

**INTERGOVERNMENTAL AGREEMENT BETWEEN  
SANDY FIRE DISTRICT #72 and CLACKAMAS FIRE DISTRICT #1  
FOR  
ALL FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES**

This Intergovernmental Agreement is entered into by and between Sandy Fire District #72 ("SANDY") and Clackamas Fire District #1 ("CLACKAMAS") pursuant to ORS Chapter 190. It supersedes all other existing agreements for services between the parties. This Intergovernmental Agreement (the "AGREEMENT") is entered into under the authority granted to the parties by ORS 190, which authorizes units of local government to enter into written agreements with any other units of local government for the purpose of any and all functions and activities that the parties to the agreement, its officers, or agencies, have authority to perform.

The parties agree as follows:

1. Term. The term of this AGREEMENT begins at 7:30 a.m. on July 1, 2023 and terminates at 7:30 a.m. on July 1, 2030.
2. Scope of Services. CLACKAMAS agrees to provide fire protection, fire prevention, emergency medical services, and other services to SANDY generally consistent with the services currently provided within CLACKAMAS ("Services"). However, in providing Services, CLACKAMAS will assign priority to the Services by taking into consideration both Parties' environment, timelines, and needs, as well as CLACKAMAS's own obligations, policies and procedures, as they may be changed from time to time.
3. Providing Service. CLACKAMAS agrees to:
  - A. Provide fire protection and emergency medical services throughout SANDY boundaries in a manner consistent with this AGREEMENT and within the staffing guidelines established in Appendix 'A', including the use of CLACKAMAS' vehicles, equipment, apparatus and sufficient personnel to operate the vehicles, equipment and apparatus. These Services shall be provided subject at all times to CLACKAMAS' priorities and needs to assure adequate fire protection and emergency medical services to CLACKAMAS. Under this condition, if the demands of SANDY exceed CLACKAMAS' capability to provide Services under this AGREEMENT, CLACKAMAS agrees to use mutual aid agreements as may be necessary to supplement CLACKAMAS' vehicles, equipment, apparatus and personnel.
  - B. Use due diligence to maintain continuous (twenty-four hours per day, seven days per week) fire protection and emergency medical services, which shall at least be consistent with Appendix A. Subject at all times to the Indemnification and Insurance provisions herein, under no circumstances is CLACKAMAS liable to SANDY for an interruption or failure of service caused by acts of God,

unavoidable accident, or other circumstances beyond the control of CLACKAMAS.

- C. Participate in mutual and automatic aid agreements with fire protection providers that are contiguous with CLACKAMAS.
  - D. CLACKAMAS shall pay for all utilities for the SANDY facilities and property insurance for all facilities, equipment and apparatus owned by SANDY.
  - E. Provide SANDY with regular reports and evaluations of the Services under this AGREEMENT.
  - F. Inform SANDY of all new developments, issues, or concerns affecting the SERVICES of this AGREEMENT.
4. Receiving Service. SANDY agrees to:
- A. Compensate CLACKAMAS as described in Section 56: Compensation.
  - B. Provide CLACKAMAS sole use of SANDY's fire stations and annex, located in Sandy, Oregon at 17460 Bruns Avenue, 17459 Bruns Avenue, 13120 Ten Eyck Road, and 24545 SE Firwood Road.
  - C. Ensure the SANDY fire stations, apparatus, equipment, and uniforms/PPE meet CLACKAMAS standards as enumerated in standard operating procedures, prescribed load lists, and in customary practice and to reimburse CLACKAMAS for any costs borne by CLACKAMAS in bringing the aforementioned to its standards.
  - D. Update the fire station and its systems (e.g., HVAC) as requirements for facility design and/or performance changes are mandated at the state or federal level.
  - E. Provide CLACKAMAS sole use of fire protection and emergency medical services facilities and equipment owned or leased by SANDY. SANDY shall retain ownership of SANDY-owned facilities and shall pay for capital improvements and capital and durable assets as determined by CLACKAMAS and reviewed and approved by the SANDY board. If SANDY decides to sell or transfer ownership of SERVICES-related facility or equipment not already transferred to CLACKAMAS under this AGREEMENT, SANDY shall offer CLACKAMAS a right-of-first-refusal to purchase all such facilities and equipment during and for one year after the end of SERVICES. SANDY shall give CLACKAMAS not less than 30 days prior written notice of SANDY's intent to dispose of any such property and CLACKAMAS shall have not less than 60 days from the receipt of SANDY's notice of intent to dispose to respond in writing regarding whether it wishes to exercise its right of first refusal.

- F. Provide CLACKAMAS sole use of SANDY's vehicles and apparatus. CLACKAMAS will maintain those vehicles and apparatus in the same manner which CLACKAMAS maintains CLACKAMAS -owned vehicles and apparatus. SANDY agrees to not sell any vehicle or apparatus which are part of this AGREEMENT without consulting and the mutual agreement of CLACKAMAS. If SANDY decides to sell or transfer ownership of SERVICES-related vehicles or apparatus not already transferred to CLACKAMAS under this AGREEMENT, SANDY shall offer CLACKAMAS a right-of-first-refusal to purchase all such vehicles and apparatus during and for one year after the end of SERVICES. SANDY shall give CLACKAMAS not less than 30 days prior written notice of SANDY's intent to dispose of any such property and CLACKAMAS shall have not less than 60 days from the receipt of SANDY's notice of intent to dispose to respond in writing regarding whether it wishes to exercise its right of first refusal.
  - G. Not require CLACKAMAS to duplicate those efforts or services regularly provided by other governmental agencies and agrees CLACKAMAS shall not be required to provide any services, which are or are hereafter specifically reserved by law for any other governmental agency.
  - H. Notify CLACKAMAS of any developments or issues concerning the AGREEMENT in advance of any public announcement on the subject.
5. Identity. CLACKAMAS shall identify that it serves SANDY on SANDY fire stations, on apparatus permanently assigned to SANDY fire stations, in promotional, website, social media, and educational materials. SANDY shall identify that CLACKAMAS is the service provider for fire, EMS, and rescue services in SANDY promotional, website, social media, and educational materials that relate in whole, or in part, to the services provided for under this AGREEMENT.
6. Compensation.
- A. Subject to annual appropriation as provided in Section 6.C.2, SANDY agrees to pay CLACKAMAS the full amount of current-year and prior-year property taxes collected at Sandy's current tax rate of \$2.1775 per \$1,000 assessed valuation to enable CLACKAMAS to provide the Services during the term of this AGREEMENT.
    - a. SANDY agrees to pay CLACKAMAS in equal quarterly installments payable on the first day of each quarter (July 1, October 1, January 1, and April 1), beginning on July 1, 2023.
    - b. The quarterly payment amounts shall be estimates determined as part of the annual budget process. The quarterly payment amounts will be determined by estimating the total annual property tax revenue amount and dividing by four.
    - c. Each July beginning July 2024, the actual property taxes collected in the prior fiscal year will be reconciled with the actual quarterly payments (based on the budget estimate) from SANDY to CLACKAMAS in the

prior fiscal year. If total quarterly payments were more than actual property tax collections, CLACKAMAS agrees to refund the difference to SANDY's account. If total quarterly payments were less than actual property tax collections, SANDY agrees to pay the difference to CLACKAMAS.

B. SANDY also agrees to pay the one-time transition costs to CLACKAMAS as described in the other sections of this AGREEMENT. CLACKAMAS shall furnish to SANDY a complete list of known, specific items constituting the transition costs prior to the execution of this agreement. CLACKAMAS will inform SANDY if additional transition cost items are identified.

C. Other Compensation Terms:

1) If, during the term of this AGREEMENT the taxing authority of CLACKAMAS and / or SANDY is limited by a State-wide ballot measure, Legislative action, a Court decision, any other reason, and if, as a result of the tax limitation, CLACKAMAS is unable to provide the level of service described in Section 2 above, or if SANDY is unable to pay CLACKAMAS for the established levels of service, the parties agree to renegotiate this AGREEMENT in good faith or to agree to an earlier termination of this AGREEMENT.

2) SANDY agrees to propose a budget containing an appropriation of sufficient funds to make payments under this AGREEMENT as part of its annual budget process and use its best efforts to obtain approval of the budget. If SANDY fails at any time to appropriate the funds necessary for this AGREEMENT, this AGREEMENT will terminate upon not less than thirty (30) days written notice from CLACKAMAS notwithstanding the provisions of Section 16.

3) Should this AGREEMENT be terminated prior to July 1, 2030, SANDY agrees to pay the portion of any service or lease agreement which is attributed to CLACKAMAS' service to SANDY until the expiration of such agreements provided that the service or lease agreement has been approved by SANDY in its budgeting processes under this Agreement.

7. Grants. SANDY and CLACKAMAS agree to cooperate on existing grants and grant opportunities which support SERVICES.

A. CLACKAMAS agrees to manage any grants awarded to SANDY which have not been closed out as of the date of this AGREEMENT.

B. SANDY attests that, at the time of the execution of this AGREEMENT, it does not own, nor is it in the possession of, any grant-funded assets.

- C. SANDY agrees to allow and to cooperate with CLACKAMAS to apply for grants which support SERVICES. CLACKAMAS will manage grants through closeout or until the termination of this AGREEMENT. Matching grants (e.g., SAFER, AFG, and other grants that are not disaster-relief grants) will require SANDY Board approval for acceptance of any award.
8. Additional Funding. SANDY agrees to provide to CLACKAMAS any revenue from county, state, and national programs which are intended to provide relief from or assistance with natural or manmade disasters such as the COVID-19 pandemic.
9. Legal Advice. Each Party shall consult their own respective legal counsel, as they deem necessary. For actions involving both jurisdictions each Party's attorneys may collaborate as appropriate. Cost of their respective counsel will be borne by the respective agency.
10. Employees
- A. Permanent, Full-Time Employees. The parties agree to the transfer of up to the sixteen full-time employees of SANDY employed at the time this AGREEMENT is executed. The full-time employees shall be subject to the terms and conditions expressed in Appendix B, Employee Transfer.
- B. Volunteers. All volunteers of SANDY shall in good standing, as determined by SANDY fire chief, as of February 1, 2023, and meeting the conditions of this section, shall be offered volunteer positions with CLACKAMAS effective the start of this AGREEMENT's term, should they remain in good standing as determined by SANDY fire chief.

Before transfer, CLACKAMAS and SANDY will ensure those individuals have met all medical, fitness and other requirements as determined by CLACKAMAS. Any individual who does not successfully complete the requirements for suppression volunteer will be required to comply with CLACKAMAS policies and procedures to improve their medical / fitness condition to satisfy CLACKAMAS requirements for suppression volunteers. Individuals failing to meet CLACKAMAS' suppression volunteer requirements may alternatively request a support volunteer position if the requirements for the support volunteer position are met. Failure to meet CLACKAMAS' requirements for either a suppression or support volunteer position will disqualify an individual to transfer into a volunteer position. Individuals failing to meet CLACKAMAS requirements may apply for a volunteer position with CLACKAMAS in the future.

Any and all liabilities related to SANDY's volunteers up to the EFFECTIVE DATE remain the sole responsibility of SANDY.

11. Capital Assets and Planning.  
Prior to July 1, 2023, CLACKAMAS and SANDY will develop a plan for long-term ownership and or replacement plan of fire apparatus, facilities, and equipment owned by SANDY. CLACKAMAS and SANDY will agree on an amount, as budgeted funds allow, that SANDY will annually transfer to a reserve fund or funds, including an operating contingency. CLACKAMAS will manage and report financial management of this fund or funds in accordance with scope of services. Expenditures from the reserve fund will be jointly agreed upon by SANDY and CLACKAMAS.
12. Inventory: To ensure taxpayer assets are properly managed, whether ownership is retained or transferred, SANDY and CLACKAMAS will conduct an inventory of the fire stations and annex, apparatus, and any other SANDY property that holds equipment, furnishings, et cetera. Prior to March 1, 2023, CLACKAMAS and SANDY will develop an agreed upon inventory list of all SANDY assets and determine condition at time of inventory.
13. Joint Oversight Review. A committee composed of five representatives - two elected representatives from SANDY, two elected representatives from CLACKAMAS, and CLACKAMAS' fire chief or designee - shall jointly consider the services provided, policy development, budget development, and financial aspects of the AGREEMENT. The Joint Oversight Committee shall meet at least monthly for the first 6-months of the AGREEMENT and quarterly thereafter unless otherwise mutually agreed upon. Each party's Joint Oversight Committee members shall serve as liaisons to the other party's governing body.
14. Planning Coordination. SANDY and CLACKAMAS agree to cooperate in good faith as described in Oregon Revised Statutes Chapter 195. CLACKAMAS will participate in all comprehensive planning, plan amendments, and amendments to land-use regulations within SANDY.
15. Hold Harmless and Insurance.
  - A. Subject to the limitations of liability for public bodies set forth in the Oregon Tort Claims Act, ORS 30.260 to 30.300, and the Oregon Constitution, SANDY and CLACKAMAS shall mutually hold each other harmless and indemnify each other, their respective Directors, employees, volunteers and authorized agents, all of whom were acting within the proper scope of their authority, against any and all costs, claims, actions, damages, losses and expenses (including all attorney(s) fees and costs), arising out of or related to the provision of the Services under this AGREEMENT. Notwithstanding the immediately preceding, neither Party nor any elected and appointed official, officer, employee, volunteer, or agent thereof shall be responsible for any claims, damage or liabilities occurring by reason of the willful misconduct of the other party, their officers, employees, volunteers or agents or for any breach of contract claims regarding this AGREEMENT.
  - B. Both Parties agree to maintain insurance coverage in the minimum amounts

necessary under the Oregon Tort Claims Act to cover public body liabilities and to name each other as an additional insured.

16. Termination. Except as otherwise provided herein, this AGREEMENT may be terminated by either Party by giving twelve (12) months prior, written notice to the other Party. CLACKAMAS may terminate this AGREEMENT with 60 days' written notice for SANDY's failure to pay compensation as provided herein. In the event of such notice to terminate, CLACKAMAS shall provide SANDY fifteen (15) days to remedy the non-payment. This AGREEMENT may also be terminated upon mutual written AGREEMENT of both Parties.
17. Discrimination. The parties agree not to discriminate on the basis of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, or source of income in the performance of this AGREEMENT.
18. Waiver of Breach. A waiver of any breach of any provision of this AGREEMENT by either party shall not operate as a waiver of any subsequent breach of the same or any other provision of this AGREEMENT.
19. Applicable Laws. At all times during the term of this AGREEMENT, CLACKAMAS and SANDY shall comply with all applicable laws, ordinances, rules, and regulations of the United States of America, the State of Oregon, including all agencies and subdivisions thereof.
20. General Provisions. Unless otherwise specifically prescribed in this AGREEMENT, the following provisions shall govern its interpretation and construction:
  - A. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number.
  - B. Time is of the essence of this AGREEMENT.
  - C. Unless otherwise specified in this AGREEMENT, any action authorized or required to be taken by CLACKAMAS shall be taken by its governing body or Fire Chief.
  - D. Every duty and every act to be performed by either party imposes an obligation of good faith on the party to perform such.
  - E. Any provision or condition of this AGREEMENT may be waived at any time, in writing, by the party entitled to the benefit of such provision or condition. Waiver of any breach of any provision will not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

21. Dispute Resolution. The parties desire, if possible, to resolve disputes, controversies, and claims (“Disputes”) arising out of this AGREEMENT without litigation. To that end at the written request of a party, each party shall appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any Dispute arising under this AGREEMENT. The parties intend that these negotiations be conducted by non-lawyer, business representatives. The discussions shall be left to the discretion of the representatives.
- A. If the negotiations do not resolve the Dispute within sixty (60) days of the initial written request, the Dispute shall be submitted to non-binding mediation with a mediator chosen by mutual agreement of the parties or, in the absence of such agreement, with a mediator appointed by the presiding judge of the Circuit Court for Clackamas County.
  - B. Each party shall bear its own cost of these dispute resolution procedures. The parties shall equally share the fees of the mediation and the mediator.
  - C. In the event the disputes or claims cannot be resolved under the above process, the dispute or claim shall be subject to binding arbitration. Arbitration shall be conducted pursuant to the rules of the Arbitration Service of Portland, and shall be conducted in Clackamas County, Oregon, unless otherwise agreed to by the parties.
22. Notice. All notices, reports, or demands required to be given in writing under this AGREEMENT shall be deemed to be given when delivered personally to the person designated below, or his or her successor, or when five (5) days have elapsed after it is deposited in the United States mail in a sealed envelope, with certified mail postage prepaid, or on the next addressed business day if sent by express mail or overnight air courier to the party to which the notice is being given at the address below. Alternatively, an electronic communication shall be deemed written notice if sent to the electronic mail address specified below by the receiving party under separate cover. Electronic notices shall be deemed received at the time the party sending an electronic notice receives verification of receipt by the receiving party.
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| <p><b>Clackamas Fire District #1</b><br/>         Fire Chief<br/>         11300 SE Fuller Road<br/>         Milwaukie, OR 97222<br/>         nick.browne@clackamasfire.com</p> | <p><b>Sandy Fire District #72</b><br/>         Board President<br/>         11300 SE Fuller Road<br/>         Milwaukie, OR 97222<br/>         email address for Board President</p> |
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23. Captions. The paragraph captions and headings in this AGREEMENT are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this AGREEMENT.
24. Time Computation. Where the performance or doing of any act, duty, matter, payment, or thing is required hereunder and the period or duration for the



performance is prescribed and fixed herein, the time shall be computed to exclude the first and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day shall be omitted from the computation.

IN WITNESS WHEREOF, the Parties hereto have executed this AGREEMENT as dated below.

**Clackamas Fire District #1**

By:  \_\_\_\_\_

Title: Fire Chief

Date: 3/10/2023

**Sandy Fire District #72**

By:  \_\_\_\_\_

Title: Fire Chief

Date: 3/10/2023

**Appendix A**  
**Service Level**

**1. Service Delivery**

CLACKAMAS will incorporate SANDY Fire District #72 wholly into its services - providing the same response to incidents in SANDY as CLACKAMAS provides within its legal boundaries. CLACKAMAS will incorporate the apparatus and staffing located in SANDY Fire District #72 into its response in the same manner which it provides across CLACKAMAS. Staffing will include the following:

**A. Community Fire Stations:**

- a. Sandy – nine (9) FTEs (3 personnel assigned per shift 24/7) including a minimum of one paramedic per shift and four (4) FTEs (2 personnel assigned per shift 12/7) including a minimum of one paramedic per shift
- b. Dover – Volunteer firefighters as volunteer staffing levels permit
- c. Roslyn – No planned staffing in the station during the days or nights. Volunteers or career staff may retrieve apparatus from the Roslyn Community Fire Station for responses.
- d. Eagle Creek – Three (3) SANDY-funded FTEs augmenting six (6) CLACKAMAS-funded FTEs for a total of (9) FTEs (3 personnel assigned per shift 24/7) including a minimum of one paramedic per shift

- B. CLACKAMAS will provide 24/7 chief officer coverage to SANDY for the command and control of emergencies and other assigned duties within SANDY. This coverage will normally come from CLACKAMAS' north, south or east Battalion Chief.**

**2. Emergency Medical Services**

CLACKAMAS shall staff and equip each career response unit to an Advanced Life Support (ALS) paramedic level. Each volunteer suppression response unit will be staffed with a minimum Basic Life Support (BLS) EMT-Basic. Provide Emergency Medical Services (EMS) oversight to include training, quality assurance, quality improvement, recertification, pilot projects, research, medical direction, and other EMS activities as determined by CLACKAMAS and CLACKAMAS designated Medical Director and staff.

**3. Fire Prevention Services**

- A. Fire and Life Safety Inspection services within SANDY include inspections of all identified target hazards once per year and inspections in general business occupancies as determined by CLACKAMAS' inspection priority rating system.**

Target hazards include nursing homes, hospitals, schools and industrial facilities that utilize hazardous materials or conduct hazardous operations and similar occupancies. General business inspections include office complexes, retail outlets, and similar businesses.

- B. Fire Investigation services will be provided and include on-call 24/7 as resources are available. CLACKAMAS fire investigators may wholly conduct investigations or cooperate in investigations with other agencies (e.g., local law enforcement; Oregon State Police; Bureau of Alcohol, Tobacco, Firearms, and Explosives).
- C. Engineering services will be provided and include: reviewing building and construction plans for compliance with applicable fire codes and ordinances within SANDY, review and propose fire codes and ordinances for adoption by SANDY and perform fire inspections. SANDY hereby authorizes and empowers CLACKAMAS to charge and enforce payment of CLACKAMAS's duly adopted fees and charges for Service within SANDY, including without limitation for access and water supply plan review and cost recovery under the CLACKAMAS cost recovery ordinance."
- D. CLACKAMAS will enforce applicable fire codes, ordinances, regulations, policies/procedures, and statutes in its inspection, investigation, and engineering work. Clackamas will review and propose, when recommended, fire codes and ordinances for adoption by SANDY.
- E. Record-keeping services will be provided and include: Maintaining, for SANDY, adequate records of activities as may be required by the Insurance Services Office and the Oregon State Fire Marshal.
- F. Risk reduction and education efforts will be provided and may include: social media outreach, web-based engagement, civic group participation, presentations at schools, and other community events. These programs and activities will be consistent with current CLACKAMAS programs.

#### **4. Specialized Rescue**

CLACKAMAS shall provide Hazardous Materials, Water Rescue, and Technical Rescue services as part of a regional approach, in cooperation with local, regional, state, and federal agencies.

#### **5. Community Liaison/Community Involvement**

CLACKAMAS shall provide a public information officer (PIO) on-call 24/7, as resources are available. Community involvement will include participation and involvement in key organizations as mutually defined by SANDY and CLACKAMAS.

#### **6. Emergency Management**

CLACKAMAS shall support emergency and disaster risk reduction, response, mitigation, and recovery through emergency management efforts focused fire and EMS connected functions. This includes coordination and collaboration with the City of Sandy and Clackamas County on events and incidents. Specific responsibilities are identified in the Clackamas County Emergency Operations Plan.

**7. Financial Services**

CLACKAMAS shall provide full financial services for SANDY including, but not limited to, the annual budget, levying taxes within constitutional limits, the annual audit, banking, investing, insurance and risk management, capital planning, and maintaining financial and asset records. CLACKAMAS shall provide regular reports on the cash balances within SANDY's accounts. At least annually, CLACKAMAS will produce a report that reviews the costs of performing this AGREEMENT.

**8. Fleet Services**

Provide to SANDY, Fleet Maintenance Services for all apparatus and vehicles. The DISTRICT will maintain SANDY apparatus and equipment to the same standard as used by the DISTRICT. SANDY and the DISTRICT shall agree to a capital plan to include apparatus and vehicles. SANDY is responsible for any capital item repairs that are not due to normal wear and tear or negligence by CLACKAMAS. CLACKAMAS is responsible for any damage due to its negligence.

**9. Facility Services**

Provide to SANDY, Facility Maintenance Services for all stations to include the training facilities and auxiliary buildings. CLACKAMAS shall maintain SANDY's facilities in a state of good repair. SANDY is responsible for any capital item repairs that are not due to normal wear and tear or negligence by CLACKAMAS. CLACKAMAS is responsible for any damage due to its negligence.

## Appendix B

### **EMPLOYEE TRANSFER**

#### Section 1: Transfer of Employees

- A. Up to the sixteen full-time employees of SANDY, employed at the time this AGREEMENT is executed, shall transfer to CLACKAMAS at the start of the term at 7:30 a.m. and shall become full-time employees of CLACKAMAS. Employees' transfer rights will be determined per ORS 236.605 to 236.640 and the terms of any applicable collective bargaining agreement. Before transfer, CLACKAMAS and SANDY will ensure those employees have met all medical, fitness and other requirements as determined by CLACKAMAS. Any SANDY employee who does not successfully complete those requirements will be required to comply with CLACKAMAS requirements, policies and procedures at the time set by CLACKAMAS. Failure to meet CLACKAMAS' requirements may affect that SANDY employee's position on transfer or may be cause not to transfer the employee.
  
- B. No later than seven (7) days before the Date of Transfer, SANDY will provide to CLACKAMAS an electronic version of each Transferring Employees' personnel file/employment records, as maintained by SANDY.

#### Section 2: Wages

- A. The transferred employees will be subject to the CLACKAMAS salary scale and appropriate labor agreement, except that a transferred employee will not have their salary reduced below their SANDY salary, as of the date of transfer, for the first twelve months of CLACKAMAS employment, as long as the Transferring Employee remains employed by CLACKAMAS.
  
- B. Following expiration of the twelve-month period, a transferred employee's salary will be placed at the closest salary for the position as designated under the CLACKAMAS salary schedule or labor agreement.

#### Section 3: Accrued Leaves

- A. At the option of the Transferring Employee, which must be made on or before June 1, 2023 ("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 ninety-six (96) 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.

- B. On the Date of Transfer, SANDY will liquidate and pay out to the Transferring Employee any accrued and unused compensatory time or vacation time that the Transferring Employee has elected for payout, consistent with any applicable statute and/or applicable collective bargaining agreement.
- C. At the time of transfer, SANDY agrees to pay to CLACKAMAS, by July 31, 2023 a sum equal to the number of hours of retained sick leave and vacation leave by each transferred employee times the employee's hourly rate of pay as of the last day of employment with SANDY.

#### Section 4: Seniority

- A. Seniority of Transferring Employees will be in accordance with ORS 236.620(1)(c). Transferring Employees shall retain the seniority, if applicable, they accrued while employed by SANDY. Effective on the Date of Transfer and pursuant to ORS 236.620 (1), Transferring Employees will be placed on CLACKAMAS's employee roster and the roster shall be consolidated into a single seniority list. The transferred employees shall maintain their SANDY date of hire (seniority) for purposes of determining benefits, layoffs, and leave accrual, except that no CLACKAMAS employee shall be demoted or laid off by reason of that seniority at the time transfer occurs.
- B. If a Transferring Employee and a current CLACKAMAS employee have the same classification seniority, seniority shall be determined by each employee's date of hire. If the dates of hire are the same, seniority shall be determined by the date of job offer. If the job offer dates are the same, the Transferring Employee shall be placed below CLACKAMAS employee on the seniority list.

#### Section 5: CLACKAMAS Standards

- A. The transferred employees shall be subject to all CLACKAMAS work standards, policies, and procedures and the applicable CLACKAMAS collective bargaining agreement as of the date of transfer.

- B. Following the date of transfer, a transferred employee will accrue and be granted leave according to the rules of CLACKAMAS or any applicable CLACKAMAS collective bargaining agreement.
- C. Following the date of transfer, transferred SANDY employees will be subject to the same privileges, including benefits, hours, and conditions of employment, and will be subject to the same regulations, as other CLACKAMAS employees.

#### Section 6: Retirement

- A. The parties agree that both entities participate in PERS, and that pursuant to ORS 236.620, all Transferring Employees are able to participate in the same retirement system at CLACKAMAS that they are at SANDY. Therefore no election need be made regarding participation in a retirement system.
- B. Allocation of PERS Liability / Assets pursuant to ORS 236.610(7) and 238.231. The Public Employees Retirement System ("PERS") employer actuarial liabilities and assets of the transferred employees shall remain the responsibility of SANDY. For the purposes of this section, "PERS employer actuarial assets" and "PERS employer actuarial liabilities" have the meanings set forth in Oregon Administrative Rule 459-009-0350.
- C. 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 SANDY through the last date of SANDY employment, shall be attributable to and the responsibility of SANDY, and all PERS employer assets and liabilities based on PERS-covered service of the Transferring Employees on and after the Service Date, shall be attributable to CLACKAMAS.

#### Section 7: Health Insurance Other Benefits

- A. CLACKAMAS agrees to provide to Transferring Employees on the Date of Transfer, the health insurance and benefits, hours, conditions, and privileges, as its other similarly classified employees, subject to the same collective bargaining agreement.
- B. Nothing contained herein, either expressly or implied, shall confer upon any Transferred Employee or any other employee or legal representatives thereof any contractual rights of continued employment.

## Section 8: Other Terms

- A. This AGREEMENT represents the entire agreement of the parties and supersedes all prior oral or written understandings, statements, representations, or promises regarding the impact of the transfer of SANDY employees to CLACKAMAS. The parties expressly represent that there are no other understandings, representations, or agreements between them relative to the subject matter of this Agreement, except as set forth in this AGREEMENT.
  
- B. At the end of this AGREEMENT, any employees or volunteers transferred under this AGREEMENT shall be subject to ORS 236.640, which provides a right of return to the original employer if the employee so desires.