

Archives

Lebanon City Council Agenda



April 13th, 2005
Santiam Travel Station

LEBANON CITY COUNCIL MEETING
Wednesday, April 13th, 2005
7:30 p.m.

Santiam Travel Station
750 3rd Street

AGENDA

CALL TO ORDER/FLAG SALUTE

ROLL CALL

CONSENT CALENDAR:

CITY COUNCIL AGENDA: April 13th, 2005

MINUTES: Lebanon Public Library Advisory Board Minutes – March 16th, 2005

PUBLIC HEARINGS:

1) ZMA-04-01 (5th and Rose Streets)

Presented by: Doug Parker, Planning Manager

PUBLIC HEARING/ORDINANCE

LEGISLATIVE:

2) Park Labyrinth

Presented by: Barb Langford

Approval/Denial by MOTION

3) Oregon Savings Plan

Presented by: John Hitt, City Administrator

Approval/Denial by RESOLUTION

4) Discussion of Issues Surrounding OLCC Licenses

Presented by: John Hitt, City Administrator

DISCUSSION Only

5) Disposition of City Owned Real Property

Presented by: John Hitt, City Administrator

DISCUSSION Only

6) City Administrator's Report

Presented by: John Hitt, City Administrator

DISCUSSION ONLY

CITIZEN COMMENTS - *Those citizens with comments concerning public matters may do so at this time. Please identify yourself before speaking and enter your name and address on the sign-up sheet.*

COUNCILOR COMMENTS

ADJOURNMENT

Consent Calendar

CITY COUNCIL AGENDA: April 13th, 2005

MINUTES:

- Library Advisory Board Minutes – March 16th, 2005



City of Lebanon

City Hall
925 Main Street
Administration
541.258.4902
Finance
541.258.4914
Human Resources
541.258.4925
Mayor/City Council
541.258.4904
Public Works Admin
541.258.4918
IT/GIS

City Attorney
80 E. Maple Street
541.258.3194

Library
626 2nd Street
541.258.4926

Community
Development Center
Main Street
Building
541.258.4907
Engineering
541.258.4923
Environmental
541.258.4921
Planning
541.258.4906

Municipal Court
30 E. Maple Street
541.258.4909

Police Department
40 E. Maple Street
541.451.1751

Public Works
Maintenance/Parks
305 Oak Street
541.258.4281

Senior Center
65 "B" Academy
541.258.4919

LEBANON PUBLIC LIBRARY

Advisory Board Meeting Minutes March 16, 2005

The Library Advisory Board meeting was called to order at 5:41 p.m. by Chair Designee Tom Stewart. Attending were Sharon Follingstad, Harlan Mastenbrook, Carolyn Misa, Sue Spiker, Tom Stewart and Library Director Denice Lee.

Minutes of the February 9th meeting were approved.

Director's Report:

Circulation:

February 2005	7372	YTD 2005	62,795
February 2004	7679	YTD 2004	64,082

Spring Break:

The library is planning Spring Break activities for March 21-24. The theme for the week is Puppies, Kitten, and Birds, Oh My! Each day the children will be treated to a different animal, with the last day being a pet show put on by the children themselves. These activities are for pre-school through 4th or 5th grade.

Middle School Book Club:

Tuesday, March 15th was the last meeting of the Middle School Book Club. The weekly sessions were held from 7 p.m. - 8:30 p.m. from January through March. The adult leaders all expressed delight at the group of students and the attendance was very good all three months.

Display Case:

After a close accounting of funds raised for the display case, it was determined that we need \$215 in order to complete the project. The library director encouraged the board to complete the fundraising as soon as possible in order to meet the expectations of the Bahrke's. The library director indicated she would contact the owner, Linda Bahrke, with a progress report.

Budget:

The first word on the library's anticipated budget for 2005-2006 was that we'd not sustain any more cuts. However, the past couple of weeks have brought some discouraging developments. There is still time for things to improve, so we can only advocate for the library and hope for the best.

Cybrarian:

Richard Nelson, the Information Services technician from City Hall, continues to make progress on the CybraryN software that will allow patrons to schedule their own Internet appointments. It will also automatically time their sessions. Both of these features will free library staff to use their time in other, more professionally oriented ways. We anticipate having the system up and running in a couple of weeks.

Building Improvements:

The library director reported that the library was closed February 19th -21st to rearrange shelving and paint in the children's area. The goal to create a warm, clean environment that will be inviting to the children has definitely been achieved thanks to the work of an outstanding group of volunteers. The fresh coat of yellow paint and the realignment of the shelves in the Junior area are a great improvement. The lighting project has been completed as well, and the difference is amazing. The new, retrofitted lights were done at a cost of \$3,600. A tax incentive funded \$1,000, and an energy rebate program funded \$900. With an annual savings in utility costs of over \$700, the library will recoup its \$1700 expense in a little over two years.

Volunteer Appreciation:

The annual spring Volunteer Appreciation Luncheon is scheduled for Friday, April 22 at 11:30 a.m. We will host the volunteers at Harden Hall. The Advisory Board is warmly invited.

Anne:

The library director reported that Anne Sigmund, the only other full-time employee at the library is on Family Medical Leave. This can last for up to 12 weeks. In the interim, part time staff has been scheduled to serve the public, and the library director is assuming responsibility for Anne's other tasks as she is an AFSCME employee.

Friends Report:

The Friends are anticipating their move to the new Senior Center. It is tentatively scheduled for the third week in March.

Adjournment:

The meeting was adjourned at 6:35 p.m.

Next meeting April 13, 2005

5:30 p.m.

750 3rd Street

Santiam Travel Station

North End of Building

Agenda Item 1



City of Lebanon
Community Development

MEMORANDUM

TO: John Hitt, City Administrator
DATE: April 8, 2005
FROM: Doug Parker, Community Development Manager
CC: Tom McHill, City Attorney
SUBJECT: Zone Map Amendment ZMA-04-01 (5th & Rose Streets)

On March 16, 2005, the Planning Commission conducted a public hearing regarding a proposed zone map amendment initiated per property owner's request to change the zoning on the .32 acre subject property at the corner of 5th Street and West Rose Street from Neighborhood Commercial (CN) to Residential Mixed Density (RM). The most recent commercial use was a neighborhood store from May 1995 to December 2001 when it was closed because it had ceased to be profitable. The Lebanon Gleaners used the building as a distribution center from the end of store use until a fire on November 7, 2004, that caused irreparably damaged. The building was subsequently required to be demolished. This parcel historically had a corresponding Comprehensive Plan Map designation of Mixed Density Residential.

The Planning Commission staff report (Lebanon File # ZMA-04-01) is included for review including the legal description and an annexation map. Upon conclusion of the public hearing, the Planning Commission voted unanimously to recommend to the City Council that the zone map amendment proposal and requested zoning be approved.

Appropriate and required notice of this zone map amendment request was provided to the Department of Land Conservation and Development on January 14, 2005.

At this time it is appropriate for the City Council to conduct a public hearing regarding the proposed zone map amendment and, if approved, adopt a bill for an ordinance changing the zoning of the property to Residential Mixed Density (RM).

**CITY OF LEBANON
PLANNING COMMISSION STAFF REPORT
5TH AND ROSE ZONING MAP AMENDMENT**

NATURE OF REQUEST: Change the zoning on the .32 acre subject property from Neighborhood Commercial (CN) to Residential Mixed Density (RM)

APPLICANT: Judith Baker

PROPERTY LOCATION: 400 West Rose (Corner of Rose & 5th Street)

ASSESSOR'S MAP AND TAX LOT #S: Assessor's Map: 10DB; Tax Lot: 201

CURRENT 1980 ZONE DESIGNATION: Neighborhood Commercial (CN)

REQUESTED 1980 ZONE DESIGNATION: Residential Mixed Density (RM)

1980 COMPREHENSIVE PLAN DESIGNATION: Mixed Density Residential (***NO CHANGE PROPOSED***)

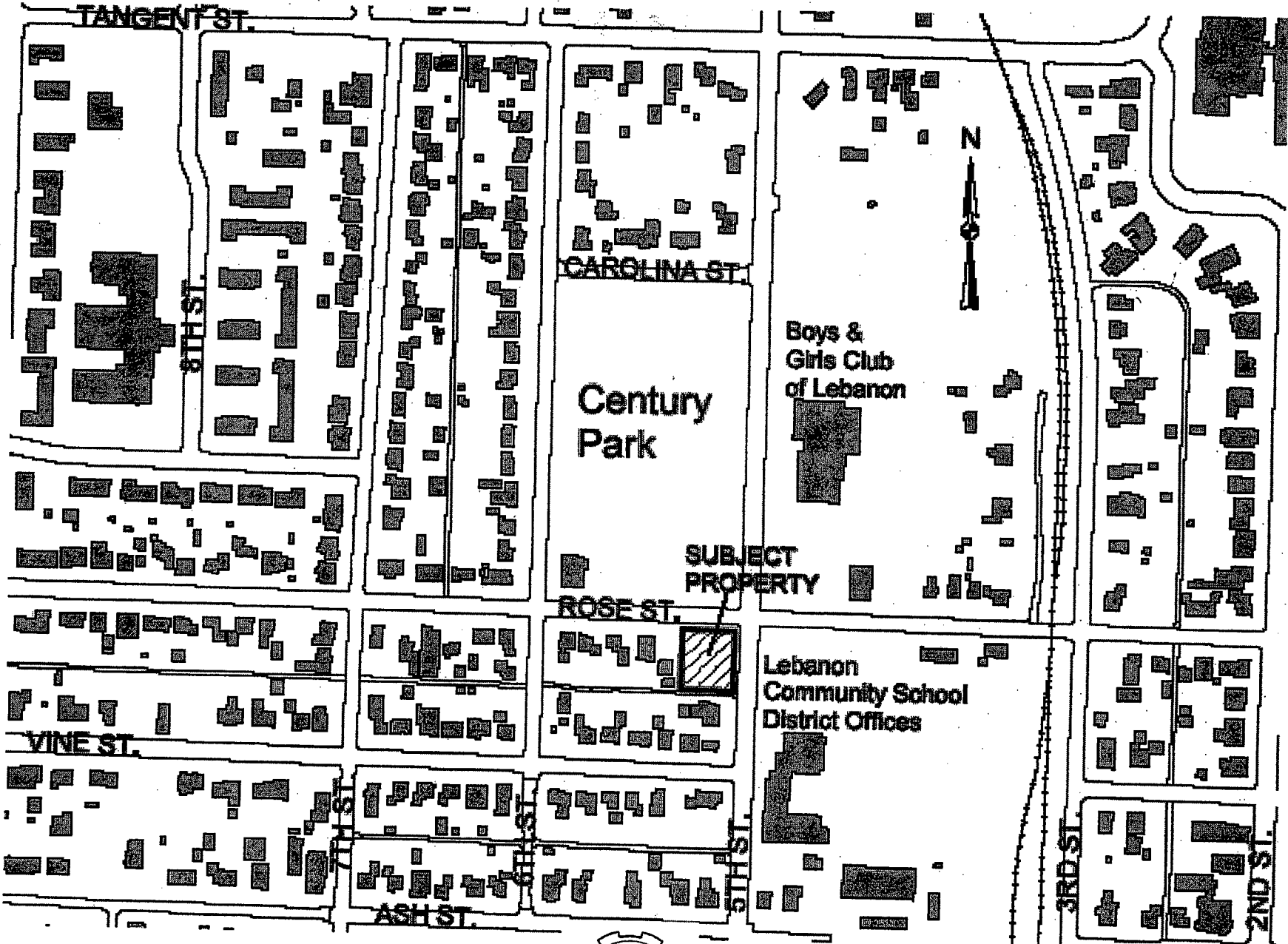
INTRODUCTION AND PROPOSAL

Change the zoning on the .32 acre subject property at the corner of 5th Street and West Rose Street from Neighborhood Commercial (CN) to Residential Mixed Density (RM). The most recent commercial use was a neighborhood store from May 1995 to December 2001 when it was closed because it had ceased to be profitable. The Lebanon Gleaners used the building as a distribution center from the end of store use until the fire. The building at the 5th Street and Rose Street location was irreparably damaged by fire on November 7, 2004 and was subsequently demolished. This parcel historically had a corresponding Comprehensive Plan Map designation of Mixed Density Residential.

Exhibit "A" is a narrative in support of the proposal submitted by the applicant.

SITE DESCRIPTION

Adjacent properties to the north, west, and south are zoned Residential Mixed Density (RM); properties to the east and northeast across 5th Street are zoned Residential High Density (RH). Properties west and south of the subject property are developed as single family residences. Century Park, the Lebanon Boys & Girls Club, and the Lebanon School District Administration offices are located on the other three corners of this intersection.



CITY OF LEBANON
File No.: ZMA-04-01



400 West Rose Street
12S-2W-10DB, Tax Lot 201

APPLICANT'S PROPOSAL -- EXCERPTS FROM THE APPLICANT'S NARRATIVE

(See Exhibit "A" for Applicant's complete Narrative.)

The City of Lebanon in their Comprehensive Plan is directed to make the most efficient, most energy saving use of land within the Urban Growth Boundary. What is being proposed is a change of the zoning on a parcel of land zoned Neighborhood Commercial (NC) which over many years has housed a variety of businesses that have all closed because of a lack of profitability. The change would be to Residential Mixed Density and a multiple-family complex would be placed on an otherwise vacant lot. This change would be aesthetically more attractive, more desirable, more usable and provide a wonderful location to raise a family with its location next to Century Park and the Lebanon Boys and Girls Club.

A. Reasons for the requested change and the intended use of the property:

The building at the 5 Street and Rose Street location has been irreparably burned by fire on November 7, 2004 and must be demolished.

The history of the building as a neighborhood commercial site is one of varied businesses with vacancies in between. Over the years, it has been a neighborhood grocery store which slowly ran down to become a dilapidated eyesore. This happened because it was not profitable enough to keep it in good condition. It stood vacant for many years. It was eventually purchased and updated to become a donut shop with seating. They were only open a short time and the building was again vacant. It was bought in early 1995 by my husband, Paul Baker, to become a neighborhood grocery store. All new equipment including a large walk-in cooler was installed. The store was stocked full and opened in May of that same year. After using 20 years of expertise gained from running two 7- Eleven stores, Sodaville Store and Airport Store, the store was closed in December 2001 because it had ceased to be profitable. Conditions contributing to this were 1) main access to property parking lot was on Rose Street which is not the main artery through this area 2) there are 2 neighborhood commercial grocery stores within 6 blocks and more conveniently located on main arteries and 3) walk-in and bicycle traffic were not the high ticket sales that are needed to keep it profitable.

The intended change would be from Neighborhood Commercial to Residential Mixed Density (RM). By changing the zoning to Residential Mixed Density (RM) and building a multiple-family complex, traffic and noise would decrease and the location would be better used, more livable, more desirable and more compatible with Century Park and the Lebanon Boys and Girls Club as neighbors.

B. Conclusions:

1. The City of Lebanon is directed to make the most efficient and best use of all land within the Urban Growth Boundary.
2. An increased amount of closures and vacancies in existing commercial locations especially downtown, Southgate Shopping Center, Main Street (by Walker Road) and some side streets.
3. 5 Street and West Rose Street location as a Neighborhood Commercial (NC) location may result in yet another vacancy.
4. The close proximity of 2 other neighborhood commercial stores would and has been detrimental to all of them.
5. The history of businesses at the 5 and Rose Street location shows a problem with profitability.

6. The City of Lebanon has a need for more multiple-family housing complexes on the north end of town.
7. Traffic, whether foot or vehicular, is limited at this location since it is not a main artery.
8. A multiple-family complex is very desirable where Century Park and the Lebanon Boys and Girls Club are neighbors.
9. Noise and traffic would be lessened at this corner if changed from (NC) to (RM).
10. The Rose Street access to the property is not conducive to bringing business to a commercial site.
11. The trend in building is going toward multiple-family complexes as the costs of single family housing continues to rise.
12. A well kept modern multiple-family complex would be an aesthetically pleasing addition to this area.
13. The only feasible commercial venture for this location would be another neighborhood commercial grocery store and this has been shown to not be a profitable enterprise.

C. Applicant's Summation:

This site has been scheduled for demolition and will become a vacant lot. A vacant lot sometimes is unsightly. Erecting a commercial building, where over many years has seen varied businesses close, does not seem like a sound use of monies for construction purposes or a viable solution for this site. Making the most efficient, best use of the location is the goal of the City of Lebanon as stated in their Comprehensive Plan. How to accomplish this is a decision of the City of Lebanon. I am proposing a change in zoning from Neighborhood Commercial (NC) to Residential Mixed Density (RM) that would allow the building of a multiple-family housing complex in this location. It would enhance the area and be a viable asset to the community and I believe the best possible, most efficient use of this tract of land. Thank you for your consideration on this matter.

1980 ZONING ORDINANCE AND 1980 COMPREHENSIVE PLAN CRITERIA

1980 ZONING ORDINANCE

1. Section 9.010: Authorization to Initiate Amendments

An amendment to the text of this Ordinance or to a zoning map may be initiated by the City Council, the City Planning Commission or by application of a property owner. The request by a property owner for an amendment shall be accomplished by filing an application with the Planning Official using forms prescribed pursuant to Section 2.070. A filing fee in accordance with the provisions of Section 2.080 shall accompany an application by a property owner for an amendment.

2. Section 9.020: Public Hearings on Amendments

All requests for amendment to the text or zoning map of this Ordinance shall comply with the following public hearing procedures:

- (1) Notice of public hearing shall be as specified in Section 2.100.
- (2) The Planning Commission shall conduct a public hearing on the proposed amendment at its earliest practicable meeting after it is proposed.
- (3) The Planning Commission shall, within 40 days after the initial hearing date, recommend to the City Council approval, disapproval or modification of the proposed amendment.
- (4) After receiving the recommendation of the Planning Commission, the City Council shall hold a public hearing on the proposed amendment in conformity with the notice provision of Section 2.100.
- (5) All public hearing procedures shall be in accordance with the City procedures for the conduct of hearings before the Planning Commission and the City Council.
- (6) Within seven (7) days after a decision has been rendered with reference to an amendment, the Planning Official shall provide the applicant with written notice of the decision. This procedure shall apply to recommendations made by the Planning Commission and to final action made by the City Council.

3. Section 3.030: Location of Zones

The boundaries for the zones listed in this ordinance are indicated on the Lebanon Zoning Map of 1980 which is hereby adopted by reference. The boundaries shall be modified in accordance with zoning map amendments which shall be adopted by reference.

4. Section 3.040: Zoning Maps

A zoning map or zoning map amendment adopted by Section 3.030 of this ordinance or by an amendment thereto shall be prepared by authority of the City Council. The map or map amendment shall be dated with the effective date of the ordinance that adopts the map or map amendment. A certified print of the adopted map or map amendment shall be maintained in the office of the City Recorder as long as this ordinance remains in effect.

5. Section 3.060: Zone Boundaries

Unless otherwise specified, zone boundaries are section lines, subdivision lines, lot lines, center lines of street or railroad right-of-way or such lines extended except where a boundary line clearly divides a lot, then the boundary line shall be determined by use of the scale designated on the zoning map. Where a boundary line divides a lot, the boundary line shall be considered as the lot line for purposes of determining area and setback requirements for each zone.

1980 LEBANON COMPREHENSIVE PLAN (LCP)

The following 1980 Comprehensive Plan Goals, Policies and Narrative Text have been identified as those that are most relevant to this proposal:

A. Introductory Provisions (Chapter 1)

1. The nine elements or Chapters of the 1980 "Lebanon Comprehensive Plan are directed towards meeting the applicable Statewide Planning Goals and Guidelines of the Oregon Land Conservation and Development Commission" (Narrative Text, LCP page 1-1).
2. The introductory Chapter of the 1980 LCP specifically addresses the first two Statewide Planning Goals established by LCDC. The purpose of Statewide Planning Goals Goal #2 is: "To establish a land use planning process and policy framework as a basis for all decisions and actions" (Narrative Text, LCP page 1-1).
3. The 1980 Lebanon Comprehensive Plan, as part of its many roles and functions, provides "a framework for making sound decisions on zoning, subdivisions, capital improvement programs, and other codes and ordinances" (Narrative Text, LCP page 1-14).
4. 1980 LCP General [G] and Specific [S] Goals and Objectives relevant for this proposed zoning map amendment are as follows (LCP page 1-17):
 - #G1: *To encourage development in a planned and considered manner consistent with the community's general health, safety and welfare.*
 - #G2: *To achieve an environment that assures each individual the widest possible choices and opportunities for a productive and meaningful life-style within the community.*
 - #G3: *To preserve those features that are special and unique to the community while also being responsive to changing needs and conditions.*
 - #S2: *To provide a land use policy plan which sets forth the suitable kinds, amounts and intensities of use to which land in various parts of the City be put.*
 - #S3: *To provide a housing policy plan which seeks to increase opportunities for all citizens to enjoy safe, decent and sanitary housing and to assist in creating and maintaining neighborhoods in a manner consistent with the natural environment and the needs of the people.*

B. Comprehensive Plan Chapters on Land Use (#5), and Housing (#6), as well as Housing, Land Use and Energy Efficiency Discussions in Chapter 4 (Urbanization).

Relevant portions of these LCP chapters for this proposed Zoning Map Amendment include the following – narrative text is also included to provide additional context:

1. **Chapter 4 Narrative Text on Energy Use:** *The plan includes a number of recommendations which can result in transportation energy savings. The compact urban growth pattern is accompanied by a recommended highway system which will improve traffic flow. . . Cluster development permitted by the zoning ordinance can reduce heating needs, allow for higher densities and permit more usable space. This allows a reduction in the amount of streets which have to be built, reduces the cost of providing utilities and allows the features of the site to be preserved. (LCP page 4-24)*
2. **Chapter 4 Narrative Text on Maximum Efficiency of Land Use:** *Ensuring the maximum efficiency of land use means that land is put to its highest and best use. One of the things which this implies within the existing urban area is utilizing existing vacant land resources. (LCP page 4-13)*
3. **Chapter 4 Energy Policy # 1, Part 3:** *The city shall support and enforce energy conservation and efficiency programs including . . . Compact site development standards and alternative development patterns such as cluster housing and zero lot line development. (LCP page 4-P-4)*

4. **Chapter 5 Narrative Text on Residential Land Use:** The intermixing of housing types also allows for more efficient land utilization. There are many large residential lots scattered throughout the City that are too large for efficient single-family development but too small or oddly shaped to be subdivided to City standards. Allowing for multi-family housing on these lots with appropriate standards permits maximum efficient land utilization. For these reasons the City desires to continue the intermixing of residential types and densities, as opposed to establishing discrete segregated zones. (LCP page 5-8)
5. **Chapter 5 Narrative Text on Residential Land Use:** Residential areas within the City and the Urban Growth Area are intended for mixed- density residential development. This is in accordance with the City's desire to maintain an intermix of housing types and densities and conforms to the LCDC Housing Goal # 10 which states "plans shall allow for flexibility in housing location, type and density". (LCP page 5-10)
6. **Chapter 5 Residential Land Use Policy #1:** The city shall encourage compact residential development to provide more efficient land utilization and to reduce the cost of housing, public facilities and services. (LCP page 5-P-1)
7. **Chapter 5 Residential Land Use Policy #2:** Overall residential densities in Lebanon should be as high as possible, but at the same time a variety in lot sizes, housing types, and street patterns should be encouraged. (LCP page 5-P-1)
8. **Chapter 5 Residential Land Use Policy #5:** The city shall maintain a mixed-density residential zone to allow locational flexibility and an intermix of housing types and densities with locational criteria that would direct traffic from higher density developments onto highways, arterials, or collector streets. (LCP page 5-P-1)
9. **Chapter 5 Residential Land Use Policy #6:** Medium-density multiple-family developments and mobile home parks or subdivisions that do not exceed the densities specified in the Zoning Ordinance shall be allowed within the city's Mixed-Density Residential Zone provided access is from a designated highway, arterial or collector street. (LCP page 5-P-1)
10. **Chapter 5 Commercial Land Use Policy #9:** Neighborhood Convenience Centers that serve the shopping needs of a neighborhood should be allowed within the Mixed-Density Residential Zone in accordance with the standards and procedures of the Zoning Ordinance provided urban services-are available. Preferred locations shall be corner sites adjacent to an arterial or collector street. (LCP page 5-P-3)
11. **Chapter 6 Housing Overall Goal:** To provide a housing policy plan which seeks to increase opportunities for all citizens to enjoy safe, decent, and sanitary housing, and to assist in creating and maintaining neighborhoods in a manner consistent with the natural environment and the needs of the people. (LCP page 6-P-1)
12. **Chapter 6 General Housing Policy #1:** The city recognizes the need for an adequate supply of sound, decent, and attractive housing that includes a variety of type and design that is responsive to community needs. (LCP page 6-P-1)
13. **Chapter 6 General Housing Policy #2:** The city supports the need for all citizens of the community to participate in an open housing market and to have the opportunity to live in sound housing, adequate to their need at a reasonable cost relative to their income. (LCP page 6-P-1)
14. **Chapter 6 General Housing Policy #3:** The city shall not impose special conditions on residential development that would discourage provision of needed housing types through unreasonable cost demands or processing delays. (LCP page 6-P-1)
15. **Chapter 6 General Housing Types Policy #1:** The city shall maintain an intermix of housing types and densities within the locational criteria of the Zoning Ordinance. (LCP page 6-P-1)
16. **Chapter 6 Buildable Lands Policy #1:** The city shall maintain an adequate availability of residential, buildable lands that provide locational choices for each housing type as part of the city's development monitoring program and annual plan review. (LCP page 6-P-2)
17. **Chapter 6 Buildable Lands Policy #2:** The city should maintain a substantial supply of residentially zoned land within the community to assist in keeping land costs for housing at reasonable levels. (LCP page 6-P-3)

DEPARTMENT COMMENTS

1. PLANNING DEPARTMENT:

- a. The subject property was originally zoned Neighborhood Commercial (CN) because it was the site of a neighborhood grocery when the original Zoning Ordinance Map was developed and adopted in 1982. Had this development not already been in place when these plans and their maps were developed and adopted, this property would most likely have been zoned Residential Mixed Density (RM) like all of the other lots north, south and west of the subject property on the west side of 5th Street for several blocks in each direction. The existing use was essentially "grandparented-in" and acknowledged upon adoption of the Zoning Map in 1982.
- b. The 1980 Comprehensive Plan Map designation for the subject property and all lots in all directions in the vicinity (except for those in use as schools or as a park) is Mixed Density Residential. In short, the underlying Comprehensive Plan Map designation for the subject property is NOT Commercial, and does not need to be amended in order to assign the Zoning request of RM.

c. Due to the presence of other existing neighborhood commercial opportunities in the vicinity, and because of supportive Comprehensive Plan policies permitting the future establishment of Neighborhood Commercial (NC) opportunities in the Residential Mixed Density (RM) zone, the re-zoning of this property from NC to RM will not pose an irrevocable opportunity cost to the neighborhood or the City as such a use could be re-introduced in the future should the marketplace deem it feasible.

d. Although the proposed zone (RM) for this site includes multi-family housing as a permissible use, such future development is NOT the subject of this hearing and re-zoning request. The subsequent development of this site would require a separate application and land use approval in the future.

2. **BUILDING DIVISION:** No Comments
3. **FIRE DISTRICT:** See Exhibit "B."
4. **ENGINEERING DEPARTMENT:** No Comments

STAFF RECOMMENDATION

The City Development Review Team (including the City Administrator, Public Works Director, Community Development Manager, City Engineer, Senior Engineer, Building Official [AIC], Fire Marshal, Permit Specialist, and other staff) recommends that the Planning Commission recommends approval of this proposed Zoning Map Amendment to the City Council.

PROPOSED FINDINGS

BASED ON ZONING ORDINANCE CRITERIA

1. **LZO Section 9.010 (Authorization to Initiate Amendments):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 9.010 in that the applicant is the property owner and the applicant followed the procedures of Section 9.010.
2. **LZO Section 9.020 (Public Hearings on Amendments):** The request for the Zoning Map Amendment complies with Zoning Ordinance Section 9.020 in that the process outlined by LZO 9.020 is the process utilized for this proposed zoning map amendment.
3. **LZO Section 3.030 (Location of Zones):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 3.030 in that the requested boundary modifications (zoning map amendments) will be adopted by reference at the conclusion of this process as specified by the provisions of LZO 3.030.
4. **LZO Section 3.040 (Zoning Maps):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 3.040 in that the resulting zoning map amendment shall be in keeping with the provisions of LZO 3.040.
5. **LZO Section 3.060 (Zone Boundaries):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 3.060 in that the resulting zoning map amendment boundaries shall be in keeping with the provisions of LZO 3.060.

BASED ON COMPREHENSIVE PLAN CRITERIA

A. Introductory Provisions (Chapter 1)

Criteria A1-3: The request for the Zoning Map Amendment complies with these portions of the narrative text from Chapter 1 in that relevant Comprehensive Plan provisions are the criteria the Planning Commission and City Council will use in making a sound decision on this proposed Zoning Map Amendment.

Criteria A4-#G1 -- General Goal #1 (LCP 1-17): The change of the subject property from an unprofitable and vacant neighborhood commercial site to a location that permits multi-family housing could encourage development that promotes the community's general health, safety and welfare in that such potential future residential development "would be aesthetically more attractive, more desirable, more usable and provide a wonderful location to raise a family with its location next to Century Park and the Lebanon Boys and Girls Club."

Criteria A4-#G2 – General Goal #2 (LCP 1-17): The request for the Zoning Map Amendment on this property to Residential Mixed Density that would allow development of a multiple-family complex could help assure each individual the widest possible choices and opportunities for a productive and meaningful life-style within the community by providing future multi-family housing opportunities in a family oriented environment. The potential future provision of multifamily housing could be a positive step in providing need housing in the community as documented in the Chapter 3 of ECONorthwest's *2004 Lebanon Urbanization Study and Buildable Lands Inventory (BLI)*.

Criteria A4-#G3 – General Goal #3 (LCP 1-17): More than one grocery store and at least one other neighborhood oriented business have been located on the subject property for a number of decades. However, changing socio-economic conditions have rendered these businesses unprofitable since at least the early 1990s. Rezoning this site and enabling the potential future development of multi-family housing would be consistent with the directive of the 1980 LCP Chapter One General Goal #3 to be responsive to changing needs and conditions.

Criteria A4-#S2 – Specific Goal #2 (LCP 1-17): Since this proposed Zoning Map amendment does NOT include any change to the Comprehensive Map designation for the subject property this change in zoning is in compliance with the 1980 LCP Chapter One General Specific #2 to provide a land use policy plan which sets forth the suitable kinds, amounts and intensities of use to which land in various parts of the City be put. In fact, this zoning amendment is consistent with carrying out the long range intentions of the Comprehensive Plan Map for this site since the 1980 Comprehensive Plan Map designation for the subject property is *Mixed Density Residential NOT Commercial*.

B. Comprehensive Plan Chapters on Land Use (#5), and Housing (#6), as well as Housing, Land Use and Energy Efficiency Discussions in Chapter 4 (Urbanization).

Criteria B1-3 – Narrative Text (LCP 4-13, and 4-24) and Energy Policy #1, Part 3 (LCP page 4-P-4): The rezoning of the subject property that would allow the development of multi-family housing on the .32 acre site in proximity to a City Park, the Lebanon Boys and Girls Club would be consistent with the promotion of energy efficient development and maximum efficient use of land noted in the above cited narrative text of Chapter 4 (e.g., “cluster development,” and utilizing existing vacant land resources within the existing urban area) and the intent of Energy Policy #1 to support and enforce energy conservation and efficiency programs including . . . Compact site development standards and alternative development patterns such as cluster housing.

Criteria B4-9 – Narrative Text on Residential Land Use (LCP 5-8, and 5-10) and Residential Land Use Policies #1, #2, #5, and #6 (LCP page 5-P-1): The rezoning of the subject property would allow the potential future development of multi-family housing on the .32 acre site in proximity to a City Park, the Lebanon Boys and Girls Club, and other multi-family dwellings as well as single family housing would be consistent with the intent of all the above cited narrative text and policies in Chapter 5, as summarized below:

- a. *The intermixing of housing types . . . allows for more efficient land utilization;*
- b. *Allowing for multi-family housing . . . permits maximum efficient land utilization;*

- c. *Residential areas within the City and the Urban Growth Area are intended for mixed-density residential development. This is in accordance with the City's desire to maintain an intermix of housing types and densities and conforms to the LCDC Housing Goal # 10 which states "plans shall allow for flexibility in housing location, type and density;"*
- d. *... encourage compact residential development to provide more efficient land utilization and to reduce the cost of housing, public facilities and services;*
- e. *Overall residential densities in Lebanon should be as high as possible, but at the same time a variety in lot sizes, housing types, and street patterns should be encouraged;*
- f. *... maintain a mixed-density residential zone to allow locational flexibility and an intermix of housing types and densities with locational criteria that would direct traffic from higher density developments onto highways, arterials, or collector streets.*
- g. *Medium-density multiple-family developments ... shall be allowed within the city's Mixed-Density Residential Zone provided access is from a designated highway, arterial or collector street.*

Criteria B10 – Chapter 5 Commercial Land Use Policy #9: While this policy allows *"Neighborhood Convenience Centers that serve the shopping needs of a neighborhood should be allowed within the Mixed-Density Residential Zone" ... and that ... "Preferred locations shall be corner sites adjacent to an arterial or collector street,"* it is clear from the past history of failed businesses at this site that the shopping needs of the neighborhood are not successfully met at this location. Therefore, the re-zoning of this property is consistent with this 1980 Comprehensive Plan Policy.

Criteria B11-17 – Chapter 6 Housing Overall Goal (LCP page 6-P-1) [& Criteria A4-#S3 – Specific Goal #3 (LCP 1-17)], Chapter 6 General Housing Policies #1, #2, #3 (LCP page 6-P-1), Chapter 6 General Housing Types Policy #1 (LCP page 6-P-1), and Chapter 6 Buildable Lands Policies #1 and #2 (LCP pages 6-P-2 & 6-P-3): The rezoning of the subject property would allow the potential future development of multi-family housing on the .32 acre site in proximity to a City Park, the Lebanon Boys and Girls Club, and other multi-family dwellings as well as single family housing would be consistent with the intent of all the above cited policies in Chapter 6 and Chapter 1 Specific Goal #3, as summarized below:

- a. *... increase opportunities for all citizens to enjoy safe, decent, and sanitary housing, and to assist in creating and maintaining neighborhoods in a manner consistent with the natural environment and the needs of the people;*
- b. *The city recognizes the need for an adequate supply of sound, decent, and attractive housing that includes a variety of type and design that is responsive to community needs;*
- c. *The city supports the need for all citizens of the community to participate in an open housing market and to have the opportunity to live in sound housing, adequate to their need at a reasonable cost relative to their income;"*
- d. *The city shall not impose special conditions on residential development that would discourage provision of needed housing types through unreasonable cost demands or processing delays;*
- e. *The city shall maintain an intermix of housing types and densities within the locational criteria of the Zoning Ordinance;*
- f. *The city shall maintain an adequate availability of residential, buildable lands that provide locational choices for each housing type . . . ;*
- g. *The city should maintain a substantial supply of residentially zoned land within the community to assist in keeping land costs for housing at reasonable levels.*

Exhibit A: Applicant's Narrative

(Scanned from hard copy submitted by Applicant)

STATEMENT OF INTENT

To change the zoning at the location on the corner of 5 Street and West Rose Street from Neighbor Commercial (NC) to Residential Mixed Density (RM) and place a multiple-family complex upon the site where several non profitable businesses have been located which would make the best possible, most efficient use of this location.

1. Reason for the requested change and the intended use of the property:

The building at the 5 Street and Rose Street location has been irreparably burned by fire on November 7, 2004 and must be demolished.

The history of the building as a neighborhood commercial site is one of varied businesses with vacancies in between. Over the years, it has been a neighborhood grocery store which slowly ran down to become a dilapidated eyesore. This happened because it was not profitable enough to keep it in good condition. It stood vacant for many years. It was eventually purchased and updated to become a donut shop with seating. They were only open a short time and the building was again vacant. It was bought in early 1995 by my husband, Paul Baker, to become a neighborhood grocery store. All new equipment including a large walk-in cooler was installed. The store was stocked full and opened in May of that same year. After using 20 years of expertise gained from running two 7- Eleven stores, Sodaville Store and Airport Store, the store was closed in December 2001 because it had ceased to be profitable. Conditions contributing to this were 1) main access to property parking lot was on Rose Street which is not the main artery through this area 2) there are 2 neighborhood commercial grocery stores within 6 blocks and more conveniently located on main arteries and 3) walk-in and bicycle traffic were not the high ticket sales that are needed to keep it profitable.

The intended change would be from Neighborhood Commercial to Residential Mixed Density (RM). By changing the zoning to Residential Mixed Density (RM) and building a multiple-family complex, traffic and noise would decrease and the location would be better used, more livable, more desirable and more compatible with Century Park and the Lebanon Boys and Girls Club as neighbors.

2. Show in detail, by citing goals, policies and special reports and studies, how your request conforms to applicable goals and policies of the Lebanon Comprehensive Plan. You must demonstrate that there is a community based need for the proposed zoning Amendment.

The 9 elements (Introductory Provision, Natural Environment, Population and Economy, Urbanization, Land Use, Housing, Transportation, Public Facilities, and Implementation) of the Lebanon Comprehensive Plan are directed towards meeting the applicable Statewide Planning Goals and Guidelines of the Oregon Land Conservation and Development Commission (LCDC). LCDC Goal #2 reads: "To establish a land use planning process and policy framework as a basis for all decisions and actions". (1-1) The Lebanon Comprehensive Plan is a framework for making sound decisions on zoning, subdivisions, capital improvement programs, and other codes and ordinances. (1-14) Some of the general and specific goals of the Lebanon Comprehensive Plan are listed below.

1. To encourage development in a planned and considered manner consistent with the community's general health, safety and welfare.
2. To achieve an environment that assures each individual the widest possible choices and opportunities for a productive and meaningful life-style within the community.
3. To preserve those features that are special and unique to the community while also being responsive to changing needs and conditions.
4. To broaden opportunities for economic expansion and diversification.
5. To provide a land use policy plan which sets forth the suitable kinds, amounts and intensities of use to which land in various parts of the City be put.
6. To provide a housing policy plan which seeks to increase opportunities for all citizens to enjoy safe, decent and sanitary housing and to assist in creating and maintaining neighborhoods in a manner consistent with the natural environment and the needs of the people. (1-17)

Even considering problems that have occurred in some parts of the City of Lebanon from haphazard growth, it is still reasonably well laid out and a functionally well organized community with clearly defined residential, commercial and industrial areas. Some of the general criteria that was used to select the lands for future residential, commercial and industrial uses were the need to maintain an adequate supply of land for each type of future use and the existing land use patterns of the community land growth trends. (5-5)

In addition to the general criteria, the recommendations for future residential land use were guided by the need to allow for a variety of living environments in response to the housing needs of all community residents. (5-5)

Recommendations concerning commercial development are aimed at preventing further commercial sprawl, creating a strong commercial core, and providing for additional compact centers. (5-5)

The 5 Street and West Rose Street location is at this time zoned Neighborhood Commercial, an island in the middle of Residential Mixed Density (RM) zoning with access from Rose Street. This site has over the years been several varied businesses which were separated by sometimes long periods of vacancy. Several factors have contributed to this demise and have been listed in other parts of these Fact Studies including the proximity of 2 other neighborhood stores and the only access to the property that is not a main artery. Understanding that there is a need for these isolated areas for grocery stores around the community is part of the Lebanon Comprehensive Plan however they must be profitable and able to continue as a viable business. This site has shown to not be a profitable location and therefore a request for a zoning change has been submitted to the City of Lebanon. This zoning change would be from Neighborhood Commercial (NC) to Residential Mixed Density (RM) with intentions of placing a multiple-housing complex upon the property.

A major aim of the Plan is to assist in achieving a strengthened and diversified economy by maintaining an attractive living environment. The housing policies and recommendations also have strong social implications. Lebanon has traditionally followed housing policies which allow for maximum freedom of choice in selection of housing location. As a result, today Lebanon is a socially integrated community rather than a widely different series of neighborhoods. The housing policies in the Plan encourage the continued intermixing of housing types. (4-14)

Six land use classifications are recommended for the Urban Growth Area which may be used to assist in determining zoning suitability for various areas of the community: (5-6)

1. Single Family Residential
2. Mixed Density Residential
3. Commercial
4. Light Industrial
5. Heavy Industrial
6. Mixed Use

The overall goal of the Lebanon Comprehensive Plan in land use policies and recommendations is to provide a land use policy plan which sets forth the suitable kinds, amounts and intensities of use to which land in various parts of the city should be put. In the residential land use section of the land use policy plan, it states that:

1. The city shall encourage compact residential development to provide more efficient land utilization and to reduce the cost of housing, public facilities and services.
2. Overall residential densities in Lebanon should be as high as possible, but at the same time a variety in lot sizes, housing types, and street patterns should be encouraged.
3. The city shall maintain a mixed-density residential zone to allow locational flexibility and an intermix of housing types and densities with locational criteria that would direct traffic from higher density developments onto highways, arterials, or collector streets.
4. Medium-density multiple-family developments and mobile home parks or subdivisions that do not exceed the densities specified in the Zoning Ordinance shall be allowed within the city's Mixed-Density Residential Zone provided access is from a designated highway, arterial or collector street. (5-P-1)
5. The city shall maintain an adequate availability of residential, buildable lands that provide locational choices for each housing type as part of the city's development monitoring program and annual plan review. (6-P-2)
6. The city should maintain a substantial supply of residentially zoned land within the community to assist in keeping land costs for housing at reasonable levels. (6-P-3)

Energy use is of great concern to all of us. Approximately 25 % of the total energy used in Oregon is used by private automobiles. The plan includes a number of recommendations which can result in transportation energy savings. The compact urban growth pattern is accompanied by a recommended highway system which will improve traffic flow. Cluster development permitted by the zoning ordinance can reduce heating needs, allow for higher densities and permit more usable space. This allows a reduction in the amount of streets which have to be built, reduces the cost of providing utilities and allows the features of the site to be preserved. (4-24)

The City of Lebanon in their Comprehensive Plan is directed to make the most efficient, most energy saving use of land within the Urban Growth Boundary. What is being proposed is a change of the zoning on a parcel of land zoned Neighborhood Commercial (NC) which over many years has housed a variety of businesses that have all closed because of a lack of profitability. The change would be to Residential Mixed Density and a multiple-family complex would be placed on an otherwise vacant lot. This change would be aesthetically more attractive, more desirable, more usable and provide a wonderful location to raise a family with its location next to Century Park and the Lebanon Boys and Girls Club.

3. Considering the pattern of development in the area and surrounding land uses, detail how the proposed amendment is orderly and timely. You must demonstrate how this site best addresses the community based need for a Zoning Map Amendment.

The surrounding areas to the 5 Street and Rose Street location are zoned Residential Mixed Density (RM) with this corner an island of Neighborhood Commercial. Commercial land uses include all offices, general business, professional and service facilities, retail and wholesale stores and shops. (5-2) There are four basic subcategories of commercial land use: downtown commercial, highway commercial, shopping center commercial, and neighborhood commercial. Nearly all the commercial land within the City is either located in the downtown area or adjacent to U.S. 20 extending from downtown southward to Market Street. (5-12) Identification of commercial reserve land was done primarily on an in-filling basis. It consists of areas adjacent to existing commercial streets with a high percentage of existing commercial use. The commercial reserve land is concentrated in the downtown area and along U.S. 20 from downtown to the Southgate Shopping Center. (5-15) This demonstrates that most of the commercial land is downtown with small areas such as Tangent Street, Market Street and 2 Street located around the City. These reserves of commercial land guarantee that there will be commercial land available in these specified areas of development for some time.

Neighborhood convenience centers consist of isolated small grocery stores and occasional service stations. Current zoning allows for neighborhood commercial use in seven locations, all in the northern half of the community. (5-14) With two neighborhood commercial grocery stores in close proximity to the location at 5 Street and Rose Street, another one would decrease their profitability. All three would then be in jeopardy of failure. Finding a business that would be successful would be a challenge. All businesses depend on customers to be successful. Without the traffic of a main artery, customer counts diminish. In order to sustain a commercial enterprise, it must be profitable to survive.

Ensuring the maximum efficiency of land use means that land is put to its highest and best use. One of the things which this implies within the existing urban area is utilizing existing vacant land resources. (4-13) Buildable land within the City of Lebanon has decreased and is now infringing on the urban areas. The major problems the City of Lebanon faces have resulted from past uncontrolled urban fringe development. Past development sprawl in the fringe area beyond the city limits has resulted in haphazard, scattered and inefficient development. Sprawl development poses a number of serious problems both for the City and the County. Low density rural residential development results in a loss of prime farmland and woodland. The same population can be accommodated at urban densities with much less loss of prime land resources. (4-6)

LCDC goal #10 reads: "To provide for the housing needs of the citizens of the state". The Housing Element of the Lebanon Comprehensive Plan contains an inventory of existing housing in the Lebanon area including total housing units, types, conditions, trends and vacancy rates. It also contains an assessment of needs and problems and a projection of future housing demand. In order to accommodate the expected residential growth, a projection has also been made of the amount of buildable residential land necessary, suitable and available for the projected residential growth. (6-1)

The Oregon District Four Council of Governments projects a year 2000 population of 23,135 people within the Lebanon Urban Growth Boundary. The land within the Urban Growth Boundary can accommodate an estimated population of approximately 22,883, including allowances made for open space, industrial and commercial reserve lands and a vacant land factor to allow for market and locational choice. (4-8) This projection made almost 25 years before the date (2000) was even then showing a shortage in land to cover the population growth projections.

In determining the City's Urban Growth Boundary, consideration was given to the future needs for each major land use category including residential, commercial, industrial, public, and open space. After a large portion of land is preserved for industrial development, the remaining buildable land is intended to accommodate the projected population and provide some range of locational choice and land availability to assist in keeping land costs within reasonable limits. The City has no available large parcels for major subdivision development and large parcels are also limited in supply on the fringe areas of the City. It is necessary therefore to include areas within the Urban Growth Boundary that can accommodate large scale development to encourage more economical housing development in addition to previously subdivided suburban areas. (4-11)

Changing the zoning from Neighborhood Commercial to Residential Mixed Density (RM) would allow a non profitable parcel of land to become a much needed multiple family complex which addresses the need for additional housing in an area where few exist. It would be a very desirable location. The advantages would be numerous including Century Park and the Lebanon Boys and Girls Club location but also Tangent Street would give access to Highway 34 and the 1-5 corridor.

4. Describe the changes in the neighborhood or surrounding area, which might support or warrant this request:

Recently the downtown, Southgate Shopping Center and Main Street commercial areas have been experiencing an increased amount of closures resulting in vacancies. Downtown commercial districts generally require locations that are readily accessible, amply provided with convenient parking, relatively undisturbed by heavy traffic, and a compact grouping of shops that facilitates the pedestrian shopper. Lebanon's downtown areas meets this criteria with the exception that Highway 20's regional traffic is directed through the center of the shopping activity. Substantial progress in upgrading the appearance and functioning of the downtown area has been achieved; however a continuing effort must be maintained.

Each business which is removed from the downtown diminishes the area's total potential since customers attracted to one shop are also potential customers for the others as well. It is therefore necessary for the downtown to maintain a wide range of services and provide the basic amenities and conveniences necessary for a shopping public. (5-12) These vacancies provide the City of Lebanon with a quantity and wide variety of locations for new businesses. Too many vacancies are a major problem that many cities have experienced. Shopping centers have changed the way people shop preferring everything in one area. Many cities have had a shift from downtown to a shopping area. Lebanon is experiencing vacancies in both areas. With the 5 Street and Rose Street location as commercial, another potential vacancy could exist especially when there are so many better locations with a higher percentage of foot traffic and vehicular traffic that passes directly past them.

The present physical pattern of Lebanon may generally be described as a linear commercial core organized around Highway 20 with commercial developments expanding south along the highway and residential development spreading out literally into adjacent agricultural lands. Most of the new residential developments are occurring on the west and south fringe areas with only minor activity to the north and east. In the last ten years residential development in and adjacent to the City has taken place mainly in the westside area and the southern area. To the northwest there has been some multi family development; north of Tangent Street in the vicinity of Hansard Avenue. Substantial single-family and some multi-family development has also taken place south of Tangent Street between 7 and 1 Streets. (4-5) Not only has there been a marked increase in home building activity, but a marked change in the type of housing unit. There is an increasing demand for multiple family units and mobile homes as housing costs continue to rise. (6-4)

Residential areas within the City and the Urban Growth Area are intended for mixed- density residential development. This is in accordance with the City's desire to maintain an intermix of housing types and densities and conforms to the LCDC Housing Goal # 10 which states "plans shall allow for flexibility in housing location, type and density". In low density residential areas, single-family housing should predominate, with occasional duplexes, three-plexes, four-plexes, etc allowed on large lots that are incapable of being subdivided to City standards. (5-10)

Ten percent of the residential land within the City is utilized for multiple-family use and only .4 percent of the residential land within the Urban Growth Area is utilized for multiple-family use. (5-8)

There are no concentrations of multi-family housing in Lebanon. There are a few large apartment complexes but no single section of the City can be regarded as a multi-family housing area. Instead, duplexes, triplexes and apartments are scattered throughout the entire City and are usually located on arterial streets. The majority of multi-family units are in duplex to six-plex developments. The intermixing of single and multi-family housing throughout the community is considered an asset which many communities do not enjoy. It means that the City of Lebanon is an integrated community without noticeable segregated living conditions.

The intermixing of housing types also allows for more efficient land utilization. There are many large residential lots scattered throughout the City that are too large for efficient single-family development but too small or oddly shaped to be subdivided to City standards. Allowing for multi-family housing on these lots with appropriate standards permits maximum efficient land utilization. For these reasons the City desires to continue the intermixing of residential types and densities, as opposed to establishing discrete segregated zones. (5-8)

Changing the location at the 5 Street and Rose Street location from Neighborhood Commercial (NC) to Residential Mixed Density (RM) and building a multiple-family housing complex would help solve several problems faced by the City of Lebanon.

- 1) Another commercial building would not be a potential vacancy
- 2) The noise and traffic at that intersection would be lessened
- 3) It would help solve a continuing need for multiple-family housing complexes on the north end of the City, and
- 4) It would be a nice addition, aesthetically pleasing, and a very efficient use of the land

CONCLUSION

In the preceding four Fact Sheet studies, the following has been shown:

1. The City of Lebanon is directed to make the most efficient and best use of all land within the Urban Growth Boundary.
2. An increased amount of closures and vacancies in existing commercial locations especially downtown, Southgate Shopping Center, Main Street (by Walker Road) and some side streets.
- 5 Street and West Rose Street location as a Neighborhood Commercial (NC) location may result in yet another vacancy.
4. The close proximity of 2 other neighborhood commercial stores would and has been detrimental to all of them.
5. The history of businesses at the 5 and Rose Street location shows a problem with profitability.
6. The City of Lebanon has a need for more multiple-family housing complexes on the north end of town.
7. Traffic, whether foot or vehicular, is limited at this location since it is not a main artery.
8. A multiple-family complex is very desirable where Century Park and the Lebanon Boys and Girls Club are neighbors.
9. Noise and traffic would be lessened at this corner if changed from (NC) to (RM).
10. The Rose Street access to the property is not conducive to bringing business to a commercial site.
11. The trend in building is going toward multiple-family complexes as the costs of single family housing continues to rise.
12. A well kept modern multiple-family complex would be an aesthetically pleasing addition to this area.
13. The only feasible commercial venture for this location would be another neighborhood commercial grocery store and this has been shown to not be a profitable enterprise.

This site has been scheduled for demolition and will become a vacant lot. A vacant lot sometimes is unsightly. Erecting a commercial building, where over many years has seen varied businesses close, does not seem like a sound use of monies for construction purposes or a viable solution for this site. Making the most efficient, best use of the location is the goal of the City of Lebanon as stated in their Comprehensive Plan. How to accomplish this is a decision of the City of Lebanon. I am proposing a change in zoning from Neighborhood Commercial (NC) to Residential Mixed Density (RM) that would allow the building of a multiple-family housing complex in this location. It would enhance the area and be a viable asset to the community and I believe the best possible, most efficient use of this tract of land. Thank you for your consideration on this matter.

AN ORDINANCE APPROVING ZONING)
MAP AMENDMENT TO REDESIGNATE)
.32 ACRES FROM NEIGHBORHOOD)
COMMERCIAL DENSITY TO)
RESIDENTIAL MIXED DENSITY)

ORDINANCE NO. _____
FOR 2005

WHEREAS, the Lebanon Planning Commission on March 16, 2005, conducted a public hearing on File No. ZMA-04-01 regarding a certain .32 acre vacant site more particularly described as Assessor's Map T12S-R2W-10DB; Tax Lot: 201, and requesting a proposed amendment to the Lebanon Zoning Map Designation of said real property from Neighborhood Commercial (CN) to Residential Mixed Density (RM); and

WHEREAS, the Lebanon Planning Commission unanimously approved said request; and

WHEREAS, the Lebanon City Council has conducted a public hearing on April 13, 2005, upon the same request and File Number; and

WHEREAS, the Lebanon City Council finds that appropriate notice has been made to all parties according to Oregon Revised Statutes; and

WHEREAS, the City Council has considered the testimony, staff report and criteria of said request;

NOW, THEREFORE, the City of Lebanon ordains as follows:

Section 1. In addition to the findings referred to above, the City Council further adopts and finds those matters contained in Exhibit "A", which is incorporated herein by this reference as if fully set forth at this point

Section 2. The City Council hereby approves the recommendation of the Lebanon Planning Commission and does hereby amend the Zoning Map designation of that certain real property located at 400 W. Rose Street, at the southwest corner of the intersection of 5th and Rose Streets; Assessor's Map T12S-R2W-10DB; Tax Lot: 201, involving acreage in the approximate size of .32 acres, from the current Zoning Map designation of Neighborhood Commercial to Residential Mixed Density.

Section 3. Appropriate notice of this action shall be made as provided by law to the Department of Land Conservation and Development and the appropriate parties herein.

PASSED by the Council of the City of Lebanon by a vote of _____ for and _____ against, and approved by the Mayor this _____ day of April, 2005.

Kenneth I. Toombs, Mayor

ATTEST:

John E. Hitt, City Recorder

STAFF RECOMMENDATION

The City Development Review Team (including the City Administrator, Public Works Director, Community Development Manager, City Engineer, Senior Engineer, Building Official [AIC], Fire Marshal, Permit Specialist, and other staff) recommends that the Planning Commission recommends approval of this proposed Zoning Map Amendment to the City Council.

PROPOSED FINDINGS

BASED ON ZONING ORDINANCE CRITERIA

1. **LZO Section 9.010 (Authorization to Initiate Amendments):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 9.010 in that the applicant is the property owner and the applicant followed the procedures of Section 9.010.
2. **LZO Section 9.020 (Public Hearings on Amendments):** The request for the Zoning Map Amendment complies with Zoning Ordinance Section 9.020 in that the process outlined by LZO 9.020 is the process utilized for this proposed zoning map amendment.
3. **LZO Section 3.030 (Location of Zones):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 3.030 in that the requested boundary modifications (zoning map amendments) will be adopted by reference at the conclusion of this process as specified by the provisions of LZO 3.030.
4. **LZO Section 3.040 (Zoning Maps):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 3.040 in that the resulting zoning map amendment shall be in keeping with the provisions of LZO 3.040.
5. **LZO Section 3.060 (Zone Boundaries):** The request for the Zoning Map Amendment (change) complies with Zoning Ordinance Section 3.060 in that the resulting zoning map amendment boundaries shall be in keeping with the provisions of LZO 3.060.

BASED ON COMPREHENSIVE PLAN CRITERIA

A. **Introductory Provisions (Chapter 1)**

Criteria A1-3: The request for the Zoning Map Amendment complies with these portions of the narrative text from Chapter 1 in that relevant Comprehensive Plan provisions are the criteria the Planning Commission and City Council will use in making a sound decision on this proposed Zoning Map Amendment.

Criteria A4-#G1 – General Goal #1 (LCP 1-17): The change of the subject property from an unprofitable and vacant neighborhood commercial site to a location that permits multi-family housing could encourage development that promotes the community's general health, safety and welfare in that such potential future residential development "would be aesthetically more attractive, more desirable, more usable and provide a wonderful location to raise a family with its location next to Century Park and the Lebanon Boys and Girls Club."

Criteria A4-#G2 – General Goal #2 (LCP 1-17): The request for the Zoning Map Amendment on this property to Residential Mixed Density that would allow development of a multiple-family complex could help assure each individual the widest possible choices and opportunities for a productive and meaningful life-style within the community by providing future multi-family housing opportunities in a family oriented environment. The potential future provision of multifamily housing could be a positive step in providing need housing in the community as documented in the Chapter 3 of ECONorthwest's 2004 Lebanon Urbanization Study and Buildable Lands Inventory (BLI).

Criteria A4-#G3 – General Goal #3 (LCP 1-17): More than one grocery store and at least one other neighborhood oriented business have been located on the subject property for a number of decades. However, changing socio-economic conditions have rendered these businesses unprofitable since at least the early 1990s. Rezoning this site and enabling the potential future development of multi-family housing would be consistent with the directive of the 1980 LCP Chapter One General Goal #3 to be responsive to changing needs and conditions.

Criteria A4-#S2 – Specific Goal #2 (LCP 1-17): Since this proposed Zoning Map amendment does NOT include any change to the Comprehensive Map designation for the subject property this change in zoning is in compliance with the 1980 LCP Chapter One General Specific #2 to provide a land use policy plan which sets forth the suitable kinds, amounts and intensities of use to which land in various parts of the City be put. In fact, this zoning amendment is consistent with carrying out the long range intentions of the Comprehensive Plan Map for this site since the 1980 Comprehensive Plan Map designation for the subject property is *Mixed Density Residential* NOT *Commercial*.

B. Comprehensive Plan Chapters on Land Use (#5), and Housing (#6), as well as Housing, Land Use and Energy Efficiency Discussions in Chapter 4 (Urbanization).

Criteria B1-3 – Narrative Text (LCP 4-13, and 4-24) and Energy Policy #1, Part 3 (LCP page 4-P-4): The rezoning of the subject property that would allow the development of multi-family housing on the .32 acre site in proximity to a City Park, the Lebanon Boys and Girls Club would be consistent with the promotion of energy efficient development and maximum efficient use of land noted in the above cited narrative text of Chapter 4 (e.g., “cluster development,” and utilizing existing vacant land resources within the existing urban area) and the intent of Energy Policy #1 to support and enforce energy conservation and efficiency programs including . . . Compact site development standards and alternative development patterns such as cluster housing.

Criteria B4-9 – Narrative Text on Residential Land Use (LCP 5-8, and 5-10) and Residential Land Use Policies #1, #2, #5, and #6 (LCP page 5-P-1): The rezoning of the subject property would allow the potential future development of multi-family housing on the .32 acre site in proximity to a City Park, the Lebanon Boys and Girls Club, and other multi-family dwellings as well as single family housing would be consistent with the intent of all the above cited narrative text and policies in Chapter 5, as summarized below:

- a. *The intermixing of housing types . . . allows for more efficient land utilization;*
- b. *Allowing for multi-family housing . . . permits maximum efficient land utilization;*

EXHIBIT A

Page 2 of 3

- c. Residential areas within the City and the Urban Growth Area are intended for mixed-density residential development. This is in accordance with the City's desire to maintain an intermix of housing types and densities and conforms to the LCDC Housing Goal # 10 which states "plans shall allow for flexibility in housing location, type and density;"
- d. . . . encourage compact residential development to provide more efficient land utilization and to reduce the cost of housing, public facilities and services;
- e. Overall residential densities in Lebanon should be as high as possible, but at the same time a variety in lot sizes, housing types, and street patterns should be encouraged;
- f. . . . maintain a mixed-density residential zone to allow locational flexibility and an intermix of housing types and densities with locational criteria that would direct traffic from higher density developments onto highways, arterials, or collector streets.
- g. Medium-density multiple-family developments . . . shall be allowed within the city's Mixed-Density Residential Zone provided access is from a designated highway, arterial or collector street.

Criteria B10 – Chapter 5 Commercial Land Use Policy #9: While this policy allows "Neighborhood Convenience Centers that serve the shopping needs of a neighborhood should be allowed within the Mixed-Density Residential Zone" . . . and that . . . "Preferred locations shall be corner sites adjacent to an arterial or collector street," it is clear from the past history of failed businesses at this site that the shopping needs of the neighborhood are not successfully met at this location. Therefore, the re-zoning of this property is consistent with this 1980 Comprehensive Plan Policy.


Criteria B11-17 – Chapter 6 Housing Overall Goal (LCP page 6-P-1) [& Criteria A4-#S3 – Specific Goal #3 (LCP 1-17)], Chapter 6 General Housing Policies #1, #2, #3 (LCP page 6-P-1), Chapter 6 General Housing Types Policy #1 (LCP page 6-P-1), and Chapter 6 Buildable Lands Policies #1 and #2 (LCP pages 6-P-2 & 6-P-3): The rezoning of the subject property would allow the potential future development of multi-family housing on the .32 acre site in proximity to a City Park, the Lebanon Boys and Girls Club, and other multi-family dwellings as well as single family housing would be consistent with the intent of all the above cited policies in Chapter 6 and Chapter 1 Specific Goal #3, as summarized below:

- a. . . . increase opportunities for all citizens to enjoy safe, decent, and sanitary housing, and to assist in creating and maintaining neighborhoods in a manner consistent with the natural environment and the needs of the people;
- b. The city recognizes the need for an adequate supply of sound, decent, and attractive housing that includes a variety of type and design that is responsive to community needs;
- c. The city supports the need for all citizens of the community to participate in an open housing market and to have the opportunity to live in sound housing, adequate to their need at a reasonable cost relative to their income;"
- d. The city shall not impose special conditions on residential development that would discourage provision of needed housing types through unreasonable cost demands or processing delays;
- e. The city shall maintain an intermix of housing types and densities within the locational criteria of the Zoning Ordinance;
- f. The city shall maintain an adequate availability of residential, buildable lands that provide locational choices for each housing type . . . ;
- g. The city should maintain a substantial supply of residentially zoned land within the community to assist in keeping land costs for housing at reasonable levels.

Agenda Item 2



CITY OF LEBANON
MEMORANDUM

TO:	Jim Ruef, Public Works Director	DATE:	4/8/2005
FROM:	Rodney Sell, Maintenance Services Division Manager 		
SUBJECT:	Council Labyrinth presentation		

On April 13th Barbara Langford is scheduled to present information on Labyrinth's to the City Council. Barbara has made presentations to the Parks Committee who are receptive to Barbara's idea of adding a Labyrinth to one of the City Parks.

Last year the Parks Committee worked on a conceptual design for the park on the east side of Academy Square. The conceptual drawing includes a labyrinth on one side of the park and a water feature on the opposite side. Along with crisscrossing walking paths, these two features add a balanced look and feel to the park design.

WALKING THE LABYRINTH

WHAT? It is a unicursal (single) path to the center and the same path out. Unlike a maze there are no tricks, dead ends, or decisions to make. You simply put one foot in front of the other (or guide your wheelchair) following the path. Labyrinths have been found in many cultures in the world. The designs date back several thousand years. In Medieval Europe, an eleven circuit pattern was perfected and placed in the floor tiles of cathedrals such as the Chartres Cathedral. More recently, interest in labyrinths has been revived.

WHERE? In the last 10-15 years, labyrinths have been built at churches, hospitals, city parks, schools and universities, retreat centers, and prisons. Portable labyrinths are also available through churches and individuals and labyrinth societies in communities. Oregon hospitals in Newport, Eugene, Grants Pass, and The Dalles have built labyrinth walks for their staff, patients and patients' families to walk.

WHY? The walk can be 'for peace, focus, relaxation, balance, emotional and spiritual clarity.' (Good Samaritan Newsletter, summer, 2004) You may experience comfort, or insights into questions or struggles. It can be energizing and joyful. It is a time to reflect, to slow down, and to listen to your heart. The conscious mind(left brain) can relax as there are no decisions to make. One needs only to walk the path. Therefore, the intuitive and creative part of the brain(right brain) becomes more receptive. This reflective, meditative part of the soul can open a person to his/her own images, feelings, and insights.

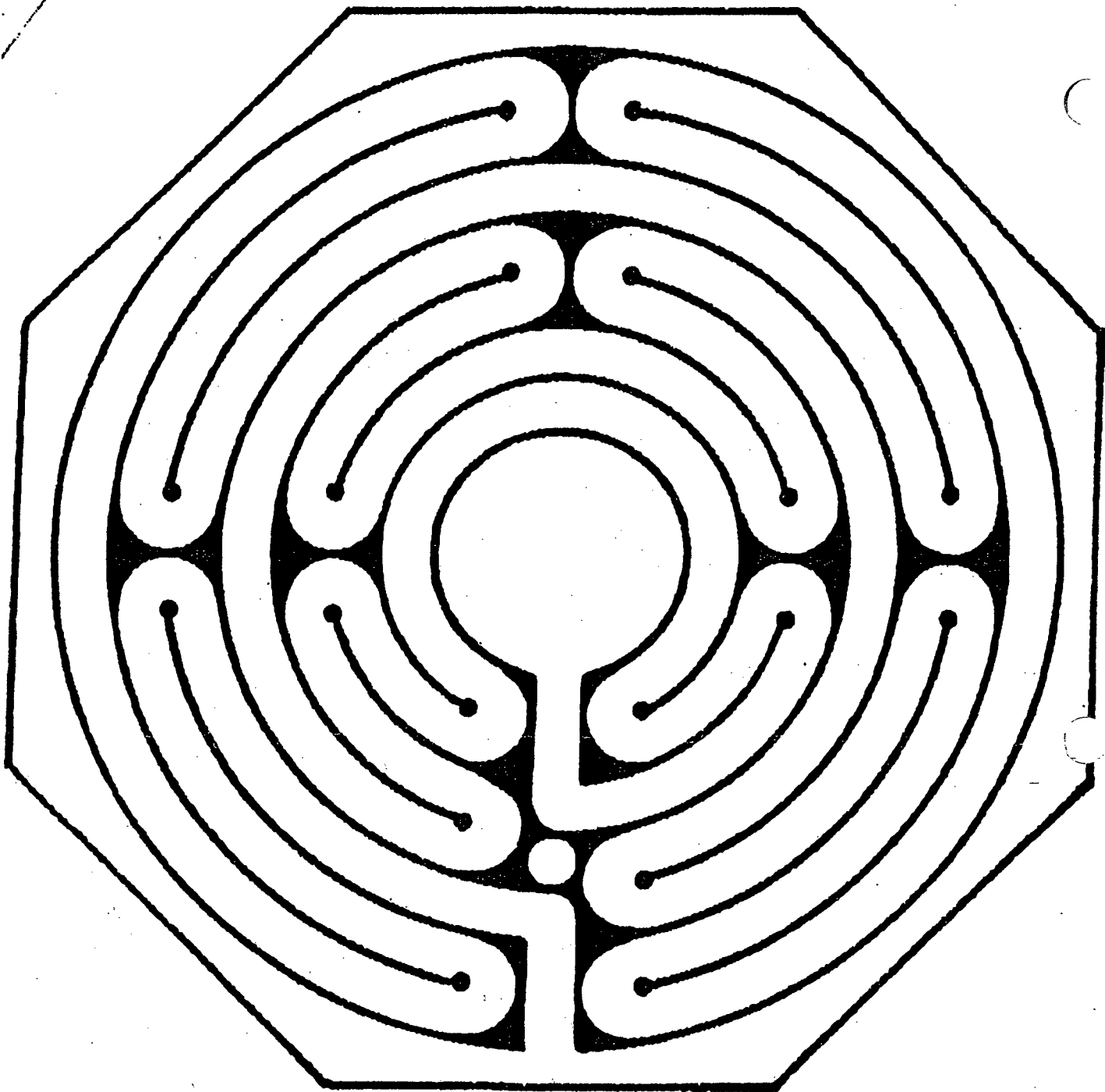
HOW? Walking into the center, you can present burdens, concerns, questions, joys, or you can just walk peacefully, mindfully, reflectively. Breathe slowly. Walk with an open heart and mind to your experience. You may experience peace, comfort, insight, joy, strength, etc. There are no rules or right way to walk the labyrinth. Walk, skip, twirl as you feel lead. Pass others by stepping to the side and around them. When you meet someone coming in the opposite direction, step around them, returning to your path.



FIGURE 1.1 CRETAN LABYRINTH



FIGURE 1.2 CHARTRES LABYRINTH



The Santa Rosa Labyrinth©
By Lea Goode, Santa Rosa California
Drawing and geometry by Robert Ferré, St. Louis, Missouri

REFERENCES FOR MORE INFORMATION

Walking a Sacred Path, Rediscovering the Labyrinth as a Spiritual Tool
By Dr. Lauren Artress

Exploring the Labyrinth, A Guide for Healing and Spiritual Growth
By Melissa Gayle West

The Way of the Labyrinth, A Powerful Meditation for Everyday Life
By Helen Curry

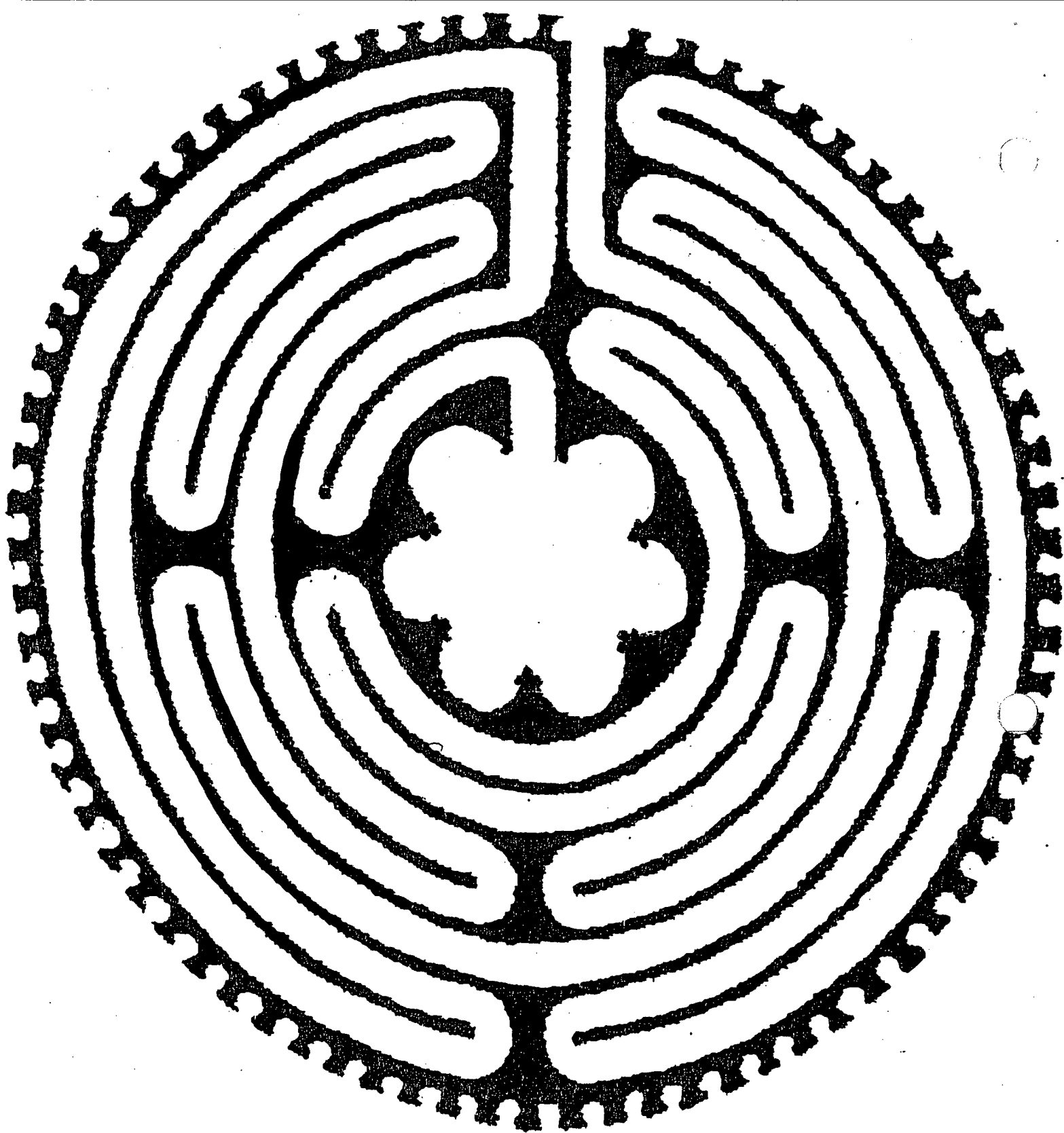
Websites:

The Labyrinth Company at www.labyrinthcompany.com

Labyrinth Enterprises at www.labyrinth-enterprises.com

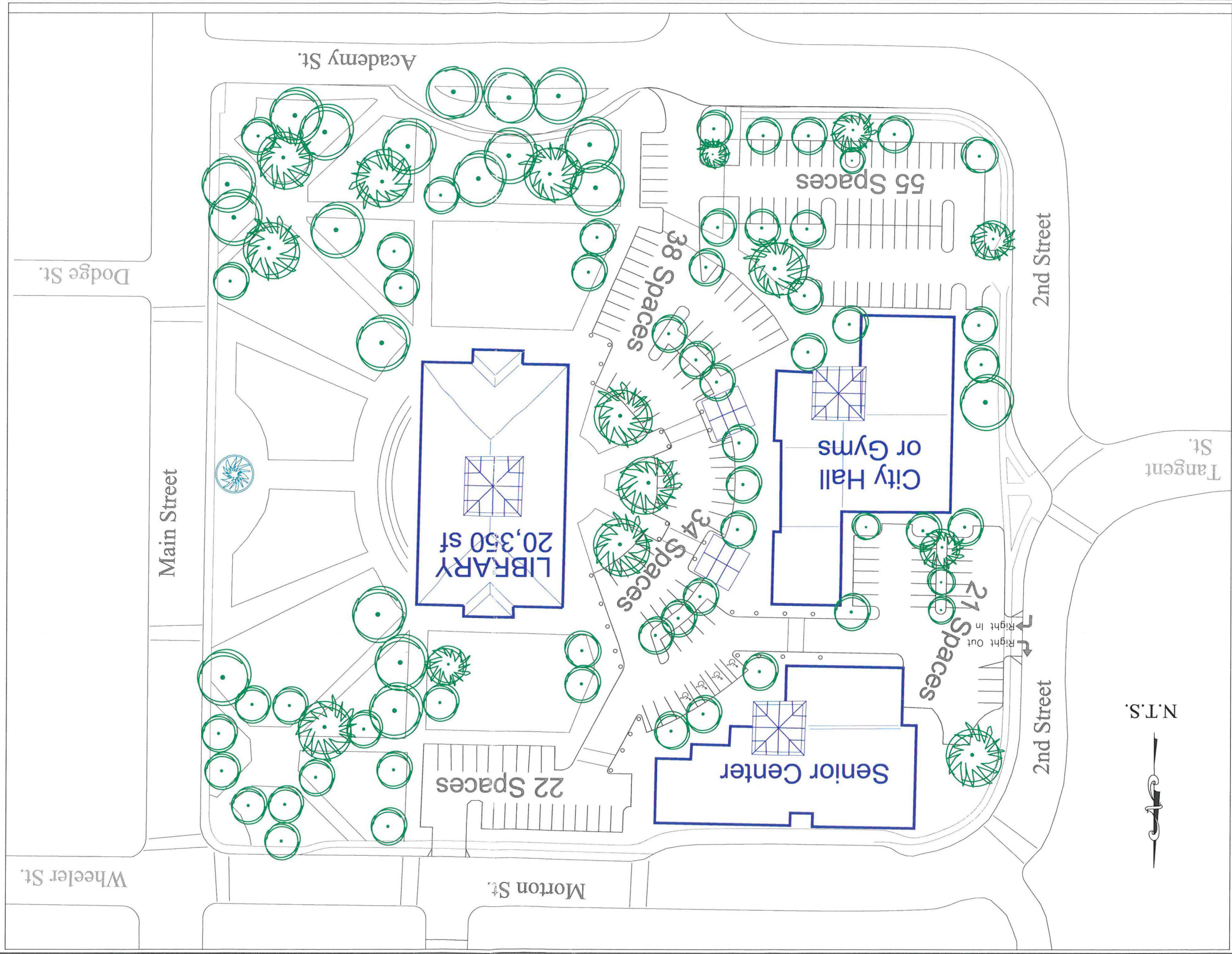
The Labyrinth Society at www.labyrinthsociety.org

Grace Cathedral Veriditas at www.gracecathedral.org/veriditas
(Veriditas is the Worldwide Labyrinth Project)





City of Lebanon Academy Square Library Placement Option 5



Agenda Item 3



CITY OF LEBANON

ADMINISTRATIVE DEPARTMENT MEMORANDUM

TO: Mayor Toombs and City Council

DATE: 4/13/05

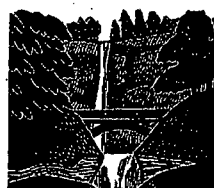
FROM: John Hitt, City Administrator

SUBJECT: Oregon Savings Plan

The Oregon Savings Plan (OSP) offers another IRC 457 Deferred Compensation Plan to our employees.

The OSP provides somewhat lower fees and different investment options than the ICMA, Nationwide and AIG Plans currently approved by the City.

There is no cost or liability associated with making this voluntary retirement/investment plan available to our employees.



Oregon Savings Growth Plan

Voice (503) 378-3730 Fax (503) 378-5888 TTY (503) 378-4942
osgp.csplans.com

Dear Employer:

The Oregon Savings Growth Plan (OSGP), a 457 deferred compensation plan, is available to all Oregon public employees. In 1996, ORS 243.474 authorized the state to offer the Oregon Savings Growth Plan to all Oregon public employers including special districts, local governments, and school districts. Prior to that date, the plan was available only to state of Oregon employees.

Because you have expressed an interest in OSGP, I am enclosing an Employer Package, which includes a core booklet entitled *Oregon Savings Growth Plan; Oregon's Trail to Financial Security*, together with paperwork necessary to adopt the plan. The core booklet describes the plan and sets out what it can do for your employees. Also included are descriptions of the nine investment options currently being offered, the latest performance results of those investment options, and the current fee structure.

In order to participate in the plan, employers must follow these steps:

1. Establish an eligible 457 deferred compensation plan. This program must meet all the requirements of IRC 457. We have included with this letter a sample plan-trust document for your information.
2. Adopt a resolution authorizing the OSGP to be offered as one of the investment providers for your 457 program. The resolution is also attached for your information.
3. Enter into an agreement with PERS for the administrative services provided to all participating employers. Copies of the service agreement are enclosed for your review.
4. Schedule a time for us to meet to discuss administrative details, educational services, and any questions you may have regarding this program.

Again, I appreciate you taking the time to inquire about the Oregon Savings Growth Plan. I look forward to meeting with you in the near future to discuss your employer and employees' needs to better plan for a successful financial future. If you have any questions or concerns, please do not hesitate to call me at (503) 378-3730, ext. 232.

Jack Schafroth
Local Government Representative

**A RESOLUTION TO APPROVE INCLUSION)
UNDER THE STATE OF OREGON DEFERRED)
COMPENSATION PLAN)**

**Resolution No. _____
for 2005**

WHEREAS, The City of Lebanon, pursuant to the provisions of Oregon Revised Statute (ORS) 243.474 which provides in part that:

"A local government that establishes a deferred compensation plan may invest all or part of the plan's assets through the deferred compensation investment program established by the Oregon Investment Council (OIC) under ORS 243.421."

WHEREAS, the City of Lebanon hereby determines to be included in the State of Oregon Deferred Compensation Investment Program, also known as the Oregon Savings Growth Plan, established by the OIC under ORS 243.421 and regulated by the Public Employees Retirement Board according to ORS 243.435 for its eligible personnel; and

WHEREAS, that the proper officers are herewith authorized and directed to take all actions and make such reductions and submit such deferrals as are required by the Public Employees Retirement Board of the State of Oregon pursuant to 243.478 (1) of the Oregon Revised Statutes, and

WHEREAS, that Employer agrees to be bound by the terms and conditions of the contracts between the State, its investment providers and record keeping company, and the "Plan Document" as identified in ORS 243.401 to 2453.507 and TPA services as amended from time to time. Specifically, without limitation, Employer agrees to appoint its governing body as Trustees of its Plan, pursuant to Section 457 (g)(2) of the Internal Revenue Code (IRC). The Employer certifies it has received a copy of the Plan Document and TPA Services, and

WHEREAS, that Employer shall submit a certified copy of this resolution and "Notification Memo" to the State of Oregon, Public Employees Retirement System (PERS) as the Plan Administrator, and

WHEREAS, that the Governing Body recognizing the PERS Board's responsibility for maintaining the integrity of the Plan, the Governing Body and Employer hereby agree to cooperate fully with the Plan Administrator in accordance with procedures established by PERS in processing requests for withdrawal in case of an unforeseeable emergency as defined in Sec. 457 (b) (5) and Sec. 1.457-2(h) (4) and (5) of the Internal Revenue Code, and

NOW, THEREFORE, BE IT RESOLVED that the Lebanon City Council, on the 13th day of April, 2005 approves the Oregon Savings Growth Plan on behalf of the City.

The Lebanon City Council passed this resolution by a vote of ___ for and ___ against on this 13th day of April 2005.

Kenneth I. Toombs, Mayor []
Ron Miller, Jr., Council President []

ATTESTED BY:

John E. Hitt, City Recorder

457 DEFERRED COMPENSATION PROGRAM

ADMINISTRATIVE SERVICES AGREEMENT

This Agreement for administrative services is effective as of _____, _____, by and between _____ (the "Employer"), with its principal place of business at _____, the Oregon Public Employees' Retirement System ("PERS"), and CitiStreet ("CitiStreet"), a Massachusetts Trust Company with its principal place of business in Quincy, Massachusetts, the Third Party Administer ("TPA").

WHEREAS, the Oregon Investment Council ("OIC") has established a deferred compensation investment program pursuant to ORS 243.421 (the "Program") and known as the Oregon Savings Growth Plan ("OSGP");

WHEREAS, PERS administers the Program in accordance with policies adopted by the Public Employees Retirement Board ("PERB") pursuant to ORS 243.435.

WHEREAS, Employer has established a Deferred Compensation Plan (the "Plan") pursuant to Internal Revenue Code Section 457;

WHEREAS, Employer desires to invest the Plan's assets through the Program;

WHEREAS, ORS 243.474 authorizes PERS to permit Employer to invest the Plan's assets through the Program upon satisfaction of certain conditions;

WHEREAS, as a condition precedent to Employer's investment of the Plan's assets through the Program and in accordance with ORS 243.474(2) and ORS 243.478, PERS has required Employer to enter into this Administrative Services Agreement pursuant to which Employer will receive administrative services in connection with the investment of the Plan's assets through the Program;

WHEREAS, PERS has requested TPA to provide certain administrative services directly to Employer in connection with Employer's investment of the Plan's assets through the Program;

WHEREAS, TPA has agreed to provide such services to Employer and PERS upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I - SCOPE OF AGREEMENT

- 1.1 This Agreement sets forth the terms and conditions pursuant to which PERS and TPA agree to provide, and Employer agrees to purchase, administrative services for the Plan. TPA shall provide directly to Employer the administrative services set forth on Schedule A attached hereto and incorporated herein by this reference (the "TPA Services"). PERS shall provide directly to Employer the administrative services set forth on Schedule B attached hereto and incorporated herein by this reference (the "PERS Services"). TPA shall render the TPA Services and PERS shall render the PERS Services in accordance with data, documents, policies, interpretations, directives, rules, practices and procedures of the Program and in accordance with the terms and conditions of this Agreement.
- 1.2 TPA and Employer each acknowledge and agree that PERS may, in its sole and absolute discretion and with or without cause, terminate the services of TPA hereunder and select another person or entity to become party to this Agreement as the TPA hereunder. Any such termination shall be handled in accordance with the provisions of Articles XII and XIII.

ARTICLE II - RESPONSIBILITIES OF EMPLOYER

- 2.1 Prior to the commencement of the TPA Services specified in Schedule A and the PERS Services set forth on Schedule B, Employer shall furnish or cause to be furnished to the TPA, in a timely manner and in accordance with the specifications in Schedule A, all necessary information and data ("Employer Data") for the Plan as established in Schedule A. Employer data includes, but is not limited to copies of the Plan and any amendments thereto and any demographic, payroll or other participant data necessary for the performances of TPA Services under this Agreement. Employer shall provide to TPA such additional policies, interpretations, practices, procedures and directions (collectively "Directions") as TPA may reasonably request to enable it to perform the TPA Services in accordance with Schedule A. Directions shall include any participant directions given in accordance with the terms of the Plan or related documentation.
- 2.2 Notwithstanding any other provision to the contrary, PERS and the TPA are not obligated to provide PERS Services and TPA Services, respectively, unless and until Employer provides timely, accurate and complete Employer Data to the TPA. Employer shall furnish or cause to be furnished to TPA all Employer Data specified in Schedule A in a timely manner and in accordance with the specifications of Schedule A. PERS and the TPA's agreement to provide Services as contemplated in Schedule A and Schedule B is contingent upon the timely receipt of accurate and complete Employer Data from the Employer.
- 2.3 Employer shall be solely responsible for the accuracy and completeness of any Employer Data provided to the TPA. Upon request of the TPA, Employer shall promptly furnish or cause to be furnished accurate and complete Employer Data to correct any inaccuracies or incompleteness with respect to Employer Data previously provided to the TPA.

- 2.4 Employer shall review the Employer Data processed by the TPA and shall verify any such data and shall promptly notify the TPA and PERS in writing of any claimed error with respect to any processed Employer Data or report.
- 2.5 The Employer agrees to cause appropriate deductions to be made from the pay of participants in the Plan and to send by check or wire transfer the amount of the total deductions to the TPA or to such other facility or in such other manner as may be mutually agreed to between the Employer and PERS.
- 2.6 The Employer shall provide to the TPA, in such form as agreed upon by PERS and the Employer, a deferral listing with respect to each Plan participant's account to include, but not be limited to, name, address, Social Security number, and annual salary. This process is set out in more detail in Schedule A.
- 2.7 The Employer represents and warrants that it is an eligible public employer under IRC 457 and ORS 243.401 (11) and that its employees are persons in the employ of a public employer. The Employer acknowledges that it is utilizing the services and investments offered by the Program.
- 2.8 Notwithstanding any other provision of this Agreement to the contrary, the Employer shall remain the responsible administrator of its Plan in accordance with ORS 243.478(2).
- 2.9 PERS may require the Employer to provide proof that its Plan complies with IRC 457, and may require an opinion of counsel or other assurances satisfactory to PERS that participation by Employer does not cause the State of Oregon to violate any federal or state laws or regulations related to investments and securities.

ARTICLE III – TPA'S OBLIGATIONS

- 3.1 TPA shall provide the TPA Services directly to Employer in accordance with the terms and conditions of this Agreement. TPA is directly liable to Employer for its failure to provide the TPA Services in accordance with the terms and conditions of this Agreement and for its breach of any other duty or obligation owed to Employer hereunder. Employer alone or with PERS may initiate legal action directly against TPA to enforce this Agreement against TPA.
- 3.2 TPA shall establish an account for each participant in the Plan and shall credit the amounts sent by the Employer on behalf of such participants to the investment options selected by such participants.
- 3.3 TPA shall withhold from distributions approved federal and state income taxes, according to instructions set forth on form W-4 completed by the participant. TPA shall remit such withholding to proper taxing authorities, and issue net funds to participant(s) or beneficiary (ies) in accordance with the withdrawal instructions in the Benefit Application Packet supplied by the participant. TPA shall issue tax statements to those participants and beneficiaries who received distribution(s) during the preceding year and retain a copy of such information on file for the period required by law.

3.4 TPA represents and warrants to Employer and PERS that

- (a) The TPA Services will conform to the description set forth in Schedule A as such schedule may be amended from time to time.**
- (b) TPA will use due care in providing the TPA Services.**
- (c) TPA shall render the TPA Services (and maintain its automated systems to render the TPA Services) in a manner which complies with all applicable federal and state laws and regulations.**
- (d) TPA shall take reasonable steps, in light of its custodian and record keeping obligations as provided in Schedule A and B, to ensure that its products and services (and those of third party suppliers) reflect the available state of art technology to offer such products and services that are Year 2000 compliant, including, but not limited to, century recognition of dates, calculations that correctly compute same century and multi-century formulas and date values, and interface values that reflect the date issues arising between now and the next hundred years, and if any changes are required, TPA will make such changes to its products and services at no cost to Employer or PERS and in a commercially reasonable time frame and will require third-party suppliers to do likewise.**

3.5 A breach of TPA's duty of due care in the performance of TPA Services hereunder includes, but is not limited to, the following:

- (a) Any processing error that results from the malfunction of TPA's automated systems (excluding a malfunction originating outside TPA's automated system attributable to a year 2000 problem, provided TPA has complied with Section 3.4 (d)) or from the errors or omissions of TPA or TPA's officers, employees, agents or contractors; or**
- (b) Any direct monetary loss suffered by the Plan as a result of the malfunction of TPA's automated systems (excluding a malfunction originating outside TPA's automated system attributable to a year 2000 problem, provided TPA has complied with Section 3.4 (d)) or from the errors or omissions of TPA or TPA's officers, employees, agents or contractors.**

3.6 In the event of any breach of the duty of due care described in section 3.5, TPA shall:

- (a) Promptly correct, at TPA's sole expense, any processing errors described in section 3.5(a) and reimburse any impacted participant on direct monetary loss.**

3.7 TPA will attempt to correct processing errors resulting from Employer's error, error by Employer's staff, or otherwise caused by the negligent acts of Employer's officers, employees and agents at TPA's sole expense, provided that Employer promptly notifies TPA of such error and furnishes all data to TPA reasonably necessary to make such changes.

ARTICLE IV - PERS' RESPONSIBILITIES AND LIMITATION OF LIABILITY

- 4.1 PERS shall provide the PERS Services directly to Employer in accordance with the terms and conditions of this Agreement.
- 4.2 PERS shall notify Employer and Plan participants of all investment options included in the Program. The investment options available as of the date of this agreement are outlined in Schedule B. The investment options offered by the OSGP may be changed by the OIC.
- 4.3 Pursuant to ORS 243.421, the OIC has exclusive authority for the design and implementation of the Program and PERS has exclusive authority for the administration of the Program in accordance with ORS 243.435.
- 4.4 All assets of the Plan invested by Employer through the Program will be held in the Public Employees Deferred Compensation Fund created by ORS 243.411.
- 4.5 The State of Oregon, the State Treasurer, the OIC, PERS and its officers and employees shall not be liable by reason of:
- a) Any loss resulting from or caused by events or circumstances beyond PERS' reasonable control such as nationalization, expropriation, currency restrictions, acts of war or terrorism, riot, revolution, acts of God or other similar events or acts;
 - b) (1) Acts or omissions of a Securities System, or (2) acts or omissions of, or related to, a Securities System. A Securities System shall mean securities which are held in the Federal Reserve book-entry system, in a clearing agency which acts as a securities depository or in another book-entry system for the central handling of securities.
- 4.6 A civil action for damages may not be brought against The State of Oregon, The State Treasurer, the OIC, PERB, or the officers or employees of the board by reason of any of the actions set forth in ORS 243.482.

ARTICLE V - FEES AND EXPENSES

- 5.1 In consideration of the PERS Services and TPA Services furnished hereunder, PERS may charge an annual Administrative Fee of up to two (2) percent of the assets of the Plan invested in the Program. The Administrative Fee will be assessed against the account of each Plan participant and the amount of the fee will depend on the investment options selected by the Plan participant. The Administrative Fee includes fees for record keeping, communications, counseling, customer services and custodial services. The current fee schedule is attached hereto as Schedule C. Employer understands and agrees that the fee schedule may be modified, periodically, to reflect any adjustments such as reduction/increase of mutual funds fee. Any new fee schedule shall become effective immediately upon written notice from PERS to Employer.

- 5.2 PERS may charge an additional fee assessed to a Plan participant's account when processing Plan-to-Plan Transfers-Out (from the Plan to another state, city, county, etc. in or out of the State of Oregon) and when processing Domestic Relations Orders.
- 5.3 If, in the performance of Services or Additional Services hereunder, TPA holds uninvested cash pending investment or distribution, TPA shall incur no liability for the payment of interest thereon to any other party, notwithstanding TPA's receipt of "float" from such uninvested cash. Such float shall constitute a part of TPA's overall compensation for Services and Additional Services hereunder.
- 5.4 The Administrative Fee includes a fee for TPA Services (custodial services and record keeping services). A portion of the Administrative Fee will be paid to TPA for the TPA Services. The amount of the fee for TPA Services is set in a separate agreement between PERS and TPA. PERS, Employer and TPA agree the amount of the fee set in the PERS – TPA agreement shall apply to the TPA services provided in this agreement.

ARTICLE VI - PLAN AMENDMENTS

- 6.1 PERS shall be under no obligation to process Plan amendments proposed by the Employer. Employer shall provide PERS with such amendments ninety (90) calendar days prior to the effective date of such amendment to review and accept or reject such amendments. If PERS accepts any amendments which materially affect any of the Plan record keeping and data processing requirements, which are also accepted by the TPA, PERS and Employer shall mutually agree upon appropriate adjustments to the administrative fee within the limits as stated in Article V, 5.1.
- 6.2 Approvals of Plan amendments by PERS shall constitute PERS' acquiescence to the use of the documents involved and not its approval of their contents or their effect. The Employer shall assume full responsibility to PERS and to all interested persons for such contents and such effect.
- 6.3 The Employer shall be responsible for preparation and submission of any Plan(s) and Plan amendments for Internal Revenue Service determination. The Employer shall take all measures required under current federal law and applicable provision of the Internal Revenue Code and Regulations, to assure the qualifications of any Plan(s). PERS and the TPA shall be under no duty to question the measures taken by the Employer pursuant to Section 6.2 hereof, and this Section 6.3.

ARTICLE VII - CONFIDENTIALITY

- 7.1 PERS, Employer and TPA agree that all confidential information communicated to each other during the term of this Agreement shall be received in strict confidence, shall be used only for the purposes of this Agreement, and no such information shall be disclosed to third parties by the recipient party, its officers, employees, consultants, or agents without the prior written consent of the other parties. Each party agrees to take all reasonable precautions to prevent the disclosure to third parties of such information, including without limitation, the provisions of this Agreement and any incorporated

Schedules, except as may be necessary by reason of legal, accounting or regulatory requirements as the case may be. The obligation to treat information and data as confidential shall not apply to information which:

- (a) is in the public domain, other than by any breach of this Agreement,
 - (b) is in the possession of a party to this Agreement on the effective date hereof, and if it shall not have been obtained from the other party,
 - (c) shall be developed by a party outside the scope of any agreement with the other party,
 - (d) shall be obtained rightfully from third parties.
- 7.2 The provisions of this Article VII shall survive the expiration or termination of this Agreement and continue for so long as either party is in possession of data or information protected hereunder.
- 7.3 No party shall be bound under this Article to the extent that it acts under compulsion of law (such as the Oregon Public records law) or in accordance with the requirements of any national or local government or government instrumentality or any other body with whose requirements the parties may be required by law or practice to conform.
- 7.4 TPA shall use the information communicated by PERS or Employer to TPA pursuant to this agreement, only for purposes of performing this agreement.

ARTICLE VIII - COMPUTERIZED REPORTING SERVICES

- 8.1 The Employer agrees to use the equipment, computer programs and other information supplied by the TPA solely for its own internal use and benefit and not for resale or other transfer or disposition to, or use by or for the benefit of, any other person or organization without prior written approval of PERS and the TPA.

The Employer acknowledges that the databases, computer programs, screen formats, screen designs, report formats, interactive design techniques, and other information furnished to the Employer by the TPA may constitute copyrighted trade secrets or proprietary information of substantial value to the TPA. Such databases, programs and other information are collectively referred to below as "Proprietary Information" provided "Proprietary Information" does not include Employer data supplied by Employer or PERS, data and information TPA is required to provide Employer or PERS pursuant to the terms of this agreement, formats, screen designs, report formats, and other information Employer or PERS utilized prior to TPA being retained to provide its services. Also "Proprietary Information" does not include information listed in section 7.1 (a)-(d). Subject to the Oregon Public Records Law, the Employer agrees that it shall treat all "Proprietary Information" as proprietary to the TPA and that it shall not divulge any "Proprietary Information" to any person or organization except as expressly permitted hereunder. Without limiting the foregoing, the Employer agrees for itself and its employees and agents:

- (a) to use such programs and databases (i) solely from equipment at Employer's locations agreed to between the Employer and PERS and (ii) solely in accordance with the TPA's applicable user documentation;
 - (b) to refrain from obtaining unauthorized access to any programs, data or other information owned by the TPA, and if such access is accidentally obtained, to respect and safeguard the same as "Proprietary Information";
 - (c) to refrain from causing or allowing information transmitted from the TPA's computer to the Employer's terminals to be retransmitted to another computer, terminal or other device except to the extent such information was originally provided by Employer or is information Employer or PERS is paying TPA to provide pursuant to this agreement;
 - (d) that the Employer shall have access to only those authorized transactions as agreed to between the Employer and PERS;
 - (e) to honor reasonable written requests made by TPA to protect at TPA's expense the rights of TPA in "Proprietary Information" at common law, under the federal copyright statutes and under other federal and state statutes.
- 8.2 Notwithstanding the provisions of Article VII and Article VIII, in the event the contract with the present TPA is not renewed or is otherwise terminated, TPA agrees in accordance with Article XII and XIII to cooperate with Employer, PERS, and the newly selected TPA in transferring data and information to the newly selected TPA. Such data shall be in the format reasonably requested by PERS.
- 8.3 The Employer hereby acknowledges that the data and information it will be accessing from the TPA is unaudited.

ARTICLE IX - OWNERSHIP OF WORK PRODUCT

- 9.1 All work product that results from this agreement (the "Work Product") is the exclusive property of PERS. PERS and TPA intend that such Work Product be deemed "work made for hire" of which PERS shall be deemed the author. If for any reason the Work Product is not deemed "work made for hire," TPA hereby irrevocably assigns to PERS all of its right, title, and interest in and to any and all of the Work Product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. TPA shall execute such further documents and instruments as PERS may reasonably request in order to fully vest such rights in PERS. TPA forever waives any and all rights relating to the Work Product, including without limitation, any and all rights arising under 17 USC § 106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modification.

ARTICLE X - SECURITY CODES

- 10.1 If the TPA has issued to the Employer, or to any agent appointed by the Employer, security codes or passwords in order that the TPA may verify that certain transmissions of information, including directions or instructions, have been originated by the Employer or its agent, as the case may be, PERS and TPA shall be kept indemnified by and be without liability to the Employer for any action taken or omitted by it in reliance upon receipt by PERS or TPA of transmissions of information with the proper security code or password, including communication purporting to be directions or instructions, which PERS or TPA reasonably believes to be from the Employer or its agents.

ARTICLE XI - INDEMNIFICATION

- 11.1 The Employer and TPA shall indemnify and hold PERS harmless from any and all liability, claims, damages, costs or expenses (including reasonable attorney's fees) arising from or claimed to have arisen from the performance or nonperformance of this Agreement.
- 11.2 To the extent permitted by the Oregon Constitution, any Oregon Statute and The Employer's Charter and ordinances, the Employer shall indemnify and hold the TPA harmless from any and all liability claims, damages, costs or expenses (including reasonable attorney's fees) arising from or claimed to have arisen from; (i) actions the TPA performs upon any direction, instruction, request or representation of the Employer (including any direction, instructions, request or representation of the Employer to the TPA to perform TPA Services other than as provided in this agreement); (ii) claims arising from any action or omission of a prior TPA, trustee or investment manager; (iii) a breach of any duty by PERS in administering or investing of funds in the Deferred Compensation Fund, a breach of any duty by PERS in administering or investing of the funds for participating local governments; (iv) any losses suffered by a local plan participant because of participant's choice of an investment option available through the deferred compensation investment program established under ORS 243. 421; (v) any claim PERS, or officers, or its employees violated federal or state security laws. This right to indemnification does not cover any liability, claims, damages, costs or expenses arising from the TPA's negligence or bad faith, or failure to perform its obligations under this agreement.

ARTICLE XII - TERMINATION

- 12.1 Employer or PERS may terminate this Agreement upon 30 days advance written notice to all other parties to this Agreement. Any termination by Employer or PERS pursuant to this section 12.1 shall terminate this Agreement in its entirety except for those obligations that expressly survive termination.
- 12.2 TPA may terminate TPA's rights and obligations under this Agreement upon 180 days advance written notice to all other parties to this Agreement. Any termination pursuant to this section 12.2 shall terminate only the rights and obligations of TPA under this Agreement, other than the obligations of TPA that expressly survive termination.

Termination of TPA's rights and obligations under this Agreement pursuant to this Section 12.2 shall not terminate this Agreement and this Agreement shall remain in full force and effect between PERS and Employer until terminated in accordance with Section 12.1. TPA may not without the consent of PERS, terminate its rights under this agreement without also terminating its rights under its agreement with PERS with respect to the Oregon State Employees Deferred Compensation Plan.

- 12.3 PERS may terminate TPA's rights and obligations under this Agreement upon 30 days advance written notice to all other parties to this Agreement. Any termination pursuant to this Section 12.3 shall terminate only the rights and obligations of TPA under this Agreement, other than the obligations of TPA that expressly survive termination. Termination of TPA's rights and obligations under this Agreement pursuant to this Section 12.3 shall not terminate this Agreement and this Agreement shall remain in full force and effect between PERS and Employer until terminated in accordance with Section 12.1

ARTICLE XIII-EFFECT OF TERMINATION

- 13.1 Following notice of termination of this Agreement pursuant to Section 12.1 or notice of termination of TPA's right and obligations under this Agreement pursuant to Sections 12.2 or 12.3, TPA shall:
- (a) Prepare and deliver stored Employer Data files and related materials, in TPA's format or, at PERS' option, in the format reasonably requested by PERS, to Employer or its agent at the time reasonably requested by PERS and otherwise cooperate with PERS and Employer in the transmission of data to a successor TPA, if any.
 - (b) TPA shall fully cooperate with PERS and Employer and the successor TPA in performing all action necessary to effect the transfer to the successor TPA on the date of termination all assets, funds and property held by TPA under this agreement. Such property shall be in good delivery form.
- 13.2 Following notice of termination of TPA's rights and obligations under this Agreement pursuant to Sections 12.2 or 12.3, PERS shall:
- (a) Select a successor TPA ("New TPA"); and
 - (b) Coordinate the transfer of the Employer Data files and related materials and fund assets to the New TPA.
- 13.3 Employer acknowledges and agrees that PERS has sole power and authority to select any New TPA under this Agreement. Employer agrees that any New TPA will become a party to this Agreement as the TPA and with all the rights and obligations of the TPA hereunder upon execution by PERS and the New TPA of the Addendum to Administrative Services Agreement attached hereto as Exhibit A (the "Addendum") and

delivery of the executed Addendum to Employer in accordance with the notice provisions of this Agreement.

- 13.4 Employer further acknowledges and agrees that PERS has the right and power to negotiate changes in the TPA Services ("New TPA Services") with the New TPA and that such changes shall be binding on Employer under this Agreement so long as the New TPA Services are substantially similar to the TPA Services. The New TPA Services shall become the TPA Services under this Agreement upon the delivery of a new Schedule A to Employer as part of the Addendum.
- 13.5 Transfer of Employer Data files (and any other information or records governed by this Agreement) and Fund assets pursuant to termination shall be at no additional cost to PERS or Employer; provided, however, that if TPA incurs extraordinary costs to transfer Employer Data files (or any other information or records governed by this agreement), Employer shall reimburse TPA for such extraordinary costs. Extraordinary costs shall not include the following:
- (a) costs to transmit data in readable form in TPA's format or a format TPA is already using with respect to TPA Services provided to Employer or PERS.
 - (b) costs to transmit data or reports that TPA is being paid to provide pursuant to this agreement.
 - (c) costs similar to costs incurred by previous TPA, when CitiStreet became the new TPA under the present OSGP.
- 13.6 The TPA, PERS and Employer agree to cooperate with each other to ensure an orderly termination process.
- 13.7 Upon termination TPA shall be entitled to pro rata fees, except as provided in paragraph 3.7.
- 13.8 If PERS is delayed by causes other than those caused by the TPA, its agents or subcontractors, in phasing out the services provided by this agreement beyond the effective date of termination, the TPA shall provide (at PERS' request) extended operation services for a period not to exceed six (6) months from the effective date of termination. Such services shall be provided at the same compensation rate as provided under this agreement.

ARTICLE XIV - FORCE MAJEURE: OTHER FAILURES OR DELAYS

- 14.1 Neither party shall be liable to the other for any failure to comply with the terms of this Agreement, for any delay in the performance thereof or for failure to perform under the terms and provisions of this Agreement, where such failure or delay is due to causes beyond such party's reasonable control, provided the party whose performance is so delayed promptly notifies the other party of the cause of such delay, the delay is of no greater scope or of no greater duration than required by the circumstances and the party

claiming such delay promptly employs all reasonable efforts to remove or avoid the cause of delay and resumes performance of its obligations hereunder.

ARTICLE XV - GOVERNING LAW

- 15.1 This Agreement shall be governed by and construed in accordance with and enforced pursuant to the laws of the state of Oregon excluding those portions relating to conflicts of laws.

ARTICLE XVI - SCHEDULES

- 16.1 The Schedules attached to this Agreement and referred to herein shall be deemed to be a part hereof. If there is any conflict between the terms of the agreement and the terms of the schedules, the terms of this agreement shall have precedence.

ARTICLE XVII - TERM OF AGREEMENT

- 17.1 This Agreement shall become effective as of the date contained herein and shall continue in full force and effect until terminated as provided in Article XII.

ARTICLE XVIII - SEVERABILITY

- 18.1 If any provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall continue to be fully effective, provided that the parties shall exercise their best efforts in good faith to replace by mutual agreement any such invalid or unenforceable provision that in the opinion of either party materially affects their position under the Agreement.

ARTICLE XIX - MISCELLANEOUS

- 19.1 The Employer represents and warrants that the Deferred Compensation Investment Program in which participants will be investing is held in trust with the Employer acting as trustee for the exclusive benefit of participants and their beneficiaries in accordance with Internal Revenue Code Section 457(g).
- 19.2 No party to this Agreement shall assign its rights or delegate its duties or responsibilities under this Agreement, or subcontract any of its responsibilities except as expressly provided in this agreement hereunder, without the prior written approval of the other party. Such approval shall not be unreasonably withheld. Unless otherwise expressly stated in such approval by a party, any such assignment or delegation shall not relieve the assignor or delegator of any of its duties or obligations under this Agreement.
- 19.4 This agreement and the provisions thereof shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties.
- 19.5 This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the

terms of the Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

19.6 This contract consists of several documents. In the event of a conflict between the documents, the service agreement shall control over the attached Schedules.

ARTICLE XX - SURVABILITY

20.1 The provisions of sections 3.4, 3.5, 3.6, 4.5, 4.6, 7.1, 7.3, 8.2, 9.1, 11.1, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 15.1, 18.3, shall survive the termination of this agreement.

ARTICLE XXI - NOTICES

21.1 Notices and demands to be given under this Agreement by one party to another shall be given by United States mail, certified, addressed to the party to be notified or upon whom a demand is being made, at the respective addresses set forth in this Agreement or such other place as any party may, from time to time, designate in writing to the other parties. Notice shall be deemed to be effective on the day the notice is mailed.

If to Employer:

If to PERS:

Oregon Public Employees' Retirement System
Attn: Gay Lynn Bath, Oregon Savings Growth Plan Manager
800 Summer St NE, Suite 200
Salem, OR 97301

If to CitiStreet:

CitiStreet Bank and Trust Company
Bob Donohue, Vice President
One Heritage Drive
North Quincy, MA 02171

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

_____ (Employer)

By: _____
Name: _____
Title: _____
Date: _____

Oregon Public Employees' Retirement Services

By: _____
Name: Marsha Bacon
Title: Administrator – Customer Service Division
Date: _____

CitiStreet

By: _____
Name: Bob Donohue
Title: Vice President
Date: _____

EXHIBIT A

ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT

This Addendum to Administrative Services Agreement (the "Addendum") is executed as of _____ by ("New TPA"). By execution of this Addendum, New TPA agrees to become a party, as the "TPA" thereunder, to that certain Administrative Services Agreement dated as of _____ by and among the Oregon Public Employees' Retirement System ("PERS"), _____ ("Employer") and a TPA (the "Administrative Services Agreement"). New TPA shall become a party to the Administrative Services Agreement as the TPA thereunder and shall have all the rights and obligations of the TPA thereunder on the date PERS delivers this executed Addendum to Employer in accordance with the notice provisions of the Administrative Services Agreement (the "Effective Date"). If PERS and TPA have agreed to any changes to the TPA Services from those in existence prior to the Effective Date, a full description of the TPA Services as agreed to between PERS and TPA is set forth on the Schedule of TPA Services attached hereto and this Schedule of TPA Services shall become Schedule A to the Administrative Services Agreement on the Effective Date, replacing in its entirety any Schedule A to the Administrative Services Agreement in existence prior to the Effective Date. All capitalized terms used but not defined herein shall have the meanings assigned thereto in the Administrative Services Agreement.

(NEW TPA)

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED TO:

OREGON PUBLIC EMPLOYEES'
RETIREMENT SYSTEM

By: _____
Name: _____
Title: _____

JPD:rar/GEN07372



**OREGON SAVINGS GROWTH PLAN
LOCAL GOVERNMENT PROGRAM**

SCHEDULE A

Retirement Investment Services (RIS) Record Keeping Services

Except where responsibilities have been expressly allocated to PERS or Oregon State Treasury, the TPA is responsible for ensuring that the services described in this Schedule A are performed. TPA understands and agrees that PERS is relying on TPA's superior knowledge and expertise with respect to the services described in this Schedule A. In providing advice and services to PERS and Employers pursuant to this Schedule, TPA shall exercise the skill and expertise called for by the work to be performed. Without limiting, but in addition to, any other representations or warranties provided under this contract, TPA specifically represents and warrants that it has the necessary skill, qualifications, and expertise to provide the services required under this Schedule A.

TPA agrees to advise PERS of and make available to PERS any future enhancements and improvements of TPA's record keeping services. PERS may amend this contract to include additional, enhanced or improved services for such additional compensation as may be mutually agreed upon. This agreement may also be amended for reasons not expressly set out above upon written approval of all of the parties.

I. BUSINESS REQUIREMENTS

A. Payroll Interface

A.1 Transmission Modes

Payroll demographic data must be manually transmitted (handwritten or digitized image) to TPA in order to process in a timely manner. TPA will work with PERS and Employer to determine the proper file transfer mode to be used between locations. The proper security access will be set up according to TPA data security guidelines.

A.2 Employer Payroll Feed to TPA

Overview

The payroll contribution files will be posted and appropriate payment (wire or check) sent to TPA for each predetermined payroll period. The trade date for the transactions will reflect the date on which the contributions are posted to the record keeping system. One week prior to this day, the payroll contribution files will be transmitted (handwritten or digitized image) in TPA's format. TPA will use its best efforts to resolve any discrepancies with the Employer from the edit report. If a discrepancy cannot be resolved or explained to PERS and the Employer's satisfaction within two (2) weeks, such discrepancy shall be resolved in favor of Employer.

Demographic updates will be sent with payroll file using the same format. This file will be a "changes only" update of participant demographic data.

TPA will create a separate document describing the detailed programming specifications for the payroll interface files, if applicable. TPA will determine this based on number of active deferrals, where there are at least fifty employees deferring income under the Oregon Savings Growth Plan (Plan).

Detailed Participant Contributions

The payroll deferral records are at the participant level. TPA will capture and store the participant's election percentages through the demographic update. TPA and Employer are considered the system of record for that data. Therefore, the deferral amounts on the contribution record should reflect amounts split by source only. TPA will then allocate the amounts to the appropriate investment funds based on the participant election percentages stored on the system.

A batch totals record reflecting the totals by source of the participant payroll records will accompany each payroll.

TPA will perform the following contribution eligibility edits:

- Allocation percent is zero for contributions source - *reject contribution*
- Deferral limit exceeded - *reject contribution*
- Terminated status - *warning message*
- Negative contributions exceed fund balance - *reject portion of contribution and contact Oregon Savings Growth Plan to resolve. A negative balance will not be created.*
- Employee not in Plan - *reject contribution*
- Duplicate Participant contribution record - *reject duplicate unless employee is working for two (2) employers. In that case, a second account would be created using a "999" social security number.*

A special report is required to identify Participants with a deferral percent/dollar amount and missing contribution amount or Participants with a contribution amount and missing a deferral percent/dollar amount. The report will also identify any contributions that are not equal to the deferral dollar amounts stored on OmniPlus. The comparison will be made to the deferral information that was on the OmniPlus system at the time of the last feedback transmission to PERS.

New Enrollees

Transactions for newly enrolled employees should be sent before the participation date for each employee. Employer/Local Government Coordinator (LGC) will send via hard copy or digitized image in an agreed upon format via electronic transmission the enrollment form, demographic information, beneficiary information, and the initial investment election for each Participant. An initial PIN will be generated and a PIN self-sealed confirmation sent to the Participant with an enrollment package within two (2) Business Days.

Frequencies

LGC and Employer will feed payrolls to TPA according to the payroll calendar.

A.3 TPA Payroll Feedback to Employer

Overview

TPA and Employer are currently system of record. No feedbacks are scheduled.

Demographic Interface

Demographic data will be sent as scheduled (handwritten or digitized image). PERS and Employer will send the following information for each participant:

1. Social Security number
2. Name
3. Address
4. City
5. State
6. Zip Code
7. Birth Date
8. Payroll Location Code
9. Termination Date
10. Termination Reason
11. Participant Status
12. Contribution percent
13. Contribution dollar
14. Catch-up Provision Flag
15. Employer Location (PERS Number)
16. QDRO flag
17. Catch-up Provision Flag

Demographic data will be posted immediately upon receipt.

B. Plan Processing

B.1 Contributions

Contributions will be received (handwritten or digitized image) which is received by TPA according to payroll frequency. PERS and Employer will send contribution information for the following sources:

- Employee deferral contribution.
- Employer contribution.

TPA will receive funding prior to posting the contribution data.

B.2 Enrollments/Re-enrollments and Eligibility

LGC and Employer will determine the eligibility of a participant. The participant will enroll via form through the LGC or Employer who will notify TPA. An employee may be eligible to participate in the Oregon Savings Growth Plan immediately. Upon receipt of the enrollment transaction from LGC or Employer, TPA will send the participant a PIN, which will confirm the participant's enrollment elections.

Newly enrolled Participants may contact the WEB/IVR/CSR daily and change investment options.

B.3 PIN Generation and Issuance

- As new participants are enrolled, PINs will be generated and issued to them.
- PIN reminders can be requested by a participant through the Web/IVR/CSR.
- The PIN generation algorithm will be defined by TPA.

B.4 Deferral Contribution Percent/Dollar Change

Contribution percent/dollar changes will be made via the Web/IVR/CSR. They must be in increments of one percent or \$1.00.

Subject to any catch-up elections, set forth in Section B.5, deferral contribution percentages range from 0% to 100% of compensation. The minimum contribution dollar amount is \$25. In addition to the monthly limitations of deferral, in no event shall the amount deferred for any employee's taxable year exceed the applicable IRC limits. TPA will monitor contribution percent/dollar changes to Plan rules.

B.5 Catch-Up Provision

Under certain conditions set out below, participants may make extra contributions to the Plan. A participant may elect one of the following options, but may not exercise both simultaneously:

Three-Year Catch-Up

(a) The earliest date a participant may utilize this catch-up provision is up to three years before the participant's normal retirement age as defined under the plan sponsor's retirement system.

Within one to three years prior to the participant's normal retirement age, the participant may make additional contributions not to exceed the lesser of:

- (i) twice the dollar amount in effect under Internal Revenue Code section 457(b)(2)(A) (\$14,000 in 2005, increasing by \$1,000 until 2006, as adjusted from time to time); or
- (ii) the sum of the maximum contribution level available to the employee (the lesser of 100% of income or the applicable dollar amount which in 2005 is \$14,000) plus so much of the annual maximum contribution level as was not previously used; or

50-Plus Catch-Up

(b) A participant who has obtained the age of fifty (50) before the close of the plan year may defer an amount in addition to the maximum contribution level, not to exceed:

- (i) the dollar amount stated by the Internal Revenue Service (\$4,000 in 2005, and increased by \$1,000 each year until 2006

Participants will request the forms from and return the forms to PERS or Employer.

B.6 Investment Election Percent Change

Investment election percent changes will be made using the Web/IVR/CSR. They must be in increments of 1 percent and may be made daily, but the investment election last selected prior to the posting of the contribution will be used for that contribution investment.

TPA will monitor investment election percent change frequency according to Plan rules.

B.7 Fund Transfers

Spot Transfers

Spot transfers will be processed with the following criteria:

- One (1) % increments.
- Percent out, percent in, or dollar out, dollar in.
- As spot transfers, i.e. transfer 50% out of Fund A moving 50% (of the 50%) into Fund B and 50% into Fund C; transfers must total 100%.
- Cannot transfer "out of" and "into" the same fund in the same transaction.
- Participants may transfer once a day.
- There are restrictions on how often a Participant can transfer moneys among the funds as follows:
 - Ninety (90)-day equity wash between the Stable Value Option and the Short-Term Fixed or the Intermediate Bond Option. An automated enforcement mechanism will insure the transferred balances remain in the "non-competing" investment vehicle for a period of three (3) months prior to being moved to the competing option. This "tags" the amount to be restricted and does not freeze the entire amount in the option.
 - Transfers from the Stable Value Option may be limited on an annual basis as determined by Employer/LGC.
 - Additional limitations on transfers may be imposed by industry regulation, investment manager Contract terms, or Employer/LGC policy that may be Plan-wide or specific to individual Participants.

Plan Participants are subject to transfer guidelines outlined by each Investment Option Prospectus. Guidelines are strictly enforced.

B.8 Plan Benefit Payments

The TPA shall disburse benefits from assets under the Plan to participants in accordance with instructions given by PERS and/or the Employer in compliance with the Plan and applicable requirements of the Internal Revenue Code, including appropriate withholding taxes and reporting of distributions. Distributions shall be made monthly or on a more frequent basis as shall be mutually agreed upon by the TPA, PERS and Employer in writing. The TPA shall offer direct deposit services to participants electing periodic payments. A complete reporting and tracing process for distributions is identified in the Confirmation Procedures and Processes.

B.9 In-Service Withdrawals

De Minimis Withdrawals

If a participant's account balance is less than \$5,000, and the participant has been cancelled from the Plan for a minimum of two years, the participant may request that the balance of the account be distributed to the participant. This option may be elected only once.

Emergency Withdrawals

Active participants will initiate emergency withdrawals by calling the Web/IVR/CSR. TPA will mail the appropriate form(s) to participants. Participants will return completed form to TPA or PERS for review. If form is missing information, TPA/PERS will contact Participant to request additional documentation. Completed forms will be forwarded promptly to PERS and/or Employer for review. If forms are sent to TPA, TPA will forward completed forms promptly to PERS for review by PERS Deferred Compensation Manager or designee. Manager or designee has the authority to approve or reject the request. Emergency withdrawals will be taken pro-rata among Investment Options and a check will be sent to the Participant's address on record unless direct deposit information has been provided.

Emergency withdrawals will be taken pro-rata among investment funds.

Withholding on Withdrawals

For eligible rollover distributions, a mandatory 20% federal withholding will apply, and if no state withholding election is made, the default will be zero withholding for Oregon. If the Participant makes no election, periodic payments that are not eligible for rollover will be set up with a default of Married/3 federal withholding and Single/0 Oregon state tax withholding; non-periodic payments that are not eligible for rollover will be set up with a default of 10% federal withholding and 8% Oregon state tax withholding.

Withdrawal Restrictions

There is a required 6-month suspension of contributions following any in-service withdrawal. A reinstatement confirmation will be generated and mailed to the participant instructing them to contact WEB/IVR/CSR to elect their contribution percent or contribution dollar amount

B.10 Terminations

PERS or Employer will notify TPA of terminated participants via the monthly demographic refresh file or other means acceptable to TPA and PERS. TPA will mail a severance package to employees. Employees will return completed forms to PERS or Employer. There is an automatic freeze period of 30 days before any type of distribution can be processed. PERS or Employer will monitor the 30-day freeze period, and only forward completed severance from employment forms to TPA that are eligible for immediate processing. TPA will process all such forms promptly and mail all checks directly to the participant's address maintained on TPA record keeping System. Death benefit checks will be mailed to the beneficiary.

Types of Payment

- (a) Lump Sum/Rollovers
 - Reason for termination must be due to death, retirement, or separation of service.
- (b) Installments
 - Reason for termination must be due to death, retirement or separation of service.
 - Installments will be available in annual, semi-annual, quarterly, or monthly intervals.
 - Installment Types (Account balances greater than \$1,000):
 - a. Fixed number of payments.
 - b. Specific dollar amount.
 - c. Required Minimum Distributions

- (c) **Partial Lump Sum with Installments to Follow**
- Reason for termination must be death, retirement or separation from Service.
 - Installments will be available in annual, quarterly, monthly or semi-monthly intervals.
 - Participant will select an initial payment amount, and select an installment option for the remainder of the balance to be paid out.
 - Account balance of greater than \$1,000

Installment Payment Special Notes

If a plan sponsor employs a participant, that participant is eligible to receive only allowable in-service distributions. A participant who severs employment from a plan sponsor and returns to work with the same plan sponsor, the participant may receive only allowable in-service distributions.

- (d) **Partial Lump Sum**
- Reason for termination must be death, retirement or severance from employment.
 - Participant will select an initial payment amount and may or may not request subsequent withdrawals.

- (e) **Defaults**
- The date on which TPA sends a severance from employment package to a terminated employee will be flagged on record keeping system as the Termination Notification Date. At 30 days after the Termination Notification Date, if TPA has not received a severance from employment form providing distribution instructions, the following default payouts will occur:

Balance Less Than \$1,000

- If participant's balance is less than \$1,000, a distribution shall be made in lump sum to the participant within one year after the date of severance.

Through the settlement agreement, participants may choose to defer payouts and may choose to start payments anytime before April 1 of the year following the year the participant attains the age of 70-1/2.

A participant who is not employed by a plan sponsor must begin to receive distributions no later than April 1 following the calendar year in which the participant reaches age 70-1/2. If a participant has not severed employment from a plan sponsor, then participant may begin receive distributions upon severance of employment.

Withholding:

For eligible rollover distributions, a mandatory 20% federal withholding will apply, and if no state withholding election is made, the default will be zero withholding for Oregon. If the Participant makes no election, periodic payments that are not eligible for rollover will be set up with a default of Married/3 federal withholding and Single/0 Oregon state tax withholding; non-periodic payments that are not eligible for rollover will be set up with a default of 10% federal withholding and 8% Oregon state tax withholding.

B.12 Transfers and Rollovers

a) Plan-to-Plan Transfers and Rollovers

- If a participant transfers to a position within another jurisdiction that offers a plan eligible to receive rollovers from a 457 plan, PERS or Employer will provide TPA with appropriate instructions to complete the transfer. Such transfer is subject to the terms and conditions of the plan receiving the funds.
- If a participant previously worked in a position within another jurisdiction that offered a plan eligible for rollover distributions into a 457 plan, PERS or Employer will provide TPA with appropriate instructions to complete the transfer from the outside plan into the PERS Plan. Participants may also rollover pre-tax contributions from an IRA into the Plan. IRAs funded with after-tax dollars are not eligible to be rolled over or transferred into the Plan.

b) Provider to Provider Transfers

- Participants may transfer funds between investment providers. Employer/LGC will provide TPA with appropriate instructions to complete transfer.
- PERS or TPA may assess a Fee to the participant for this transaction in the sole discretion of PERS and subject to any notice requirements under state or federal law.

B.13 Adjustments

As-of or backdated transactions will be used for processing adjustments, reflecting as-of price. Incorrectly processed transactions and inaccurate transactions will always be corrected, regardless of how much time has passed since the original transaction was processed. The participant will always be kept whole from errors for which he/she is not responsible.

The party responsible for the incorrectly processed or inaccurate transactions will also have responsibility for any financial impact associated with rectifying the situation.

B.14 Court Orders

Qualified Domestic Relations Orders

Upon notification by Employer/LGC of a pending Qualified Domestic Relations Order (QDRO), TPA will flag the Participant's account to restrict him/her from taking any distributions or withdrawals. Once Employer/LGC or PERS has determined an order to be qualified, they will direct TPA to set up the receiving person on their OmniPlus System. Employer/LGC or PERS may decide to place additional restrictions on QDRO accounts, of which it shall inform TPA and with which TPA shall comply.

If the receiving person is also a Participant in the Plan, TPA will set up a fictitious social security account. The receiving person will have two (2) accounts in the Plan, one with restrictions and the other as a normal Participant. When such a receiving person elects payment, payment from the person's regular Participant account and payment from the QDRO account shall be made by separate checks and reported on separate 1099R forms.

There will be an administrative fee determined by PERS for all QDRO accounts processed. This fee will be processed after the account has been split and will be taken out pro rata from each account

according to the ratio removed from the employee's account. This fee is a PERS administrative fee. TPA will remit any such fees collected to PERS.

B.15 Death Benefits

Upon notification by PERS of a death of a Participant, beneficiary, or alternate payee, TPA will flag the account to suspend all activity on the account including distributions and issuance of quarterly statements. Upon notification by PERS, TPA will immediately move assets in the affected account as directed by PERS. PERS will direct TPA to establish accounts for the receiving beneficiary or beneficiaries on the OmniPlus System.

If the beneficiary or beneficiaries are also participating in the Plan, Contractor will establish a fictitious social security account. The beneficiary will have two (2) accounts in the Plan, one for the death benefit account and the other as a normal Participant. When beneficiary elects payment, payment from the death benefit account and payment from the person's regular Participant account shall be made by separate checks and reported on separate 1099 forms

B.16 Beneficiaries

ERS will maintain beneficiary data for all Participants. TPA's Customer Service Representatives (CSRs) shall provide beneficiary forms to Participants upon request.

TPA shall process distributions to beneficiaries, including designated beneficiaries, in accordance with section 401(a)(9) of the Internal Revenue Code.

C. Special Processing

Retention Periods

TPA will perform a participant purge of participant terminations (zero balance accounts based on termination date) after plan year-end processing.

The standard data retention period of seven (7) years will be used for the Oregon Savings Growth Plan. Participant historical data will be condensed into quarters each year having detail for the previous 24 months.

II. EDUCATION AND COMMUNICATIONS

TPA will be responsible for the on-going generation and mailing of PIN letters and PIN reminders, daily transaction confirmations and quarterly participant account statements. The OSGP website and voice response unit will be available for daily account information as well as certain plan and fund information. Customer service representatives will be available to handle participant inquiries.

PERS will be responsible for communicating plan features through employee meetings.

Communication materials on the Oregon Savings Growth Plan shall be designed, produced and distributed at the TPA expense and shall be filed with and approved in advance with PERS. Communication materials to be provided by TPA shall include the following:

Employee Education Kit that includes a Core Booklet that explains the Plan and the investment options, background information on the Plan, a letter to employees, and enrollment forms. The enrollment forms include a Plan and agreement, acknowledgment form, and beneficiary agreement. The forms used in the

Plan have been developed by PERS, but are subject to review by the TPA. However, PERS shall make the final determination as to the form content. It is TPA's responsibility to review with PERS periodically to assure contents are current and to revise as appropriate.

On-going communication to include: Quarterly newsletters to participants and non-participants, Program Highlights brochure for new employees, Plan enhancement communications, and participant statements

Education is to include assisting with on-site employee education meetings for Public employees during the inception of the Plan; to provide on-site employee education meetings and investment education workshops for local jurisdictions, as requested by PERS or Employer.

Meetings. PERS shall conduct education and enrollment meetings for local jurisdictions around the state and shall participate in meetings scheduled by departments and agencies within the various local governments, as requested.

Internet Web Site. The TPA will maintain and operate an interactive Web Site for Participants. The site will allow for Personal Information, Statement Management, Resource Center, and all transactions available on IVR/CSR. TPA and PERS will work together on content and any future changes to the site.

Voice Response Unit. The TPA will design and operate an interactive voice response telephone system for participants. The voice response technology should satisfy at least 85 percent of all participant calls. The TPA will work with PERS to assure that participant calls are easily transferred to the Customer Service Representatives for those individuals desiring to talk to persons.

Customer Service Representatives. The CSRs will be responsible for maintaining a quality relationship with the program's participants by responding to incoming telephone inquiries from participants in an accurate and timely manner. Participant calls are to be answered within two rings, and research item response time should be no longer than three business days. If additional time is needed, a call to the participant will be made. TPA shall make reasonable efforts to maintain current addresses for all participants. The TPA will ensure that only qualified CSRs will respond to calls from the participants. Qualified CSRs will have had experience in servicing customer's needs, and will have a Bachelor's Degree, an NASD Series 6 training, three years customer service training, and knowledge of defined contribution/benefit plans (preference to 457 plans). The CSRs will have scripts provided them. These scripts are to be approved and reviewed by PERS, and revised periodically. The customer service representatives will consist of approximately 15 representatives and 6 backup representatives. Within the group will be one (1) Operations Manager and two (2) Senior Participant Service Representatives who will assist the group as the Plan and technical experts

On-Going Education for Customer Service Representatives. The Customer Service Representatives will receive periodic training on the Oregon Plan, 457 rules, investment education, and customer service techniques. This training is to be provided by the TPA and PERS as requested by PERS through telephone conference calls, written materials, or in person.

Monitoring Calls. A tape will be provided to PERS by the TPA on a monthly basis which will include a minimum of 60 recorded minutes of random calls to the Customer Service lines from Oregon participants.

Employer Reports. The TPA shall provide the following reports to PERS and such additional reports as are agreed to by the TPA and the Employer from time to time.

- a. Financial information required for reporting of deferred compensation plans as outlined in the most recent applicable Governmental Accounting Standards Board statement.

- b. Quarterly and fiscal year-to-date financial statements by plan and by investment detailing beginning balance, receipts (specifying new deferrals, external transfers received, and investment earnings), and disbursements (specific benefit withdrawals, death benefit withdrawals, hardship withdrawals, internal transfers out, external transfers out, market value adjustments, investment losses, and administrative fees).
- c. Monthly and quarterly plan summary financial reports summarizing monthly activity, year-to-date activity, and inception-to-date activity for each investment.
- d. Monthly reconciliation reports of plan records to investment provider records.
- e. Monthly reports of performance of each investment option and applicable benchmarks for each option.
- f. Annual reports of IRS compliance activity, including:
 - (1) number of participants and beneficiaries receiving distributions through the calendar year, number of 1099 forms issued, total state and federal taxes withheld and remitted to the IRS and state revenue departments, and if requested by Employer, copies of report forms;
 - (2) report to Employer detailing participants potentially exceeding annual contribution limits by October 31 of year;
 - (3) report detailing names, addresses, social security numbers, and account balances of inactive participants over age 70-1/2 who are not currently receiving distributions complying with IRS Code Section 401 (a)(9).

III. INTERNET SITE/INTERACTIVE VOICE RESPONSE (IVR)/CUSTOMER SERVICE (CSR) INQUIRY FEATURES

INTERNET/IVR/CSR OVERVIEW

The implementation of an OSGP Web Site and voice response network supported by Customer Service Representatives allows participants access to information and transaction processing on a daily basis by making a telephone call. Customer Service Representatives are able to provide assistance to participants by utilizing a Windows-based workstation that allows them to answer Plan questions, input research requests, and process participant requests.

General VRS/Customer Service Representative

- The Web Site and IVR are available 24 hours a day, seven (7) days a week with minimal scheduled down time for the Voice System between 12:00 A.M. and 6:00 A.M. (PT) on Mondays for maintenance.
- The 800 telephone number to access the IVR is 1-800-365-8494. Participants may enter the IVR using their social security number and a personal identification number.
- TPA shall provide the Oregon Savings Growth Plan Participants assess for the hearing impaired, and dialogues in foreign languages. (There would be an additional fee for dialogues in foreign languages).
- Customer Service Representatives (CSRs) are available Monday through Friday, 7:00 A.M. to 5:00 P.M. (PT), excluding New York Stock Exchange holidays.
- Transactions completed before 3:59:59 P.M. (ET) are effective the same Business Day.
- Transactions completed after 3:59:59 P.M. (ET) are effective the next Business Day.
- Transactions are not processed on New York Stock Exchange holidays.
- Transaction cut-off times will correspond to any early closing of the New York Stock Exchange.
- Participants have the ability to change or cancel transactions made that day prior to 3:50:50 P.M. (ET) of the same Business Day.

IV. REPORTING

A. Participant Reporting

Confirmation Statements

All confirmation statements will be generated on a daily basis as transactions are performed over OSGP Internet Site, the Voice Response System or the CSR workstation. Any confirmation number generated through the Web, VRS or the CSR workstation will be printed on the confirmation. The confirmation will also contain the trade date of the transaction.

A customized Plan logo shall be used on all confirms if a camera-ready logo is provided to TPA.

Confirmation statements will be received by the TPA's Plan administrator on the Business Day following the day the transaction is completed. All confirmation statements will contain the name and the address of record, and they will be mailed directly to the participant within two business days.

The following is a brief description of each confirmation statement offered:

Contribution percentage change confirmation

- This confirmation will be generated when a Participant changes their contribution percent/dollar amount through the Web/IVR/CSR platform.
- The statement will show the new deduction percent/dollar amount.

Distribution confirmation

- This confirmation will be produced when a termination payment is made for a Participant
- These payments include lump sum payments, rollovers, required minimum distributions.
- The confirmation will contain the fund breakdown of the termination payment as well as any applicable tax basis information.

Election percentage change confirmation

- The election percentage change confirmation will be generated when a Participant changes the percentage of the funds in which they want to invest.
- This confirmation will reflect the old and new percentage elections between the funds.

Eligibility/or reinstatement confirmation

- This confirmation will be produced when a Participant has completed an in-service withdrawal suspension.
- This confirmation will notify the Participant that he may re-enroll by electing their contribution percent or contribution dollar amount by contacting WEB/IVR/CSR.

Newly enrolled confirmation

- This confirmation statement will be issued the first time a participant becomes enrolled to participate in the Plan.
- The confirmation will include the contribution and investment election percentages selected by the participant. The Participant's PIN will be mailed in a separate sealed mailer.
- The confirmation will include the Web site address and 1-800# number to call.
- For security purposes, the PIN notice will not show the participant's social security number.

PIN Request Confirmation

PIN confirmations will be generated for the following reasons:

- When a participant requests a PIN reminder, the participant's current PIN will be reported on the confirmation.
- When a participant changes their PIN through the VRS, only the new number will be reported on the confirmation.
- Participant enters incorrect PIN three (3) times.

For security purposes, the PIN confirmation will not show the participant's social security number.

Severance from employment confirmation

- A confirmation will automatically be generated when TPA receives termination transactions.
- The confirmation will list a Participant's options and the default payout depending on the account balance.
- TPA's Plan administration unit will mail to the Participant along with the termination withdrawal kit.

Transfer confirmation

- Transfer confirmations are issued daily when Web, IVR or CSR interfund transfers are made by the Participant.
- Confirmation statement will contain the dollar value that was transferred, the amount that was transferred in and out of each fund, and the breakdown of the balance in each fund after the transfer is completed.
- Transfer confirmations will be issued for both spot and reallocation transfers.

Unforeseeable Emergency withdrawal package confirmation

- A confirmation can be generated when a Participant requests an Unforeseeable Emergency withdrawal package through the Web, IVR, or CSR
- TPA's Plan administration unit will mail confirmation to the Participant along with the withdrawal package.

Unforeseeable Emergency withdrawal confirmation

- This confirmation will be produced when an emergency withdrawal is processed.
- The confirmation will contain the breakdown between funds of the total amount withdrawn and will also provide the applicable tax basis information.

B. Participant Statements:

Participant statements will be issued on a quarterly basis and are available via the Internet.

C. Plan Reporting

TPA shall provide the following report(s):

Participant Valuation Summary (Totals Only) (note: this is specific to LG contract)

The participant summary reflects participant fund information over the last quarter. Activity listed includes opening balance for the period, contributions, earnings, payments, other activity, closing balance, and vested balances. Subtotals are provided for each investment vehicle. Optional features available with this report, upon Employer's request, include: printing certain participant information

such as dates and salary, sorting criteria, and selective reporting based on status and/or sources of contributions.

Reconciliation (specific to LG)

A copy of the monthly Plan reconciliation will be sent to PERS. This reconciliation will compare the assets in the fund to the participant records and identify any differences that may occur due to timing issues.

Deferral Report

Deferral Report as listed in the payroll section.

V. COMPLIANCE

Minimum Distribution Processing

Required Minimum Distributions At Age 70-1/2

TPA will provide PERS with a report for review in October of each year that identifies, by status code, those participants over 70-1/2, and those turning 70-1/2 in the current year. PERS will solicit employees on the report who have terminated for payment information and submit to the TPA via hard copy for processing.



OREGON SAVINGS GROWTH PLAN

VI. EMPLOYER/TPA ASSIGNMENT LIST

Employer: _____

Services	Responsible party
Provide Enrollment Kits	
Process Increase/Decrease/Cancel of Deferral	
Process Unforeseeable Emergency Withdrawals	
Process De Minimis Withdrawals	
Process Catch-Up Application Packets	
Process Severance Packets	PERS
Process Transfers and Rollovers	
Conduct Educational Workshops	PERS
Offer Small Group Meetings On Site	PERS
Process Qualified Domestic Relations Orders	
Process Death Benefits	PERS

Verified by signatures

Employer: _____

PERS: _____

Printed Name: _____

Date: _____



OREGON SAVINGS GROWTH PLAN LOCAL GOVERNMENT PROGRAM

SCHEDULE B

PERS Responsibilities

1. CUSTODIAL SERVICES

PERS and the State Treasurer may appoint a Third Party Administrator (TPA) as the custodian of the Deferred Compensation Fund pursuant to ORS 243.416.

2. EDUCATION AND COMMUNICATIONS

PERS and TPA will work together to offer on-site educational workshops for the Oregon Savings Growth Plan participants. Annual schedules will be sent to all participating employers by the end of each February for distribution. Among the educational workshops provided are enrollment, investments, retirement, and staff meetings at employers' locations.

It is estimated that PERS will be in each region at least twice a year, or more upon employers request to conduct all educational meetings. In addition, PERS and TPA will work together in revising all education material to better meet the needs of our members and to add new educational workshops whenever necessary and feasible.

3. SITE VISITS

PERS and TPA will coordinate site visits for Oregon Savings Growth Plan participants. These small group meetings will include information about enrollment, investment options, and retirement.

4. INVESTMENT OPTIONS

The Investment Options available at the time of signing of this agreement include the following: Short-Term Fixed Option, Stable Value Option, Intermediate Bond Option, Balanced Option, Large Company Value Stock Option, Stock Index Option, Large Company Growth Stock Option, International Stock Option, and Small/Mid-Size Company Stock Option. The Oregon Investment Council (OIC) may change these options, the underlying investments, and the applicable benchmarks at any time.

PERS may impose limitations on individual transfers in any option if trading activity of any participant is deemed excessive by Plan administration or any underlying investment provider.

Agenda Item 4



CITY OF LEBANON

ADMINISTRATIVE DEPARTMENT MEMORANDUM

TO: Mayor Toombs and City Council

DATE: 4/13/05

FROM: John Hitt, City Administrator

SUBJECT: Discussion Concerning OLCC Issues

At the request of at least one City Councilor we've put on the agenda, for preliminary discussion only, the issue of law enforcement and OLCC licenses.

It might be beneficial to briefly review a few of the issues surrounding some of our OLCC license holders. In addition, this is an opportunity for City Council to provide their perspectives.

Agenda Item 5



CITY OF LEBANON

ADMINISTRATIVE DEPARTMENT

MEMORANDUM

TO: Mayor Toombs and City Council

DATE: 4/13/05

FROM: John Hitt, City Administrator

SUBJECT: Disposition of City Owned Real Property

In light of the concern of several City Councilors about the process of selling the city owned lot at A and Grove Street, it was felt appropriate to discuss establishing a set process for selling or disposing of city owned real estate in the future.

If the consensus of Councilors concurs, the City Attorney could draft an ordinance defining a fixed process.

Agenda Item 6



City of Lebanon

Administration

MEMORANDUM

To: Mayor and City Council

DATE: April 8th, 2005

From: City Administrator

RE: City Administrator's Report

At our meeting on April 13th, I will give a brief, oral update on the following matters:

1. Lebanon Development Cody
2. Customer Service Surveys
3. SDC Workshop/Council Schedule
4. FY 05/06 Budget
5. Computerized Permitting
6. Miscellaneous

Feedback For You

If you would like someone from the Community Development Center to contact you, please indicate your name, telephone number, email, and the time when you would like to be contacted.

Name: _____

Address: _____

Telephone No. _____

Best time to call: _____

Email: _____

Please mail this survey to us or leave it at our office the next time you are downtown. Your answers will be treated confidentially. You need not sign your name unless you prefer to do so.

THANK YOU!

Place
Stamp
Here



City of Lebanon

**Community Development Center
853 Main Street
Lebanon, Oregon 97355**

City of Lebanon

Customer Service Questionnaire

Community Development Center

*Building, Planning &
Engineering Services*



Tele: 541-258-4900

Website: www.ci.lebanon.or.us

The Community Development Center would like to provide the finest possible service to our customers and to the citizens of Lebanon. Your comments and suggestions will help us reach that goal.

Date: _____

1. Are you a:

- Resident Business Owner
 Development Professional / Builder
 Other: _____



2. What service did you need:

- | | | |
|---|---|---|
| <input type="checkbox"/> Planning
Zoning
Setbacks
Land Use
Development
Signs | <input type="checkbox"/> Building
Plans Review
Permit | <input type="checkbox"/> Engineering
Right-of-Way
Utility lines
Site Development
Project Bidding
Contractor Prequalification |
|---|---|---|
- General (Explain): _____

3. Were you greeted in a professional and courteous manner as you entered the Community Development Center?

- yes no Explain: _____

4. How would you describe the staff member that assisted you?

- friendly indifferent unfriendly

5. Name of the staff member that assisted you:

6. Did the staff member respond to your inquiry and/or describe the process and procedure sufficiently?

- yes no Explain: _____

7. Did the staff member remain in communication throughout the process?

- yes no NA Explain: _____

8. Were you satisfied with the service provided at your visit?

- yes no Explain: _____

9. Have you worked with the Building, Planning, or Engineering Offices of other cities:

- Building Planning Engineering NA

Where? _____

10. How does our service compare with that of other cities you've worked with?

- Better Comparable Poor

Explain: _____

11. How can we change our process or procedures to help meet your needs?

12. If you have other comments, ideas, or suggestions of additional services we might offer, please list:



Attach additional pages if needed

City of Lebanon

Community Development Center
 853 Main Street
 Lebanon, Oregon 97355

Building: 541-258-4907
 Planning: 541-258-4906
 Engineering: 541-258-4923
 Fax: 541-258-4955
 Website: www.ci.lebanon.or.us

