbert	Doris
25473	Guenther	Walter
23848	Hanson	Christina
24623	Hill	Caitlin
23849	Hubbard	Pamela
6142	Jones	Douglas
24624	Ju	Chae
25564	Khemchan	Evangelina
25583	Lyle	David
18674	Lynn	Pamella
24603	Olson	Mitzi
25168	Orr	Renee
5462	Oviatt	Phyllis
24746	Perez	Rafael
22697	Raethke	Nicholas
20832	Richardson	Michelle
23708	Rucker	Anastasia
14477	Simpson	Kristine
25362	Skarich	Bojana
4408	Smith	Deborah
23428	Voiculescu	Cristina
22692	Walker	Michael
22438	Williams	John
10638	Wood	Charlene
21574	Woods	Dorothy
24626	Yu	Janet