



Laura Zentner, CPA

Director

BUSINESS AND COMMUNITY SERVICES

Development Services Building

150 Beaver Creek Road, Oregon City, OR 97045

July 12, 2018

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of an Intergovernmental Agreement with the City of Gladstone
to provide Library Director Services

Purpose/Outcomes	Provide temporary Library Director services to the City of Gladstone until Gladstone Public Library operations are transferred to the County.
Dollar Amount and Fiscal Impact	\$63,832 in revenue, credited to the BCS Oak Lodge Library program
Funding Source	N/A - Revenue
Duration	July 13, 2018 through June 30, 2019
Strategic Plan Alignment	<ul style="list-style-type: none">• Build public trust through good government• Build a strong infrastructure• Grow a vibrant economy• Ensure safe, healthy and secure communities
Previous Board Action	<i>10/12/2017 Business Meeting – Approval of Settlement Agreement with City of Gladstone</i> <i>2/15/2018 Business Meeting – Approval of Amendment No. 1 to the Settlement Agreement with the City of Gladstone</i>
Contact Person	Laura Zentner, <i>BCS Director</i> , 503-742-4351

BACKGROUND:

In October 2017, the County and the City of Gladstone entered into a Settlement Agreement which contemplates the operation and construction of two new libraries, one located within the City of Gladstone and one located within the Oak Lodge Library service area. Both libraries will be managed and operated by the County.

On May 15, 2018, City of Gladstone voters approved ballot measure 3-530, which provided necessary Charter approval for the implementation of the Settlement Agreement. County and City staff have begun the planning process to transfer library operations and anticipate the transfer of Gladstone Library operations to the County to be complete in fiscal year 2019/2020.

Following the May 15, 2018 election, the City of Gladstone's Library Director resigned and the Gladstone Public Library is currently operating without a Library Director or manager. The City has requested that the County provide temporary Library Director Services from July 13, 2018 through June 30, 2019, or until such time as the County assumes full management and operation of the Gladstone Library.

Under the Intergovernmental Agreement (IGA), the County will provide Library Director Services not to exceed an average of 20 hours per week. These services will be performed by the current

Oak Lodge Library Director, Mitzi Olson. In consideration, the City of Gladstone will pay the County \$15,958 on a quarterly basis, representing half of Director Olson's salary and benefits.

By offering temporary Library Director Services during this transition period, both communities can immediately begin realizing some of the efficiencies envisioned by the Settlement Agreement. Providing these services will minimize the disruption of library operations, maintain the quality of library services to the community of Gladstone during this transitional period, as well as facilitate planning and preparation for the full transfer of services from the City of Gladstone to the County.

The City of Gladstone and the County intend to enter into a separate IGA for the ongoing management and operation of the Gladstone Public Library starting in fiscal year 2019/2020. That IGA will be presented to the Board at a later date.

RECOMMENDATION:

Staff recommend that the Board of County Commissioners approve the Intergovernmental Agreement to Provide Library Director Services and authorizes the BCS Director or designee to execute all documents necessary to effectuate the same.

ATTACHMENTS:

1. Intergovernmental Agreement to Provide Library Director Services
2. Settlement Agreement between Clackamas County and the City of Gladstone
3. Amendment No. 1 to the Settlement Agreement between Clackamas County and the City of Gladstone

Respectfully submitted,

Laura Zentner, Director

INTERGOVERNMENTAL AGREEMENT TO PROVIDE LIBRARY DIRECTOR SERVICES

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into as of the last date of signature indicated below (the "Effective Date"), by and between Clackamas County ("County"), a political subdivision of the State of Oregon, and the City of Gladstone ("City"), an Oregon municipal corporation (collectively, the "Parties" and individually "Party").

RECITALS

- A. Pursuant to ORS Chapter 190.010, governmental entities such as County and City are authorized to enter into written agreements for the performance of any or all functions and activities that either Party has the authority to perform on its own.
- B. The City currently operates a library within the Gladstone Library Service Area. The County currently operates a library within the Oak Lodge Service Area. The City and County will be entering into a separate Intergovernmental Agreement for the County to operate both the Gladstone and Oak Lodge Service Areas pursuant to a settlement agreement in the case Gladstone v. Clackamas County, Clackamas County Circuit Court Case No. 16CV27287.
- C. This Agreement is for the temporary provision of Library Director Services to the City by the County.

NOW THEREFORE, the Parties agree as follows:

TERMS

- 1. **Effective Date.** This Agreement is effective July 13, 2018 and terminates June 30, 2019 or as provided in paragraph 6.
- 2. **Consideration.** The City will pay the County \$15,958 quarterly. This figure represents half of salary and benefits of the current Oak Lodge Library Director, Mitzi Olson;
- 3. **Scope of Work.** Services will not exceed an average of 20 hours per week. Duties of the Library Director may include, but not limited to the following:
 - a. Plans, coordinates and implements library patron services for the Gladstone Library; determines nature and extent of library programs, collection development and acquisitions and specific services provided to the public;
 - b. Prepares annual budget and work plan; plans, implements and monitors

budget expenditures; researches and initiates proposals for grants and other funding resources; supervises and monitors purchases and contracts conducted by library staff;

- c. Directs the management of the Gladstone Library; establishes methods and procedures for daily library operations; sets general staffing schedules and library hours of operations;
 - d. Hires and supervises professional and clerical staff; prepares performance evaluations; recommend and administers progressive discipline; conducts and/or facilitates staff training and development programs; promotes cooperative team efforts among staff and with other City departments; motivates employees to provide quality service to citizens;
 - e. Participates in cooperative programs and services with other libraries, County and City departments, businesses and other agencies; establishes level of participation in auxiliary activities; represents the library on committees, advisory boards, and at meetings;
 - f. Promotes community awareness and support of library programs; represents the Gladstone Library with community and social service organizations; develops volunteer programs and supervises volunteer recruitment and training; and
 - g. Provides staff support to the Library Board; researches and provides statistical and written reports as requested; compiles data for special federal and state reports.
4. **Notice.** Any notice under this Agreement shall be in writing and shall be effective when actually delivered or when deposited in the mail, addressed to the Parties as follows:

Liaison from City for the Agreement will be:

Jacque Betz
City Administrator
City of Gladstone
525 Portland Ave.
Gladstone, OR 97027
(503) 557-2769
betz@ci.gladstone.or.us

Liaison from County for the Agreement will be:

Laura Zentner

Director, Business & Community Services
Clackamas County
150 Beaver Creek Rd.
Oregon City, OR 97045
(503) 742-4351
lzentner@clackamas.us

5. **Staffing and Responsibility.** Parties shall continue to serve as employer of their respective employees. However, while County's employee is serving as Library Director for City she/he will be an agent of the City for the purposes of the Oregon Tort Claims Act.
6. **Termination of Agreement.** This Agreement shall continue in effect as described in paragraph 1 above, or until terminated by either party as provided herein. Either Party may terminate this Agreement by providing thirty (30) days' notice in writing to the other Party. In the event of termination of the Agreement, City shall pay all costs and fees required under this Agreement which are incurred, up until the date of termination. Such termination shall be without prejudice to any obligations or liabilities of either party accrued prior to such termination.
7. **Amendment Provisions.** The terms of this Agreement may be amended by mutual agreement of the Parties. Any amendment shall be in writing, shall refer specifically to this Agreement, and shall be executed by the Parties.
8. **Defense and Indemnification.** Subject to the Oregon Constitution and the limits of the Oregon Tort Claims Act, each Party agrees to hold harmless, defend, and indemnify the other Party, its officers, employees and agents against any and all claims, demands, actions or suits (excluding all attorneys' fees and costs) arising from this Agreement where the claim, suit, action, loss, damage, injury or liability is attributable to the acts or omissions of the indemnifying Party, its officers, employees or agents. Nothing in this section shall require a Party to indemnify the other Party from liability arising from the sole negligence of the other Party, its officers, employees, or agents.
9. **Governing Law and Forum.** The Parties expressly agree that this Agreement shall be governed and interpreted in accordance with the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof. Any litigation between the County and the City arising under this Agreement or out of work performed under this Agreement shall occur, if in the state courts, in the Clackamas County court having jurisdiction thereof, and if in the federal courts, in the United States District Court for the District of Oregon.
10. **Assignment.** Neither party shall assign this Agreement, in whole or in part

except by operation of law, or any right or obligation hereunder, without the prior written approval of the other, which may be granted or withheld in its sole and absolute discretion.

- 11. Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the intentions of the parties to the maximum extent possible.
- 12. Integration.** This Agreement contains the entire agreement between the County and the City on this subject matter and supersedes all prior written or oral discussions or agreements.
- 13. Waiver.** The County and the City shall not be deemed to have waived any breach of this Agreement by the other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach be of the same nature as that waived.
- 14. Third Party Beneficiaries.** The County and the City are the only parties to this Agreement. Nothing in this Agreement gives or shall be construed to give or provide any benefit, direct, indirect or otherwise, to third parties unless such third parties are expressly described as intended to benefit from its terms.

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

CLACKAMAS COUNTY

CITY OF GLADSTONE

Jim Bernard, Chair
Board of County Commissioners

Name:
Title:

Date: _____

Date: _____

Attest: Recording Secretary

Attest:

Date

Date

Approved as to form

Approved as to form

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made by and between the City of Gladstone ("City") and Clackamas County ("County"). The Effective Date of this Agreement is the date upon which the last signature is obtained between the parties.

RECITALS

WHEREAS, in November 2008, voters in Clackamas County authorized the formation of the Library District of Clackamas County ("Library District") to provide stable funding for library services throughout Clackamas County by collecting District-wide property taxes and distributing those funds directly to library service providers;

WHEREAS, in August 2009, Library District entered into an intergovernmental agreement to distribute Library District tax revenue to library service providers ("Master IGA"), including the City;

WHEREAS, as part of the preparatory process for the formation of the Library District, County proposed a one-time contribution from the County general fund to each city providing library services in the Library District;

WHEREAS, in April 2011, the City and County entered into an intergovernmental agreement in which the County agreed to provide the City with a \$2.5 million capital contribution ("Capital IGA"); both the Master IGA and the Capital IGA contemplate the City constructing one new library to provide library services to City residents and residents of unincorporated Oak Lodge;

WHEREAS, soon thereafter, the County distributed the \$2.5 million to the City to fund a new library on Webster Road ("Webster Road Library");

WHEREAS, in April 2012, City electors approved two new charter provisions that require the Gladstone City Council to submit to the electors for approval any capital project that requires a bond or any project of more than \$1 million, thus requiring the Gladstone City Council to submit the plan for the Webster Road Library to the City's electorate;

WHEREAS, in November 2012, the City's electors rejected the Webster Road Library project and, pursuant to the County's request, City returned the \$2.5 million capital contribution to the County, less \$1 million the City previously spent developing the Webster Road Library;

WHEREAS, the parties agreed County would hold the remaining \$1.5 million ("Capital Contribution") in trust for the City while the City developed an alternative plan for library services for City and Oak Lodge residents;

WHEREAS, between November 2012 and June 2014, City and County discussed alternatives for the proposed library;

WHEREAS, in November 2014, City electors approved Ballot Measure 3-446 ("BM 3-446"), which authorized the construction of a 13,000 to 16,000 square foot library to be located on Portland Avenue in Gladstone between Gladstone High School and the Clackamas River;

WHEREAS, BM 3-446 included a prohibition against using “City/urban renewal funds” to “construct/operate” the new library;

WHEREAS, in February 2016, City submitted a capital plan to County and requested the County distribute the remaining \$1.5 million;

WHEREAS, in March 2016, County responded by asserting City’s capital plan was insufficient under the Capital IGA and providing City notice of its intent to terminate the Capital IGA in September 2016;

WHEREAS, in June 2016, City submitted to County a supplemental capital plan and again requested County distribute the remaining funds;

WHEREAS, in August 2016, County again refused to distribute the funds; and

WHEREAS, on August 22, 2016, City filed a breach of contract complaint against County in Clackamas County Circuit Court; County answered the complaint in September 2016 with affirmative defenses and a breach of contract counterclaim (Case No. 16CV27287, “Lawsuit”); and

WHEREAS, the Clackamas County Circuit Court set the case for trial on September 5, 2017;

WHEREAS, on June 20, 2017, the parties jointly requested a stay of further proceedings and discovery in the Lawsuit to commence settlement discussions;

WHEREAS, during this time, elected and administrative officials from both parties met to discuss possible solutions for library services in the Gladstone/Oak Lodge service area;

WHEREAS, in August 2017, the parties discussed two “Concept Options” for consideration;

WHEREAS, this Agreement contemplates implementing Concept Option A (defined below) in a manner that is equitable and beneficial for members of both the Gladstone and Oak Lodge library service areas such that citizens will receive the Threshold level of service called for in the Master IGA;

WHEREAS, proceeding with this Agreement is intended to provide a clear framework for a two library solution for both the Gladstone and Oak Lodge communities while providing robust and meaningful opportunities for public engagement and input both in the implementation of Concept Option A and the operation of both libraries contemplated thereunder going forward; and

WHEREAS, the parties now agree that it is in their best interest to settle the Lawsuit and work together to find a library solution in accordance with the terms of this Agreement.

NOW, THEREFORE, the City and County agree as follows:

1. Dismissal of Lawsuit.

1.1. In consideration of the promises and obligations of this Agreement, including the parties’ good faith obligation to implement Concept Option A (defined in Section 2.1 below), City will dismiss the Lawsuit within ten (10) days of its Effective Date with prejudice, without an award to any party, and with the parties bearing their own costs, expenses, disbursements and attorneys’ fees.

2. Concept Option A.

2.1. City and County commit to pursuing and implementing "Concept Option A" as described in this section and in Exhibit A, attached and incorporated into this Agreement. For purposes of clarity, the parties agree that Concept Option A contemplates that two new libraries will be constructed. The first would be in the City as more fully described in Section 2.2.3. The second will be located in unincorporated Clackamas County within the Oak Lodge library service area with a specific site to be determined after appropriate public input pursuant to Section 3.3. Both libraries will be jointly operated by Clackamas County in a collective manner to realize efficiencies and best provide library services to their collective patrons. Revenues distributed from the Library District for both the Gladstone and Oak Lodge service areas, including prior reserves, may be used to implement Concept Option A upon successful completion of the City obligations outlined in Section 2.2 and County obligations outlined in Section 2.3. Going forward, revenue generated by the Library District for both service areas will be distributed to Clackamas County and combined with the City contribution under Section 2.2.1 for the express purpose of supporting Concept Option A and the operation of the two library facilities for the benefit of their patrons.

2.2. City Obligations:

2.2.1. City Measure. City will submit a measure to its electors for the May 2018 primary election to authorize a roughly 6,000 square foot library located in Gladstone ("City Measure"). The measure will also specify that City will contribute approximately \$200,000 per fiscal year of general fund revenue, with increases indexed to the annual rate of increase of the City's property tax revenue, to fund operating costs of Concept Option A.

2.2.2. Amendments. City agrees to effectuate and support any amendments to the Capital IGA, the Master IGA, or the Master Order necessary to accomplish Concept Option A.

2.2.3. City Property. City acknowledges that one of the key premises of Concept Option A is that land currently owned by the City (the "City Parcel") will be made available as a location to construct a new 6,000 square foot library in the City. The City Parcel is the current location of Gladstone city hall, which will be made available after relocation of said city hall. The City agrees to make the City Parcel or, in its sole discretion, a similarly sized and located parcel of land available to the County for construction of the planned library at a rate of \$1 per year leasehold interest for a period at least as long as any debt associated with implementation of Concept Option A.

2.3. County Obligations:

2.3.1. Amendments. County agrees to effectuate and support any amendments to the Master Order, Capital IGA and the Master IGA necessary to accomplish Concept Option A.

2.3.2. County Measure. If an election is required to effectuate any amendments to the Master Order, Capital IGA or the Master IGA, the County will submit a measure to voters ("County Measure") for the May 2018 election.

2.3.3. No Other Entities. The City and County acknowledge that they are the only parties to this Agreement, and that they are not committing on behalf of any other entities with respect to the subject matter hereof. Specifically, the County is not committing to any particular course of action on behalf of North Clackamas Parks and Recreation District, for which it serves as the governing body, by agreeing to Concept Option A specifically or this Agreement generally.

3. Timeframes.

3.1. Measures. Both parties agree to submit any necessary measure to the County Election Official no later than the final submission date for local governments to file the ballot title with the County Election Official for the May 2018 election.

3.2. Amendments. Both parties agree that any necessary amendments to the Master Order, Capital IGA and the Master IGA will occur no later than six (6) months after the County Elections Office certifies the elections results for the May 2018 election.

3.3 Public Involvement.

3.3.1. The parties acknowledge that Concept Option A is a general strategy that has many details to be determined. The parties commit to a robust and transparent public engagement process to allow input on such details, including but not limited to location of the two libraries, size, level of services anticipated, and other issues and amenities as may be of interest to the public. This involvement will specifically include the Oak Lodge Board of Trustees, the Gladstone Library Board, and the Library District Advisory Board, whom each shall have the specific opportunity to provide input on the implementation of Concept Option A and, if desired, enhanced delivery through some degree of additional funding as suggested under Concept Option B. The parties agree to share such public input with each other in coordinating the delivery of the best possible library services to the citizens in the Oak Lodge/Gladstone service areas.

3.3.2. With respect to City, the location and size of the library may only deviate from the location and size described in Section 2.2.3 of this Agreement if the City, in its sole discretion, provides to County a parcel of land similar in size and location to the City Parcel and decides, in its sole discretion, to allow a library facility in the City to be less than 6000 square feet.

4. Contingencies.

4.1. Failure to Submit County Measure. If County fails to submit County Measure, or fails to use the appropriate procedure to submit County Measure, to the electors within the timeframe specified above, County will pay City a lump sum of three hundred sixty thousand dollars and no cents (\$360,000.00) by March 31, 2018 for the City to use for library purposes.

4.2. County Measure Fails. If County Measure fails, County will pay City a lump sum of three hundred sixty thousand dollars and no cents (\$360,000.00) within thirty (30) days of the County Election's Official certifying the election results for the City to use for library purposes.

4.3. Failure to Submit City Measure or City Measure Fails. If City fails to submit City Measure to the electors within the timeframe specified above or if City Measure fails, City is not entitled to any lump sum payment from County; however, City's current service population, including the residents in the unincorporated area currently within City's service population, will continued to be served by City and City will continue to receive District revenue as specified in the Master IGA.

4.4. Master IGA. If County Measure is approved and County determines the Master IGA must be amended to effectuate Concept Option A and the parties to the Master IGA fail to amend it within six (6) months of County Elections Office certifying the election results, County will pay City a lump sum of three hundred sixty thousand dollars and no cents (\$360,000.00) for the City to use for library purposes within thirty (30) days of a written demand from City.

5. Capital Contribution.

5.1. In Trust. County agrees to continue holding the Capital Contribution in trust until such time as County uses the funds to effectuate Concept Option A. However, if any contingency under Section 4 of this Agreement occurs and triggers an obligation for the County to pay City, the County will pay the City three hundred sixty thousand dollars and no cents (\$360,000.00) as

described in Section 4 above. Full implementation of Concept Option A, an expanded service plan including a variation as described in Section 5.2 below, City's non-performance under Section 4.3, or payment to the City of three hundred sixty thousand dollars and no cents (\$360,000.00) as required by any of Sections 4.1, 4.2, or 4.4 above shall be considered satisfaction of the terms of this Agreement and further will remove the restrictions on funds pursuant to this Section 5.1.

5.2 Additional Capital. The parties agree that nothing in this Agreement shall be understood or interpreted to prevent or restrict either party from choosing to enhance either of the two capital facilities anticipated under Concept Option A, up to and including the proposal or inclusion of capital dollars from or through additional service districts and/or general obligation bonds such as discussed under Concept Option B or otherwise, such as a local improvement district. To the extent there are additional capital contributions to either the City library facility or the unincorporated area library facility, such contributions shall not result in a reduction of or substitute for funds allocated under Concept Option A but rather be supplemental thereto. Capital contributions in addition to the amounts described in Concept Option A are the sole responsibility of the party seeking additional capital contributions.

6. **Release of Claims.**

6.1. Conditioned on the full satisfaction of the City's and County's obligations under this Agreement, each party releases the other from any and all claims it might otherwise have against the other relative to the Master IGA, Capital IGA or the Capital Contribution including, without limitation, any and all claims for principal, interest, fines, penalties, delinquency charges, or other amounts due.

7. **General Provisions.**

7.1. No Third-Party Rights. There are no third-party beneficiaries of this Agreement and nothing in this Agreement is intended to offer or confer any rights or remedies under or by reason of this Agreement on any person(s) other than the parties to it.

7.2. Entire Agreement. This Agreement constitutes the entire agreement and understanding concerning the subject matter hereof between the parties, and supersedes and replaces all prior communications, negotiations, representations, proposed agreements and agreements, whether written or oral.

7.3. Authority. Each party executing this Agreement represents and warrants that (a) it has obtained all necessary consents and approvals prior to its execution; and (b) that it has not assigned or transferred, or purported to assign or transfer, to any other person or entity any of the rights or obligations contained within this Agreement.

7.4. Successors. The terms of this Agreement are binding upon and inure to the benefit of the parties and the past and present agents, servants, officers, directors, employees, trustees, representatives, shareholders, parent and subsidiary corporations, successors, heirs, administrators, insurers, and assigns of each.

7.5. Severability. If any provision of this Agreement is deemed unlawful or unenforceable, such provision is fully severable, and the remainder of this Agreement remains in full force and effect.

7.6. Modifications and Amendments. This Agreement may not be altered, modified, or amended without the approval of each party's governing body and the express written consent of both parties.

7.7. No Waiver. Any failure by any party to enforce any provision of this Agreement, or to require at any time performance by the other party of any of the provisions hereof during the pendency of this Agreement, will in no way affect the validity of this Agreement, nor any part

hereof, and will not be deemed a waiver of the rights of any party hereinafter to enforce any and each such provision.

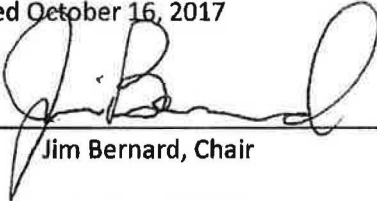
- 7.8. Photocopies Effective As Original. The executing parties agree that a photocopy, facsimile copy, or other signed copy of this Agreement is as effective as the original.
- 7.9. Counterparts. This Agreement may be signed in counterparts with the same force and effect as if all signatures were collected on the same original.
- 7.10. Costs and Expenses. Each party agrees to bear its own costs, expenses and attorney's fees relating to the Lawsuit.
- 7.11. Further Assurances. The parties agree to cooperate fully and execute any further documents, and take any further actions, as may be reasonable and necessary in order to carry out the purpose and intent of this Agreement.
- 7.12. Headings and Titles. Section headings and titles are organizational aids, and, as such, may not be used to interpret this Agreement or the language of any of the provisions herein to the extent that they contradict any of the more specific provisions of the paragraphs herein.
- 7.13. Construction. This Agreement will not be construed against its drafter, but rather will be construed as if both parties drafted it.

[SIGNATURES ON FOLLOWING PAGE]

SIGNED:

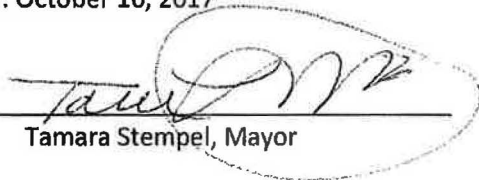
FOR CLACKAMAS COUNTY

Dated October 16, 2017

By: 
Jim Bernard, Chair

FOR CITY OF GLADSTONE

Dated: October 16, 2017

By: 
Tamara Stempel, Mayor

Attachment – Concept Options A & B

CONCEPT OPTION A - JOINT GLADSTONE/OAK LODGE LIBRARY OPERATION (one service area with uniform services) -- debt paid from operating cash and use of \$3.5 reserves		
	Oak Lodge	Gladstone
Population	38,998	11,505
Building Square Feet (.5 per capita)	19,500	6,000 (rounded up)
Estimated Building Cost @ \$300/Square Foot	\$5.9 Million	\$1.8 Million
Estimated Annual Debt – \$4.2 Million Bond Issuance	\$310,000 20 year bond (to be paid from operating revenue) 3.5% Interest Rate	
Revenue Bond Rate	No impact to citizens (debt paid from operating cash)	
Annual Operating Revenue –	\$1,281,502 – Oak Lodge \$700,159 – Gladstone <u>\$200,000</u> – Gladstone General Fund	
Per Capita before debt = \$43.20	\$2,181,661	
Per Capita after debt = \$37.06	(<u>\$310,000</u>) – Annual Debt <u>\$1,871,661</u> Operating Revenue for both facilities	

Assumptions:

- Build two new Libraries
 - Gladstone
 - Oak Lodge
- Change Master Order - \$3.5 Million Reserve to be used for capital construction
- \$4.2 Revenue Bond – capital construction
- No change in service boundary
- IGA for County to manage operations of both facilities
 - More efficient operations; staff sharing; economies of scale
 - Need to forecast operating costs of jointly running both libraries
 - Gladstone employees to become County employees?
- Joint construction of both buildings
 - IGA for construction/ownership/citizen involvement
 - Use of same contractor
 - Use of same Design/Landscape Architect firm
- Communication Plan/PGA to assist
 - Citizens
 - OL Library Advisory Group
 - Gladstone Advisory Group
- Gladstone – Measure to repeal current GF restrictions

CONCEPT OPTION B- JOINT GLADSTONE/OAK LODGE LIBRARY OPERATION (one service area with uniform services) – debt paid via GO Bond & Capital District Formation		
	Oak Lodge	Gladstone
Population	38,998	11,505
Building Square Feet (.5 per capita)	19,500	6,000 (rounded up)
Estimated Building Cost @ \$300/Square Foot	\$5.9 Million	\$1.8 Million
Estimated Annual Debt – \$6.7 Million GO Bond Issuance	\$500,000 20 year bond 3.5% Interest Rate	
GO Bond Rate	.13 cents per \$1,000 AV (\$39 per year for house with AV of \$300,000)	
Annual Operating Revenue –	\$1,281,502 – Oak Lodge \$700,159 – Gladstone <u>\$200,000</u> – Gladstone General Fund	
Per Capita before debt = \$43.20	\$2,181,661 = Annual Operating Revenue	

Assumptions:

- Create Capital District to construct two new facilities
 - Gladstone
 - Oak Lodge
- PGA to manage joint County/Gladstone Campaign to create new Capital District
 - Uniform rate/8/10/2017 11:18 AM County Counsel to assist with legal requirements
- County to issue GO Bond and manage payment of debt
 - \$6.7 GO Bond – capital construction
 - GO Rate estimate at .13 per thousand of AV
 - \$39 per year for house with AV of \$300,000
- Joint construction of both buildings
 - IGA for construction/ownership/citizen Involvement
 - Use of same Contractor/Design/Landscape Architect firm
- No change to Master Order – use \$1 Million for capital
- No change in service boundary
- IGA for County to manage operations of both facilities
 - More efficient operations; staff sharing; economies of scale
 - Need to forecast operating costs of jointly running both libraries
 - Gladstone employees to become County employees?
- Communication Plan/PGA to assist
 - Citizens/OL Library Advisory Group/Gladstone Advisory Group
- Gladstone – Measure to repeal current GF restrictions

Amendment No. 1 to Settlement Agreement

Between

Clackamas County and

The City of Gladstone

THIS AMENDMENT NO. 1 TO THE SETTLEMENT AGREEMENT ("Amendment") is made by and between the City of Gladstone ("City") and Clackamas County ("County"). The Effective Date of this Agreement is the date upon which the last signature is obtained between the parties.

WHEREAS, the City and County entered into that certain Settlement Agreement dated October 16th, 2017 (the "Agreement") resolving certain disputed matters; and

WHEREAS, the County has requested additional time to accomplish certain required actions in the Agreement for the benefit of both parties, and the City has expressed a willingness to do so; and

WHEREAS, this Amendment effectuates the proposed changes;

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The Agreement's Sections 2.3.2, 3.1, 3.2, 4.1 and 4.4 are hereby amended and restated to read in their entirety:
 - 2.3.2. County Measure. If an election is required to effectuate any amendments to the Master Order, Capital IGA or the Master IGA, the County will submit a measure to voters ("County Measure") for the November 2018 election.
 - 3.1. Measures. City shall file any necessary measure to the County Election Official no later than the final submission date for local governments to file the ballot title with the County Election Official for the May 2018 election. County shall file any necessary measure to the County Election Official no later than the final submission date for local governments to file the ballot title with the County Election Official for the November 2018 election.
 - 3.2. Amendments. Both parties agree that any necessary amendments to the Master Order, Capital IGA and the Master IGA will occur no later than December 31, 2018.
 - 4.1. Failure to Submit County Measure. If County fails to submit County Measure, or fails to use the appropriate procedure to submit County Measure, to the electors within the timeframe specified above, County will pay City a lump sum of three hundred sixty thousand dollars and no cents (\$360,000.00) by October 31, 2018 for the City to use for library purposes.
 - 4.4. Master IGA. If the Master IGA must be amended to effectuate Concept Option A and the parties to the Master IGA fail to amend it by December 31, 2018, County will pay City a lump sum of three hundred sixty thousand dollars and no cents (\$360,000.00) for the City to use for library purposes within thirty (30) days of a written demand from City.

2. Except as set forth herein, the Agreement is affirmed and ratified.

SIGNED:


FOR CLACKAMAS COUNTY

Dated February 1st 2018

By: 
Jim Bernard, Chair

FOR CITY OF GLADSTONE

Dated: February 2nd, 2018

By: 
Tamara Stempel, Mayor