
TRI-COUNTY LOCAL GOVERNMENT COMMISSION

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LIQUOR HAS BEEN PURCHASED BY MEMBER CONTRIBUTIONS.

6:00 - 8:00 p.m.

Friday, April 9

TRI-COUNTY LOCAL GOVERNMENT COMMISSION

"PHASE I COMMITTEE REPORTS"

April, 1976

1912 S. W. 6th Avenue
Portland, Oregon 97201

TRI-COUNTY LOCAL GOVERNMENT COMMISSION

"PHASE I COMMITTEE REPORTS"

Chairperson: Ronald C. Cease

Vice Chairperson: Carl M. Halvorson

Staff Director: A. McKay Rich

Administrative
Secretary: Barbara J. Garbutt

Secretarial
Support: Rosemarie Robinette
Elaine Stamm

April, 1976

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GENERAL INTRODUCTION

An inaugural session for the two-tiered local government project sponsored by the National Academy of Public Administration was held in Portland on December 3, 1975. Presentations were made by Scotty Campbell from the National Academy and state and local officials including Keith Burns, Executive Assistant to Governor Robert Straub; Don Clark, Board Chairman, Multnomah County Commission; Jason Boe, President of the Senate; Phil Lang, Speaker of the House; Tom McCall, former governor; Joseph Blumel, President, Portland State University; and Tony Federicci, Chairman of the Boundary Commission. The name Tri-County Local Government Commission was adopted as the official title for the group carrying out the project.

At its first organizational meeting, December 18, the Commission approved appointments to an executive committee and adopted a proposed 18 month budget, rules of procedure and a work program.

The Commission statement of purpose reads:

"The Tri-County Local Government Commission will examine the existing structures of local government in the Portland metropolitan area, the services provided, and the needs of its people, and then will pursue whatever improvements the commission may identify. In fulfilling its responsibility the Commission will endeavor to advance equity, efficiency, economy, responsiveness, visibility, accountability, citizen participation, political feasibility and actual service needs."

The work program divides the work of the Commission into three phases. The first one has concentrated on "Organization, Orientation and Problem Identification" and will conclude with a two day conference on April 10-11.

Phase two is scheduled to begin following the conference and extend into September. It will involve the development and analysis of alternate solutions to problems identified in the first phase, the advantages and disadvantages of each, and adoption of recommendations. Phase three will be devoted to implementing the recommendations made by the Commission.

In order to identify the major issues and problems relating to structures and functions of local government, the Commission was divided into the following Phase I committees: Neighborhood Organizations and Citizen Involvement; State-Local Relations; Local Government and Intergovernmental Relations; Regional Governments and Agencies; and Finance and Taxation.

The following reports from the committees will be discussed by the Commission at the April Conference.

Decisions made at the Conference will set priorities and a plan of action for the Commission to pursue during the remainder of the project.

NOTE: Work done by research teams from the PSU "Urban Community in Perspective" program will assist the Commission during the project. These teams are under the direction of Dr. Nohad Toulon and Dr. Douglas Montgomery. Dr. Montgomery is a member of the Commission.

SUMMARY OF THE COMMITTEES' FINDINGS

The Neighborhood Organization and Citizen Involvement Committee, in recognizing the concept of neighborhood and community organizations as significant units of citizen participation capable of exerting meaningful influence on governmental decisions, recommends:

1. that the role and function of community organizations in the governmental decision-making process be addressed as ~~a priority issue~~ by the Commission;
2. that the related concerns identified by the Committee of accountability, structure, government financing and support of community organizations are contingent upon resolution of the role and function issue; and
3. that regardless of whether the Commission determines that community organizations should be institutionalized, further efforts by the Commission should be made with respect to the development of citizen participation through community organization involvement within the current governmental framework.

The Local Government-Intergovernmental Relations Committee identified numerous specific problems in the nine functional areas considered. The Committee found the underlying problem to be one of jurisdictional boundaries; i.e., locally provided services and facilities are utilized on an areawide basis and, conversely, political boundaries artificially divide some natural service areas. To address this problem, the Committee recommends:

1. improving the planning, coordination and delivery of services through a re-evaluation of, and, if necessary, a reordering of the functional responsibilities ^(+ boundaries) among the various ^{units} tiers of government;

Summary - continued

2. determining what type of governmental unit should be encouraged at the local level, i.e., general purpose, special or multi-purpose governments; and
3. achieving greater cooperation ^{among} between governmental units regardless of the organizational structure utilized in the Tri-County area.

The State-Local Relations Committee identified a number of specific problems which all related to the fundamental issues of organization and planning. The Committee recommends, as a prerequisite to improved state-local relations, that:

1. the Commission address the question of governmental reorganization in the Tri-County area including a re-evaluation of the role of special purpose versus general or multi-purpose units;
2. the Commission explore means for development of a substantial base of public support for planning which is crucial to the future of state-local system effectiveness; and
3. the Commission propose to the State means for improving its process for monitoring, evaluating and planning its system of local government and its relationship with state government.

The Regional Governments and Agencies Committee recommends that during Phase II the Commission develop proposals for resolving the following problems:

1. the inability of most regional governments to successfully articulate the need for their activities to a sizeable portion of the public;

Summary - continued

2. apparent uneven public funding of regional entities relative to their respective responsibilities;
3. confusion as to whom the regional boards and commissions should be accountable;
4. the incapability of regional structures to perform the functions authorized which is in part due to underfinancing and overlapping jurisdictions;
5. overlapping layers of local and regional units (i.e., cities, counties and special districts) authorized to perform similar services;
6. inconsistencies in local unit and regional boundaries; and
7. lack of state policy as to whether regional government should be multi-purpose or single purpose.

The Finance and Taxation Committee recommends that the following broad issues be considered as priority concerns for the Commission during Phase II:

1. the need for a better definition of regional financial responsibilities;
2. the impact on the taxing structure of state statutes which encourage the proliferation of local government units;
3. the impact on local fiscal policies of federal and state financial programs;
4. the effect of state taxation, local taxation and local user fees on the economic development of the Tri-County area;
5. the outstripping of existing local revenues by public needs and services coupled with the need for an improved process for determining public needs and services;

Summary - continued

6. the need for improved access of local governments to fiscal management assistance;
7. the inflexibility created by Constitutional limitations on local government taxing powers;
8. school financing and its relationship to local government financing; and
9. the failure of the I.E.D. and State school equalization formulas to recognize the varying abilities of individual taxpayers to pay for schools in the context of local tax efforts.

PHASE I REPORT

NEIGHBORHOOD ORGANIZATIONS
AND
CITIZEN INVOLVEMENT COMMITTEE

Chairperson: Elsa Coleman

Vice Chairperson: Lloyd Hammel

MEMBERS

Mary Elizabeth Blunt

Douglas Montgomery

Dennis Bryson

Mary Opray

Cliff Campbell

Edward Rosenbaum

Martin Johnson

Virginia Seidel

Tom Marsh

Ardis Stevenson

Staff: Bill Cross

Bruce Etlinger

STATEMENT OF PURPOSE AND DESCRIPTION OF PROCEEDINGS

Statement of Purpose

The objectives of the Neighborhood Organizations and Citizen Involvement Committee in Phase I were as follows:

1. Examine avenues currently open for citizen involvement in the governmental process.
2. Determine the nature and effectiveness of citizen involvement in influencing public policy, particularly through neighborhood and community planning organizations (hereafter referred to as C.O.s).
3. Identify problems and issues.

Committee Proceedings

I. Meetings with Resource People

The Committee held weekly meetings in which Committee activities were planned, a student team survey of C.O.s and a Committee survey of public officials were developed and representatives of C.O.s and coordinators of local government citizen involvement programs were interviewed.

The following individuals made presentations to the Committee:

- Mary Pedersen, Director, Office of Neighborhood Associations,
CITY OF PORTLAND
- Ardis Stevenson, former Coordinator, Washington County Citizen
Involvement Program; now coordinating a similar program for
MULTNOMAH COUNTY
- Edgar Waehrer, Chairperson, Northwest District Association, PORTLAND
- Gary Peterson, Chairperson, Community Planning Organization Leaders'
Group, WASHINGTON COUNTY
- Bob Moody, Coordinator, Community Planning Organization and Citizen
Involvement Program, CLACKAMAS COUNTY

- Beth Blunt, Chairperson, Firwood Neighbors, Inc., CLACKAMAS COUNTY
- Lou Bowerman and Martha Boettoher, Overland Park Neighborhood League, CLACKAMAS COUNTY
- George Myer, West-North Quadrant Advisory Board, and Gerald Hamann, East County Quadrant Advisory Board, MULTNOMAH COUNTY
- George Sheldon, Chairperson, and Marge Gustafson, Vice Chairperson, Portland Planning Commission, CITY OF PORTLAND
- Russell Dawson, Regional Director, Department of Housing and Urban Development (HUD), Lynn Stowell, Deputy Director, HUD, and Hap Stephens, Attorney for HUD, PORTLAND

II. Staff Reports

The following reports were prepared by the staff ^{for} the Committee's use.

- Descriptive Account of Neighborhood and Community Planning Organizations and Citizen Involvement Programs in the Tri-County Area, N-27
- Sampling of Community Organizations Within the Tri-County Area, N-29
- Benefits and Characteristics of Citizen Participation, N-24
- Multnomah County Citizen Involvement in Human Services, N-29
- Neighborhood and Community Planning Organizations' Representatives List, N-7
- Neighborhood and Community Planning Organizations' Meeting Schedule, N-18

III. Other Materials

The following materials were reviewed and considered by either the Committee or its staff during the Phase I Report preparation and are available from the Commission:

- Committee Meeting Minutes
- Neighborhood Government in a Metropolitan Setting, Howard W. Hallman, Sage Publications, 1974

- "Citizen Participation in Portland, Oregon: 2nd Annual Report on Neighborhood Programs", Office of Neighborhood Associations, City of Portland, Sept. 1975, revised Dec. 1975, N-5
- "Neighborhood Associations -- The Ordinances and the Associations", League of Women Voters of Portland, Nov. 1975
- "Neighborhood Programs in Oregon" , Neighborhood Decentralization, Center for Governmental Studies, Sept.-Oct., 1975, C-10
- "Rise of Neighborhood Power", Milton Kotler, Focus, Dec. 1975, N-12
- "Citizen Involvement in Human Services", Department of Human Services, Multnomah County, Nov. 1975, N-16
- "Citizen Participation Program for 1976-1977 City Budget Process" Report, Office of Neighborhood Associations, City of Portland
- "Mrs. Peterson Tackles CPOs as Threat to Rights", Oregon Journal, Portland, (Wed., Feb. 11, 1976), N-6
- "Some Perspectives of Redlining:", Gordon E. Nelson, Federal National Mortgage Association
- "Neighborhood Team Policing", Multnomah County Department of Public Safety
- By-laws of Various Neighborhood and Community Planning Organizations
- Oregon Land Use Handbook, Oregon Land Conservation and Development Commission
- "Clackamas County's Strategy in Pursuing LCDC's Goal #1 on Citizen Participation" Draft Proposal, Bob Moody, Coordinator of Clackamas County Community Planning Organizations and Citizen Involvement
- "Community Planning Organizations: Washington County's Program to Involve People in Planning", Ardis Stevenson, Washington County, June, 1975
- "Citizen Involvement Program for County Land Use Planning", Multnomah County, Dec. 18, 1975

IV. Urban Studies Student Team Research

The graduate student team of Portland State University's Urban Studies Department developed a lengthy survey to ascertain attitudes of and descriptive data about neighborhood and community planning organizations. Thirteen personal, in-depth interviews with representatives of the organizations were completed before the deadline for writing the Phase I report. A descriptive summary of these interviews was utilized in the preparation of the findings of this report. During Phase II, the students intend to refine the survey, expand the interview sample and tabulate the results. Significant results will be attached to this report.

FINDINGS OF THE COMMITTEE

Definitions for the Purposes of this Report

- I. "Citizen Involvement" shall be defined as actions performed by citizens, whether individually or collectively, in order to affect governmental actions.
- II. "Neighborhood and Community Planning Organizations" shall be defined as any organization with a geographic base smaller than its unit of local government (general purpose) and with a membership which has as its chief concern the general livability of that geographic area.

For the purposes of this report, a neighborhood or community planning organization (hereafter referred to as C.O.s) participates in the citizen involvement process when it seeks to influence governmental decisions which pertain to the livability of its geographic area.

Brief Historical Overview

Most citizens have, at one time or another, felt shut out by government. Their subsequent frustration has likely manifested itself in one of two ways: frustration has bred apathy and alienation, resulting in a "dropping out of the system"; or citizens have organized at the local level in an effort to influence government, to make it more responsive to their needs. During the past decade, this organizing has led to a proliferation of citizen activist groups at the community level.

At the same time, citizen participation has received growing attention from public officials. Officials and bureaucrats alike have come to view

II. continued -

citizen organizations in different lights: helping to increase bureaucratic responsiveness; or aiding the improvement of service delivery; or reducing citizen alienation; or restoring local control. However, some government servants also associate citizen groups with "boat-rocking" and refuse or avoid working with them.

Citizen participation has traditionally taken a variety of forms (i.e., individual action, citizen advisory boards and commissions, and special interest groups without a geographic base). A new vehicle for citizen input has, however, gained prominence in the last several years: the neighborhood and community planning organizations (C.O.s). This neighborhood level activity has become popular due to the citizen involvement programs initiated by federal, state and local governments in response to public demand. Some governments have decided upon the C.O. as the best means to ensure opportunity for involvement to the widest possible citizen base.

For this reason, the following summary focuses on C.O.s -- both citizen-initiated and government-initiated or supported.

Sampling of Community Organizations

Most of Portland's present neighborhood organizations originated in the 1950's and 1960's as a result of local problems or federal programs. In the mid-1960's, funding for citizen participation began with Model Cities and OEO program requirements.

Today, Portland's Office of Neighborhood Associations (ONA) provides financial and staff assistance to neighborhoods. Its origins trace back to an April, 1971, proposal which stemmed from the difficulty planners had in stimulating and coordinating citizen participation. In 1974, an ordinance

II. continued -

was adopted which provided for the recognition process of neighborhood associations and accorded them a consultative role. Controversy over the recognition requirements later resulted in the recognition process being dropped altogether.

Besides assisting neighborhood associations in their organizing efforts, ONA serves as a clearinghouse for information, maintains a list of neighborhood contacts, publishes a monthly newsletter on City and neighborhood activities and provides referral services to the neighborhoods. ONA's staff also coordinates the citizen involvement program on City budget recommendations.

The planning process has been an important focus for the neighborhood organizations. As suggested from a survey of neighborhood organizations, equally important has been achievements in implementing neighborhood livability projects.

A number of other cities, including Lake Oswego, Milwaukie and Tigard, have adopted similar programs though usually requiring certain recognition criteria for neighborhoods. Membership is open to all residents, property owners and businesses within the boundaries of the C.O.s; no mandatory dues are allowed; and by-laws and procedures are required. The cities provide financial assistance in the form of mailing services and staff and planning assistance to the C.O.s.

Beaverton has followed Portland's lead in encouraging and providing assistance in community improvement and livability projects and has made a major commitment to that program in terms of financial support (the assignment of four staff persons and a \$12,000 printing budget for communications). In most other cities, however, local government citizen involvement programs

II. continued -

are few or in the early stages of development. Citizen-initiated organizations are also few in number and more single-purpose oriented governments.

All three counties are moving in the direction that Washington County went in 1974 when it established the Community Planning Organization Program. The County was divided into 14 community planning areas and a structure established to provide for a citizen group in each. The Community Planning Organizations (CPOs) assist in amplifying the comprehensive framework plan by identifying local problems, developing community goals and priorities, making recommendations on all planning activities and even recommending detailed land use plans.

A Community Development Coordinator serves as a liaison between the CPOs and Washington County, helps publicize the program, provides information and assistance and is responsible for encouraging citizen participation. The County has established minimum requirements that each CPO must meet: the membership must be open to all; no mandatory dues can be required; all meetings must be open to the public; and names and addresses of all officers must be recorded with the County. However, requirements for C.O.s in the three counties appear to differ in that Clackamas County is most stringent and Multnomah County least.

In a recent evaluation of the Washington County CPO Program, the following achievements were listed: communication between citizens and government has been improved; the CPOs have provided information through surveys and research that would have otherwise been unavailable to the County, particularly in the area of community needs; citizens have gained a better understanding of the planning process; and a mechanism has been created whereby other agencies (federal, state and local) can receive citizen com-

II. continued

ments and recommendations.

This brief summary was extracted from the staff reports entitled, "Sampling of Community Organizations Within the Tri-County Area", and "Descriptive Account of Neighborhood and Community Planning Organizations and Citizen Involvement Programs in the Tri-County Area".

Issues and Concerns

I. General Observations

The three counties and numerous municipalities vary widely in their acceptance of citizen organizations. The degree of responsibility is, for most citizens, limited to an advisory role. The relationship between government and C.O.s is highly dependent upon whether local officials are committed to citizen participation as something which should be actively and officially encouraged or something that is looked upon as being artificially stimulated and better left to historic and normal citizen initiative. It can be argued that once the mechanism for such geographic organizations is established, it is then up to the citizens to make use of the process.

For example, in 1974, Washington County established a community planning organization program for use by the 14 community planning areas within the County. A year later, ten were meeting regularly, two others were inoperative and the last two had opted to work within city jurisdictions. The opportunity to participate was open to all and, in this case, citizens in two areas have not taken the initiative to become involved.

This Committee recognizes the concept of C.O.s as significant units of citizen participation capable of exerting meaningful influence on governmental decisions. This Committee has identified four areas of concern:

I. General Observations - continued

accountability, structure, government assistance and financing, and the function and role of C.O.s in the governmental process.

II. Accountability of Community Organizations

A. Accountability to the Community

C.O.s, in virtually every case, identified the following problems: inadequate communications between their organization and the general public, and inadequate communications between their organizations and the local residents and property owners. This raises the question of whether or not these organizations are representative of their geographic areas, particularly when most have only a fraction of the population involved.

Improved communications through financial assistance would, in the opinion of the C.O.s, help increase their ability to establish a wider base of involvement and, at the minimum, create a greater awareness of their activities within their communities.

1. How accountable are C.O.s to their neighborhoods?
2. Should only one organization be recognized as representing the concerns of a particular area?
3. Should each organization have specific boundaries which do not overlap another organization's boundary?

B. Accountability to Government

The impact of C.O.s on governmental actions seems related to whether they are recognized as credible representatives of their communities. The organizations which include residents, property owners and businesses seem to be viewed by public officials and administrators as more representative than an association of, for

B. continued -

example, only home owners. Most of the government-initiated citizen involvement programs require open membership.

1. What role should local government play in enhancing C.O. accountability to that government?
2. Should financial and staff assistance be predicated on accountability to that government?

III. Structure

The structure of the C.O.s varies widely though most have adopted by-laws, procedures and officer selection processes. This variety is based primarily on the nature of the organization: government-initiated or not; government-supported or not; single-purpose or multi-purpose; advisory or advocacy (or both); short-term or long-range.

A. Leadership Selection Process

The accountability of the C.O. leaders to their organizations is dependent, for the most part, on the leaders' perceptions of their roles as well as the perceptions of the neighbors. C.O.s employ a multitude of different ways to select officers and representatives; but usually these individuals are self-starters. C.O. representatives have an intellectual and moral responsibility to represent the group's views in presentations to government entities; but being quasi-lobbyists as opposed to decision-makers, they maintain a different standard of accountability to the organization. Although there is usually an election process, leadership most often falls to willing participants.

1. Should C.O.s have the right to define their own governing structures?

A. continued -

2. Should C.O.s be required to adopt certain leadership selection criteria?
3. If the role and responsibilities of C.O.s becomes institutionalized, what will be the impact on and reaction by the general public?

B. Issue Selection and Development Process

Involvement in issues by C.O.s is most often a result of a reaction to a government decision or proposal or response to a government request. Because C.O.s are dependent upon sustained interest and influenced by success, the issue selection and development process plays a critical role in their vitality.

C.O.s use a variety of different issue development and decision-making processes. Some organizations have attempted to ballot all their members and, in some cases, all the residents in their areas to select priority issues or determine positions on specific issues. Others delegate issue development responsibilities to ad hoc or standing committees while still others assign decision-making authority, with certain limitations, to their executive boards. While most final decisions are arrived at through majority vote by the membership at public meetings, the actual selection and development of issues and positions is significantly influenced by a small number of active participants. This is not unusual in most democratic institutions.

1. Does the size of neighborhood units affect the structure of decision-making?
2. If the role and responsibilities of the C.O.s becomes institutionalized, should there be uniform criteria for the issue selection and decision-making process or should the organizations have the ability to define their own procedures?

B. continued -

3. How detailed should government regulations of the structure and decision-making process be?

IV. Government Support and Financing

The chronic problem for C.O.s is inadequate finances. Most are prevented by local government citizen involvement programs from requiring membership dues and consequently have neither funding nor operating budgets. The exceptions are private enterprise-oriented groups such as Sellwood-Moreland Improvement League, the Southwest Hills Residential League which has mandatory membership dues and a dozen other groups which have opted out of the government-initiated citizen involvement programs so that they can maintain fiscal independence through membership dues.

Several of the more highly organized associations have put together aggressive fundraising campaigns through voluntary contribution solicitations. For example, the Northwest District Association raised \$6,000 through in-kind contributions to sponsor a clean-up project last year. Others have applied for grants to obtain funding for specific projects. Several have negotiated contracts of service with local government units to establish a fiscal source for implementing a service program. Nevertheless, these sources do not provide a reliable fiscal base for C.O.s to effectively support organizational activities and programs.

Most organizations are dependent on minimal financial assistance available through local government citizen involvement programs. These funds are usually offered for mailings and communication costs. In addition, some staff assistance is usually available for organizing purposes.

IV. continued -

Local governments also provide land use planning and other technical information to the C.O.s. Regardless of whether this financial support is adequate or not, it means that the C.O.s are fiscally dependent on their local governments at a time when cities and counties are facing severe financial crises.

- A. What methods of financing should be available to or utilized by C.O.s?
- B. Should C.O.s be fiscally independent with the right to control public and private resources necessary for the implementation and support of C.O. decisions?
- C. Should C.O.s receive financial support from local governments?
 - 1. If so, should it be decreased, maintained at the current level or increased?
 - 2. If so, should financial support be direct (i.e., direct redistribution of 1% of the tax base to the C.O.s) or indirect (i.e., providing mailing costs, services, staff support, legal assistance in the form of an ombuds-attorney, etc.)?
- D. Is public financial support cost effective with regard to the benefits and costs of citizen participation?
- E. What guarantees or requirements should be met by the C.O.s to become eligible to accept public monies (i.e., specific boundaries, by-laws, procedures, fiscal standards and accountability requirements)?

V. Function and Role

The C.O.s play primarily an advisory and advocacy role in the decision making process. These organizations have also been involved in a number of other activities including implementing neighborhood livability projects, providing information to local governments through research and surveys, contracting with local governments to deliver services and receiving grants to study and implement community development programs. In their advisory and advocacy role, C.O.s are involved in a broad range

V. continued

of issues and governmental functions -- from social services to capital improvements -- though neighborhood livability in the form of land use planning has been their primary and perhaps universal focus. Despite the broad range of activities and functions, C.O.s do not have actual public policy decision-making authority nor do they have the ability to veto decisions made by governing entities. In essence, their role in the governmental process is one of review and comment.

A. Attitudes and Expectations

The relationship with local governments is highly dependent upon whether local officials are supportive of citizen participation and C.O. input. The accountability of C.O.s to the governmental agency they are trying to influence varies with each participant's level of expectations. The attitudes and expectations of the participants must be analyzed before determining what kind of role and functions C.O.s should play in the governmental process.

1. Do the C.O. representatives believe they should express "gut reaction" opinions or research and document facts before developing judgements?
2. Do C.O. representatives see their role narrowly as the immediate influence or impact on particular individuals or property within the neighborhood or do they take a larger perspective of the community?
3. Do actively involved citizens view a government that does not consistently seek input as failing in its willingness to maximize the democratic process?
4. Does the passive group view government which consistently seeks input as failing in its delegated responsibilities to take action?
5. How does government view C.O. involvement?
6. How does government view the non-involved silent majority?
7. Does the governmental decision-maker expect the C.O. representatives to have done in-depth analyses or simply express attitudes and philosophies?

B. Interrelationships with Government

In determining which functions are best administered on a centralized basis and which are best performed by local jurisdictions, several issues concerning the interrelationships of government and C.O.s must be examined. Consideration must be given to the relative need for C.O. participation in those decisions which are made by local governmental entities that are closer to the people as contrasted to those decisions of local government which are on a more regionalized functional basis.

1. What is the impact of C.O.s on governmental decisions?
2. Should government initiate C.O.s, support C.O.s with financial and staff assistance, solicit their views, listen to them or be bound by them?
3. How much public support can be expected to be given to the C.O.s if they are considered outside of the mainstream of the traditional political relationships?
4. Should C.O.s be considered as political entities and, if so, what impact will that have on the political process?
5. What kind of role and function should C.O.s play in a restructured government?
6. How far can decentralization go before imbalance is created with respect to the size of unit to which authority and resources can be realistically designated?
7. Should C.O.s function in conjunction with decentralized town halls or multi-service centers?
8. Does the size of C.O. units affect the structure of decision-making?
9. Should C.O.s provide services to the community?
10. What is the relationship between C.O.s and other local government citizen involvement programs (i.e., citizen advisory boards such as the Department of Human Services' Quadrant Advisory Boards) within their community?
11. What is the relationship between C.O.s and municipal vs. county local government citizen involvement programs?

Conclusions and Recommendations

The Neighborhood Organizations and Citizen Involvement Committee recommends that the role and function of C.O.s be considered as a priority issue for the Commission. We feel the resolution of the other concerns identified by this Committee, though important in and of themselves, are contingent upon this issue. This Committee recognizes the concept of C.O.s as significant units of citizen participation capable of exerting meaningful influence on governmental decisions. Therefore, regardless of whether the Commission determines that C.O.s should be institutionalized, this Committee recommends further development of citizen participation through C.O. involvement within the current governmental framework.

PHASE I REPORT

LOCAL GOVERNMENT-INTERGOVERNMENTAL RELATIONS COMMITTEE

Chairperson: Dean Gisvold

Vice Chairperson: William Moshofsky

MEMBERS

Albert Bullier

Wanda Mays

Joy Burgess

Jack Nightingale

Hazel Hays

Mike Shepherd

Barbara Jaeger

Ora Faye Thorgerson

Staff: Bromleigh S. Lamb
Sheryl Bushong
Bruce Etlinger

STATEMENT OF PURPOSE AND COMMITTEE PROCEEDINGS

Statement of Purpose

The Local Government and Intergovernmental Relations Committee was charged with examining the roles and functions of local governments in the area, including counties, cities and special districts, with emphasis on determining arrangements for intergovernmental coordination between the units and problems, both existing and potential.

Committee Proceedings

The committee decided to apply a functional approach to its task, holding a series of meetings -- each one devoted to a particular function or activity of local government. The committee attempted to learn who is doing what, how they interface and what the problems are. Resource persons representing local agencies involved in those services or activities were present at each meeting to discuss with the committee their activities and problems.

I. Meetings and Resource People

Meetings were held on the following functions or activities with the resource persons indicated. Functions and activities were selected which seemed most pertinent to the concept of two-tiered government. As a result, many local government activities were not considered, the most notable omission being land use planning. The committee did not intend to slight these services and activities, but lack of time prevented their consideration. Resource persons were selected to reflect a variety of local situations with particular emphasis on developing areas.

-- PUBLIC SAFETY - LAW ENFORCEMENT AND CORRECTIONS

Dick Karnuth, Criminal Justice Planner, CRAG
Sheriff Joe Shobe, Clackamas County
Chief Don Jones, Milwaukie Police Department

-- PUBLIC SAFETY - FIRE PROTECTION

Chief Richard Ham, Multnomah County RFPD #10
Don Eisenzimmer, Chairman, RFPD #10
Chief Gordon Morerud, Portland Fire Bureau
Deputy Chief Melvin Brink, Portland Fire Bureau

-- PUBLIC WORKS - SEWERS

Dave Abram, Utilities Director, Clackamas Co. CSD #1
Jeanette Norman, Manager, Oak Lodge S.D. (Clack. Co.)

-- PUBLIC WORKS - WATER

Cicero Smith, Administrator
Gene Seibel, Wolf Creek Water Dist. (Wash. Co.)
Robert Santee, Administrator, Tigard Water Dist.
Carl Glanzman, Public Facilities Division, CRAG
Don Carlson, Portland Metropolitan Boundary Commission

-- HUMAN RESOURCES - MEDICAL EXAMINER SYSTEM

Dr. William Brady, State Medical Examiner

-- HUMAN RESOURCES - SOCIAL SERVICES

Duane Lemley, Director, Mult. County Social Services Division
Jono Hildner, Director, Clack. Co. Community Action Agency

-- HUMAN RESOURCES - HEALTH SERVICES

Dr. Hugh Tilson, Multnomah County Health Officer

-- TRANSPORTATION - ROADS AND HIGHWAYS

Gary Bradshaw, City Engineer, Lake Oswego
John McIntire, Public Works Director, Clack. County

-- HOUSING AND COMMUNITY DEVELOPMENT

Judy Londahl, Housing Authority of Portland
Bruce Wade, Portland Development Commission
Bruce Martin, Portland Bureau of Planning

-- LEISURE TIME SERVICES - LIBRARIES

Shirley Brown, Ex-Chairperson, Clack. Co. Library Board
Hal Schilling, Milwaukie City Manager
Pat Stryker, Coordinator, Washington County Library Systems
James Burghardt, Multnomah County Library

-- LEISURE TIME SERVICES - PARKS AND RECREATION

Robert Gustafson, Portland Bureau of Parks
Ron Willoughby and James Bjork, Tualatin Hills Park & Rec. Dist.

-- SOLID WASTE

Charles Kemper, Administrator, Metropolitan Service District
David Phillips, Solid Waste Administrator, Clackamas County
Mike Lindberg, Public Works Director, City of Portland

-- ADMINISTRATIVE SUPPORT SERVICES

Fred Lewtwyler, Director of Finance and Administration, Wash. Co.
Grant Wilson, Director of Support Services, Multnomah County
J. W. Fitzsimmons, Acting Manager, Purchasing Division, City of Portland

II. Staff Reports

At each meeting, the staff presented a memorandum, outlining the roles of the various units of government in providing services or conducting activities for the function in question.

III. Urban Studies Student Research Teams

Two graduate student research teams from the Portland State University Urban Studies Programs were assigned to do research for the committee. One team took as its research topic the relationships between urban counties and cities. The other is considering the advantages and disadvantages of the consolidation of services.

FINDINGS OF THE COMMITTEE

Description of Units

Local governments in the area consist of three counties, 32 incorporated cities, 117 special districts other than school districts (of which water districts -- 46, and rural fire protection districts - 33, are the principal ones) and 16 county service districts.

The counties and the cities are general purpose units of government; they provide a wide range of services and activities. The districts are special purpose units designated by state law to provide, usually, only a single service, although some districts are permitted to provide a limited number of additional services.

With some exceptions, these local governmental units are under governing bodies elected by the people in the jurisdiction. The major exceptions are the county service districts which are governed by the county governing body which is elected by the county as a whole. There is also one special road district which, under state law, is governed by a board appointed by the county governing body. Likewise, the boards of vector control districts are appointed by county governing bodies.

The organization of all units of government in the area is spelled out in greater detail in a separate chart which will be made available to the commission.

Funding of these units will be discussed in more detail in the report of the Finance and Taxation Committee, but some general purpose units have complex revenue systems relying upon property taxes, special assessments, other taxes, user fees and state and federal subventions.

Findings of the Committee

The districts rely on property taxes and, in some case, also on special assessments and user fees.

Problems and Issues

The following problems and issues, by function, were identified by the committee in its deliberations.

I. Public Safety

Principal activities studied by the committee under this function were police and fire protection.

The committee found that police services are being provided by the counties and the incorporated cities in the area. Fire services are provided by incorporated cities, 33 rural fire protection districts and 2 water districts. The committee found that some units do not provide their own services but contract with another unit for protection. In two instances, Cornelius and Forest Grove in Washington County, a city and a district operate a unified fire department as a joint venture.

A. Arbitrariness of Boundaries

The arbitrariness and artificiality of the boundaries of political jurisdictions is evident with regard to the provision of emergency services. Frequently, personnel and equipment in one jurisdiction are better able to respond to a situation in an adjacent jurisdic-

A. continued -

tion than the personnel and equipment of the latter. In at least some instances in the case of fire protection, this situation has been recognized through mutual aid agreements. In the case of police protection, officers appear to be reluctant to operate out of their own jurisdiction because of tort liability insurance problems.

1. Should state legislation be sought to facilitate mutual aid by police departments? (The Advisory Commission on Intergovernmental Relations has model legislation on this subject which the committee did not have an opportunity to study.)
2. Conversely, since crime knows no boundaries, could a regional law enforcement agency better handle the situation?
3. In the case of both police and fire, could some specialized services be provided on a centralized basis either by a regional agency or by contract with a single central unit such as the State Police or the City of Portland? Examples of such specialized services are training, crime laboratory and narcotics and homicide investigation. (Also, see discussion of central dispatch under C, below.)
4. In the case of fire, should greater cooperation and contracting between the several existing units be encouraged or should state legislative policy be oriented toward encouraging fire protection to be provided only by general purpose governments, i.e. counties and cities, and not by special districts?

B. Neighborhood Decentralization

Police services are provided in the City of Portland on a precinct basis and in Multnomah County on a neighborhood basis.

1. Is greater decentralization of police services in the Tri-County area desirable and feasible?
2. Can greater utilization, on a neighborhood basis, be made of crime prevention programs?

C. Central Dispatch

The committee found that several central dispatch systems are being operated or in the development stage, some for fire only and some

C. continued -

for both fire and police. CRAG is studying the possible implementation of the 911 emergency telephone number system on the basis of three stations, one in each county in the Tri-County area. The committee heard conflicting views on the feasibility of using civilian dispatches.

1. Is central dispatch of all emergency vehicles feasible, using, for example, the 911 system?
2. If so, could this best be accomplished on a regional basis or by three county-wide systems?
3. Should use of civilian dispatches be encouraged?

II. Public Works

Under this function, the committee examined water supply and distribution, sewage collection and disposal and roads and streets.

A. Water

The committee found that water service in the Tri-County area is furnished by incorporated cities, 47 water districts and numerous small private systems. The single most important source of supply is the City of Portland from Bull Run. Other major sources are the Clackamas River and Scoggins Reservoir. The committee found that some units which have relied on certain cities as the source of supply have sought, and are seeking, other sources as the result of the surcharge imposed by Portland on purchasers outside the city. The committee was told that it is extremely difficult to find other sources of acceptable quality. The committee also found that three separate units have all built water treatment plans in proximity to each other on the Clackamas River resulting in a wasteful duplication of facilities.

1. Because of the importance of the Bull Run supply to the region and in relation to the controversy over logging in that area, what steps need to be taken to insure the protection and preservation of this source of supply?
2. Given the necessity for finding additional adequate sources, would a centralized wholesale supply agency be feasible? (Such an agency would be responsible for supply only, leaving distribution to local purveying units.)
3. If so, what arrangements could be made to insure a reasonable cost to the individual purveyors? Could this be done by having the centralized agency under the control of the local purveyors?
4. Is the large number of purveyors economically and administratively inefficient?

B. Sewers

The committee found that sewage collection and disposal is being handled by incorporated cities, 10 county service districts (including the Unified Sewerage Agency, which serves most of Washington County) and 3 sanitary districts. A proposed county service district to serve the Gladstone, Oregon City and West Linn areas of Clackamas County was defeated at the March, 1976, election. The committee was told that the principal problem in the area of sewers was the fragmented approach that had been taken in the provision of treatment facilities, i.e., that plants had been located with regard to providing service within existing political boundaries resulting in poor location in terms of regional needs. It was also suggested to the committee that sewer development, rather than land use planning, was, in effect, determining urban growth patterns.

1. Is it too late to consider providing sewage treatment by centralized units?
2. If not, should collection remain on a local basis?
3. How adequate are present sewage treatment facilities, in terms of capacity, for development in the region?

C. Roads and Streets

Roads and streets are provided by the state, counties and incorporated cities, although there are isolated instances of such services being provided by special districts. The committee was told that the major problem is lack of funds. A major study commissioned by the Legislative Assembly, several years ago, concluded that road needs to the year 1990 in terms of dollars would be two and one-half times the available resources. The study also concluded that the legislature should realign responsibility among the state, the counties and the cities for roads and streets; no action thereon has been taken, however.

The committee was also told that there is disagreement between cities and counties with regard to who should have responsibility for maintaining county roads within incorporated cities. Under existing law, roads in areas annexed by a city remain a county responsibility unless the city agrees to take over the roads.

1. Should the Legislative Assembly once again be asked to rationalize the respective road responsibilities of the state, the counties and the cities?
2. Should the law be amended to require cities to be responsible for county roads within their corporate limits? If so, should counties be required to reimburse the cities for the costs of bringing the roads to city standards?
3. Is it possible to coordinate the maintenance of road systems between counties and between a county and a city?
4. Should responsibility for major inter-county roads not on the state system be regional?

III. Land Use Planning

Because of time constraints, the committee did not have an opportunity to consider this subject as such. It appears that it has not been

Findings of the Committee

III. continued -

considered in depth by any of the other committees. The Local Government-Intergovernmental Relations Committee believes that land use planning not only is critical to other governmental services and activities but is an important subject in itself. The committee urges that the Commission include this topic in its deliberations in subsequent phases of its work.

IV. Housing

The committee was told that there is an unmet need for low cost housing and that such housing as is available is located mainly in core areas.

Would a regional housing authority, operating on a decentralized basis, be better able to meet low cost housing needs for the entire area within available funds? (It is contemplated that the regional agency would act as an umbrella for the disbursement of funds and the location of sites, and that operation and management would be by smaller units, such as neighborhood units. It is assumed that the financing of this activity would continue to be exclusively from federal or, if they become available, state funds.)

V. Human Resources

Under this topic, the committee considered the medical examiner system and the provision of social and health services.

A. Medical Examiner System

The State Medical Examiner told the committee that, at present, the three county medical examiners use the pathological services of his office which are performed at the Multnomah County Morgue. Although this system is working well, he pointed out two disadvantages:

V. continued -

1. Although pathological services are centralized, there are three separate county medical examiner's offices for administrative purposes.
2. Clackamas and Washington counties contribute nothing to the support of the morgue.

Could the administrative activities be centralized as the rest of the services have?

B. Social Services

The committee found that social services are provided by the state, the counties, incorporated cities (principally, the City of Portland) and a multitude of private agencies. The committee found that there is no plan for the division of responsibility among the several units and a lack of coordination of their efforts. The committee was advised that the Tri-County Community Council is working with these units in an effort to develop a plan. The committee was also told that there is an unmet need for bilingual services in some areas.

1. How can a rational coordination of the efforts of these numerous and diverse units be achieved?
2. What is the appropriate local public unit for the coordination and delivery of social services? Is it the county?

C. Health Services

The delivery of public health services is a county responsibility. In addition, Multnomah County provides health care, by contract with private vendors, to low income persons.

The committee was advised of the creation by Congress of a new health planning agency, the Health Service Agency (HSA), which in

V. continued -

this part of the state will cover the Tri-County area and several coastal counties.

1. Since Multnomah County provides the only VD program in the area, should this be supported by regional funding?
2. Are issuance of subsurface sewage permits and the licensing of nursing homes of sufficient public health interest that they should be transferred to the county health departments? Conversely, should local governments in any case be placed in the position of enforcing state regulations?
3. What are the implications of the HSA for the efficient planning and delivery of local health services? Will there be sufficient coordination between HSA planning, other planning and local delivery?

VI. Leisure Services

Under this function the committee considered libraries and parks and recreation.

A. Libraries

The committee found that three types of systems exist for the provision of public library services in the Tri-County area, one in each of the three counties. In Multnomah County, all services are provided by a county library system and there are no city libraries.

In Clackamas County there is both a county library and independent city libraries. The county has provided some financial support for the city libraries which have been open to non-city residents without charge. The cities claim, however, that the county funds have not kept pace with nonresident usage and that the cities are now, in fact, subsidizing the nonresident users.

VI. continued -

Washington County has had a traditional system of city libraries only. During the past two years, a voluntary cooperative system has developed under the auspices of a federal grant administered by the State Library. A countywide tax levy will be voted on in May to provide county support to the participating libraries.

The committee was told that cooperation between libraries in the Tri-County area is good. While coordination of services appears to be good and appears to provide the potential, at least, for an areawide library system, there appears to be inequities in funding.

1. What is the best system for delivery and funding of library services? More specifically, how should responsibilities be divided between counties and cities and how can equitable financing be achieved?
2. Could there be more use of school libraries and "store front" libraries as part of a decentralized public library system?
3. How can better coordination of library systems be achieved?

B. Parks and Recreation

Public facilities are provided in the Tri-County area by the state, the counties (Washington County has just started to make park expenditures within the past two years), incorporated cities and two special districts. Recreation programs are provided by cities and at least one of the districts. At least one city, namely Beaverton, receives its park and recreation services from a special district.

1. How can regional financing be obtained for local facilities which receive regional use?
2. How can financing be obtained for acquisition of park sites in rapidly growing urban areas?

VII. Solid Waste

Collection of solid waste in the area is handled by private collectors. Except in Portland and Multnomah County these collectors are franchised and subject to rate and service regulation by the counties and cities. In Portland and Multnomah County, where there are no franchises, there are about 200 collectors with overlapping routes.

As to disposal, there are presently only two sanitary landfill sites in the area, St. John's in Portland and Rossman's in Clackamas County. There are several smaller demolition landfills. Portland collectors have been shifting away from the use of St. John's to Rossman's, causing problems for both.

If the Metropolitan Service District (MSD) secures sufficient funding sources, solid waste disposal will be its responsibility.

Clackamas County supports the administration of its nuisance abatement program exclusively from collector and disposal site franchise fees. This means that non-Clackamas County residents served by collectors who haul to Rossman's are subsidizing the Clackamas County nuisance abatement program.

- A. Should Portland and Multnomah County franchise and regulate collectors as is done in the rest of the area?
- B. How can adequate and suitably located landfill sites be obtained?
- C. How can equity in financing nuisance abatement be achieved?
 1. With regard to the Clackamas County situation?
 2. With regard to the region is MSD takes over the disposal sites?

IX. Administrative Support Services

Under this heading, the committee considered intergovernmental relations with regard to purchasing, data processing, central dispatch and investment administration.

A. Purchasing

The committee found a high degree of intergovernmental cooperation in this area. Many local units take advantage of the opportunity to purchase on state contracts. There is cooperative purchasing, although there have been problems in working out an agreement for sharing warehouse facilities, by the City of Portland and Multnomah County. The Intermediate Education Districts (IEDs), particularly in Multnomah and Clackamas Counties, do much purchasing for local school districts. Although these arrangements have worked well, possibilities appear to exist for even greater cooperation.

Local inventory controls appear to be inadequate.

1. Could the present system be improved by more centralization of purchasing?
2. Could the state system be extended by providing regional facilities so that local units would not have to go through the Salem office?
3. What is the feasibility of a centralized computerized purchasing and control system?
4. How can more voluntary cooperation under the present system be achieved?

B. Data Processing

There are presently two publicly operated and shared data processing systems serving local governments in the area:

1. The City-County Data Processing Authority (DPA) of Portland and Multnomah County, which is also used on a contractual basis by Washington County;

IX. continued -

2. The Clackamas County system, which provides services by contract to Lake Oswego and Clackamas Community College. (In addition, the Multnomah County IED provides data processing to 13 smaller school districts in this area.)

Testimony before the committee indicated that much greater use could be made of centralized data processing systems, particularly by smaller units of government. There appears to be considerable unused capacity in DPA, and greater utilization might reduce unit costs.

How to bring other units into the existing systems and optimize their utilization?

C. Central Dispatch

This subject was discussed under Public Safety (I-C).

D. Investment Administration

Under 1973 legislation, the state manages a local government investment pool. Under this system local governments may place funds for investment, together with state funds, under the management of the State Treasurer with the advice of the State Investment Council.

This enables local funds to be invested under the prudent man rule which is more liberal than the restrictions placed on investments by local governments individually.

Two hundred of a possible 1588 local units in the state participate in the pool. Most of the larger units in the Tri-County area participate.

How can broader participation be encouraged?

Conclusions and Recommendations

While the foregoing list indicates that the committee encountered a variety of problems and issues, it believes that there is one type of problem which emerged throughout the study. This, not unnaturally, relates to the scope of the committee's assignment: local government and intergovernmental relations. It is the problem of jurisdictional boundaries derived from political units which in many cases have no relation to the situations to be met or the services to be rendered. The committee has found examples of locally provided services and facilities which are being utilized on a regional basis and of natural service areas artificially divided by political boundaries.

This situation poses two fundamental questions with regard to jurisdictional responsibility and organization:

- 1) Directly related to the commission's charge, how should responsibilities for the planning (and coordination) and the delivery of services be allocated among the possible tiers of government in the Tri-County area?
- 2) What type of governmental unit should state, regional and local policies promote in the metropolitan area, i.e., general or multi-purpose governments having a multiplicity of powers and responsibilities such as the present counties and cities or limited purpose governments such as the present special districts?

More subtle, perhaps, are the questions which emerge over possible relations between jurisdictions. Assuming either (1) that existing jurisdictions will remain essentially the same or (2) that jurisdictional reorganization will occur, what are to be the intergovernmental relations between the units in the Tri-County area? There already exist between the units in the area,

Conclusions and Recommendations
continued -

including the state, a variety of relationships designed to render government in the area more efficient and effective. These take the forms of joint ventures or other voluntary cooperative devices. A more extensive use of voluntary cooperation is possible either under the existing system or under a system of reorganized units.

PHASE I REPORT

STATE-LOCAL RELATIONS COMMITTEE

Chairperson: Roger Yost

Vice Chairperson: Betty Schedeen

MEMBERS

Ilo Bonyhadi

John Frewing

Leland Johnson

Harold Linstone

Gary Nees

Mary Rieke

Robert Schumacher

Mildred Schwab

Larry Sprecher

Donna Stuhr

Staff: Bromleigh S. Lamb
Sheryl Bushong

STATEMENT OF PURPOSE AND DESCRIPTION OF PROCEEDINGS

Statement of Purpose

The State-Local Relations Committee was assigned responsibility to study the role of state agencies in the Tri-County area with regard to their activities, their relations with local and regional governments and the degree of coordination of functions in the area.

Committee Proceedings

The committee held a series of meetings with representatives of major state agencies having activities in the area. (In the nine weeks available to the committee, it was obviously impossible to cover all of state government. The committee, therefore, selected certain major state agencies for consideration.) It also held one meeting with representatives of local and regional governments to obtain their views on state-local relations.

I. Meetings and Resource People

-- EXECUTIVE DEPARTMENT - INTERGOVERNMENTAL RELATIONS DIVISION

William Young, Administrator (two meetings)

-- DEPARTMENT OF HUMAN RESOURCES - HEALTH DIVISION

Bonnie Percival, Information Officer

-- LAND CONSERVATION AND DEVELOPMENT COMMISSION

Jim Knight, Field Representative
Eldon Hout, Specialist - Local Government Relations
Dale McGee, U.S. Dept. of Agriculture liaison

-- DEPARTMENT OF ENVIRONMENTAL QUALITY

Loren Kramer, Director

I. continued -

-- DEPARTMENT OF TRANSPORTATION

Ted Spence, Planning Coordinator
Robert Bothman, Metropolitan Engineer, Highway Division

-- LOCAL GOVERNMENT BOUNDARY COMMISSION

Don Carlson, Executive Officer

-- DEPARTMENT OF HUMAN RESOURCES - CHILDREN'S SERVICES DIVISION

Fred Stock, Mgr. Region 8
Violet Smith, Program Specialist, Region 1

-- LAW ENFORCEMENT COUNCIL

Pamela Gervais, Program Specialist - Planning
Jack Bails, Criminal Justice Dept. - CRAG

-- DEPARTMENT OF HUMAN RESOURCES - CORRECTIONS DIVISION

Robert Pillsbury, Regional Programs Mgr. - Portland
George Wilson, Regional Programs Mgr. - Hillsboro

-- LOCAL AND REGIONAL GOVERNMENTS

Larry Rice, Executive Director, CRAG
Tom Benjamin, Federal Grants Coordinator - Portland
Don Barney, Port of Portland - Mgr. Community Development
Dick Feeney, Assistant to Chairman, Multnomah Co. Board of
County Commissioners

II. Staff Reports and Other Materials

Supplementary information furnished the committee included the organization charts of state government, an inventory of state subventions to local governments state-wide and a proposal for the creation of a state advisory commission on intergovernmental relations.

III. Urban Studies Student Research Team

A graduate student research team from the Portland State University Urban Studies Programs was assigned to do research for the committee. This

III. continued -

team is studying the impact of Senate Bill 100, which created the Land Conservation and Development Commission, on existing structures of local government, the economy and property owners.

FINDINGS OF THE COMMITTEE
Description of State Government

Oregon state government is divided into three classical branches of American government: the legislative, the executive and the judicial. The executive branch is divided among those departments headed by independently elected state officials (Secretary of State, State Treasurer, Attorney General, Commissioner of Labor and Superintendent of Public Instruction) and those departments responsible to the Governor, of which there are 52, varying in size from quite small independent agencies to the mammoth Department of Human Resources, consisting of eight large divisions and representing almost one-third of all state employees.

The financing of state government is most complex. It can best be grasped by considering the three categories of funding sources used in the state budgetary process: the General Fund, Federal Funds and Other Funds. The General Fund consists of those revenues available for general governmental purposes and is derived principally from personal and corporate income taxes and revenues from the Oregon Liquor Control Commission (OLCC). The federal revenue sharing money made available in recent years also goes into the General Fund. Federal Funds represent all other monies from the federal government, including monies that are passed on by the state to local governments. Other Funds are the "dedicated" funds, limited by the Oregon constitution (such as the Highway Fund) or statutes to expenditures for specific purposes.

Local governments receive monies from the state from all three of the above sources. Most of the state subventions from the General Fund goes to schools. In the 1973-75 biennium, only 4.3 percent of the state subventions to other local governments came from the General Fund. The \$734.2 million

FINDINGS OF THE COMMITTEE

continued -

flowing from or through the state to local governments from all sources in 1973-75 was divided into \$439.2 million (59.8 percent) for education and \$295.0 million (40.2 percent) for all other local government activities.

The principal amounts of Other Funds flowing to local governments come from the state's sharing of highway and liquor revenues (a proportion of liquor revenues is dedicated to local government before the balance is distributed to the General Fund).

Problems and Issues

The following problems and issues, by agency, were identified by the committee in its deliberations.

I. Health Division

A. Monitoring of County Licensing and Inspection

By statute, the state is responsible for the licensing and inspection of food services, swimming pools and tourist facilities. Under a 1975 act, which allows counties to perform these activities under state monitoring, Multnomah and Washington counties have elected to perform inspection and enforcement. Clackamas County has elected to perform inspection only. Under these arrangements the counties share a portion of the license fees (15 percent in Multnomah and Washington counties, 50 percent in Clackamas County) with the state to support the monitoring program.

FINDINGS OF THE COMMITTEE

I. continued -

1. The counties must share their license fees with the state.
2. The state maintains that the amount it receives is insufficient to support the monitoring program.
3. The state monitoring program is a duplication of county activity.

B. Training and Education

The major responsibility of the Health Division is not the furnishing of services to the public but in providing support to county health departments in the form of training and education.

In the metropolitan area, this would appear to be a capability of the local health departments.

1. Should responsibility for training and education be delegated to the respective county health departments or to a regional agency in the Tri-County area?
2. If so, should there be appropriate funding from the state?

C. Health Service Agency (HSA)

The HSA is a new layer created by Congress for health planning.

There are three HSA's covering the entire state. The one in this region covers the metropolitan area and several coastal counties.

HSA's have no relation to existing state, regional or local government agencies.

1. What will be the role of HSA in the coordination of state and local health planning and service delivery?
2. Can the HSA be responsive to local needs?

II. Land Conservation and Development Commission (LCDC)

A. Division of Responsibilities

Under Senate Bill 100, LCDC is responsible for developing and

FINDINGS OF THE COMMITTEE

II. A. continued -

enforcing state land use goals and guidelines, and local and regional planning agencies are responsible for developing plans that meet those goals and guidelines.

1. Should the state be involved in setting and enforcing land use policies?
2. If so, what is the proper division of responsibilities for the elements of planning policy and implementation between state, regional and local agencies?
3. If the state should be involved in setting and enforcing land use policies, what level of financial support should the state provide to regional and local agencies to assist in compliance with state standards?

III. Department of Environmental Quality (DEQ)

A. Air Quality Planning

It was reported to the committee that there is conflict between DEQ and CRAG as to which should be the state air quality planning agency.

Is this essentially a regional topic affecting primarily the metropolitan area or is it a state-wide problem?

B. Water Quality Planning

DEQ has principal responsibility for water quality planning in the state and sets water quality standards. Under federal law, CRAG has responsibility for water planning quality for the region (except for Clark County, which is developing its own plan) with the exception of industrial point sources. The CRAG plan is subject to DEQ approval. After the plan's adoption, its enforcement will be by DEQ.

Are CRAG and Clark County the appropriate agencies to perform water quality planning in the region?

C. Auto Emission Control

This is a state-mandated program, administered by a state agency but only in this region of the state.

Should the state delegate administration of this program to a regional agency?

IV. Department of Transportation (DOT)

A. Highway Project Approval and Priorities

Under the existing system, local units can block a project proposed by the state, and conversely, the state is under no compulsion to go forward with projects desired by local units. The state and the local units from time to time disagree as to priorities.

1. Is the mutual veto power exercised by the state and local units a desirable system of project approval?
2. Is there a system for reconciling priorities?

V. Portland Metropolitan Area Local Government Boundary Commission

A. Relation to Land Use Planning.

There is a close inter-relationship between land use planning, urban growth and the fixing of local government boundaries.

1. Is there adequate coordination between the Boundary Commission and local and regional planning agencies?
2. Should the Boundary Commission, now an independent state agency, be incorporated into a regional agency?

B. Initiation of Boundary Changes

Although, by law, it has the power to initiate boundary changes, the Boundary Commission basically reacts to proposals for changes initiated by others.

1. Should the Boundary Commission be more aggressive in initiating changes?

FINDINGS OF THE COMMITTEE

V. B. continued -

2. Conversely, should separate agencies be responsible for initiating and implementing changes?

VI. Children's Services Division (CSD)

A. Concept of the Agency

The concept underlying the creation of CSD was that a single agency dealing with all facets of services to children could better coordinate and provide those services.

Has the concept worked in practice so that service delivery has actually been improved?

B. Coordination with Other Agencies (CSD)

CSD interfaces closely and complexly with numerous autonomous local government and private agencies, including the courts, law enforcement agencies and social service agencies.

1. There appears to be a lack of over-all planning and coordination for the many agencies dealing with children.
2. Could a decentralized regional agency provide such planning and coordination?

VII. Criminal ^{& Civil} Justice Agencies

A. Corrections

Both the state Corrections Division and the counties are involved with correction functions.

1. Would it be a better system if the state assumed full responsibility for correctional facilities and programs?
2. Should consideration be given, in the replacement of Rocky Butte Jail, to a regional correctional facility operated by the state or jointly on a state-regional basis?

B. Courts

The court system, with the exception of municipal and justice courts, is a state system funded jointly by the state and the counties.

The Chief Justice of the Oregon Supreme Court has indicated favor for an integrated court system, with all courts under the supervision of the Supreme Court. The several counties recently proposed to the Legislative Interim Committee on Intergovernmental Affairs that the state assume all funding of the court system.

1. Should the state have responsibility for administering the court system?
2. For funding the court system?

C. Planning

The state Law Enforcement Council has responsibility for state criminal justice planning. The state is divided into 14 administrative districts and these districts also have some responsibility for planning. There appears to be some confusion over how these levels effectively coordinate their activities.

How should criminal justice planning responsibilities be divided among units and levels of government?

VIII. Local Government Agency Considerations

Representatives of local and regional governments outlined for the committee several problem areas in dealing with state agencies.

A. Grant Administration

The committee was told that the state lags behind the federal government in the coordination and administration of grant applications, largely because of the inadequacies of the state's own accounting and management systems.

B. State-Local Fiscal Relations

What responsibility does the state have for financing local government? Assuming that equity dictates a greater sharing of state revenues, should local governments be put in the position of depending on state funds which might subsequently be withdrawn?

C. Relations with State Agencies

Although state agencies and local governments usually work well together in day-to-day operations, they frequently end up in an adversary relationship before the legislature, where the important decisions are made. State agencies sometimes appear unwilling to consider particular local needs or problems in setting rules.

IX. General Considerations

A. State Advisory Commission on Intergovernmental Relations

The state Intergovernmental Relations Division has proposed to the Legislative Interim Committee on Intergovernmental Affairs the creation of an autonomous Advisory Commission on Intergovernmental Relations at the state level.

Would such an agency contribute to improved intergovernmental relations or would it be merely another commission further complicating the governmental picture in Oregon?

Conclusions and Recommendations

Two fundamental problem areas were identified in connection with state-local relations: organization and planning.

I. Organization

How should administrative functions be divided between the state and local government units in the metropolitan area? Indicative of the concerns raised were: health inspections, auto emission control, air quality control and criminal justice facilities.

The administrative capabilities vary widely in the diverse regions within the state; the Portland metropolitan region is clearly unique. Statewide policies on the division of functions are unsuitable. On the other hand, rational policies for the division of functions between the state and the Portland metropolitan area do not seem to exist. Compounding the problem is the impact of the federal government, exemplified by the recent Congressional directive that the state be divided into three regions for health planning.

Criteria must include non-economic as well as economic benefits and costs. The benefits of local control have been stressed; the costs are uncertain. No adequate study to determine feasible alternatives is available.

One aspect which has a strong impact on costs is the irrational and confusing division of the metropolitan region into districts which differ for each function. (This point was stressed in the earlier Portland Metropolitan Study Commission report.) Resolution of this

Conclusions and Recommendations

I. continued -

problem would seem to be a prerequisite for development of improved state-local division of administrative functions. The past approach of adding more units of government, especially single-purpose units, will no longer work in the metropolitan area.

A basic problem which is related to the large number of governmental (taxing) units in the metropolitan area is that of financing. A plethora of units are all asking the taxpayers for support. Budget crises are looming at the local level. Frustrations with government in general and an unwillingness to pay a higher governmental bill are most frequently expressed by citizens in one of the few practical ways remaining: by a negative vote on local budgets and tax levies. The resulting pressure on the state and federal governments for an increased local share of state and local revenues, even if successful, is not without its perils: what a superior government can grant, it can withdraw. Moreover, there is a concern on the part of many citizens with regard to the loss of local control when state and federal funds are accepted.

II. Planning

There is a serious lack of planning. Questions to the speakers about desirable future arrangements were almost invariably met with uneasy equivocations. The reason is obvious: there is no constituency for planning staffs or activities. The future is being discounted by most of the electorate. With no public support, the legislature understandably places little emphasis on improvements in state-local planning.

Conclusions and Recommendations

II. continued -

There is no common understanding of desirable future state-local arrangements and no apparent effort to gain the necessary insight.

The only apparent means to rouse the public to the need for planning state-local responsibilities is the occurrence of immediate crisis.

The public is only awakened to the need for planning state-local responsibilities through the occurrence of crises.

Examples brought forth by the speakers which illustrate the lack of planning include: Children's Services Division (CSD); criminal justice system; water supply, and consolidation and regional government structure.

In fact, even though local governments are creatures of the state (even home rule units derive their being from the state constitution), the state has never planned for the system, or systems, of local government it wants. Moreover, it appears to the committee that many state agencies view an efficient and effective local government as a threat to their authority.

III. Summary

In an environment of inadequate organization and planning, it is no surprise to find a lack of coordination between state agencies themselves and between state and local agencies.

PHASE I REPORT

REGIONAL GOVERNMENTS AND AGENCIES COMMITTEE

Chairperson: Estes Snedecor

Vice Chairperson: Alan Brickley

MEMBERS

Herb Ballin

Loyal Lang

Stephen Herrell

Ed Lindquist

Nancy Hoover

Jack Nelson

Charles Jordan

Jerry Tippens

Julie Keller

William B. Webber

Staff: Chuck Bukowsky
Charles Raimondi

STATEMENT OF PURPOSE AND COMMITTEE PROCEEDINGS

Statement of Purpose

The Regional Governments and Agencies Committee was assigned the responsibility of examining the structures and functions of regional organizations in the Tri-County area and identifying areas of concern.

Committee Proceedings

I. Meetings and Resource People

To partially assist in carrying out this charge, the Committee met with representatives from the following agencies:

-- COLUMBIA REGIONAL ASSOCIATION OF GOVERNMENTS (CRAG)

Larry Rice, Executive Director
Andrew Jordan, Legal Counsel

-- METROPOLITAN SERVICE DISTRICT (MSD)

Ray Miller, Board Chairman
Charles Kemper, Manager

-- COMPREHENSIVE HEALTH PLANNING AGENCY (HSA)

Richard Rix, Director

-- PUBLIC FACILITIES DIVISION, CRAG

Terry Waldele, Director
Tom Lucas, Manager, Regional Waste Water Study

-- PORTLAND AREA BOUNDARY COMMISSION

Tony Federici, Commission Chairman
Donald Carlson, Executive Director

-- PORT OF PORTLAND

Lloyd Anderson, Executive Director

-- TRI-MET

B. J. Seymour, Public Service Liaison
William Hall, Director, Planning and Development

II. Staff Reports

A description of these regional agencies by function, revenue sources, types of governance, etc., is contained in the chart prepared by staff. The chart, entitled "Aspects of Portland Area Regional Governments and Agencies" (February, 1976), is included in this report.

The speakers made presentations and answered questions concerning their organizations, including points such as the following:

1. Reasons and authority for creation of the organization
2. Authorized functions or services - expressed and implied
3. Functions now being performed
4. Governing structure
5. Financing: sources and level
6. Processes developed for intergovernmental relations
7. Processes utilized for citizen participation
8. Problems currently being encountered

III. Other Materials

The Committee received or had access to the following material:

1. "Government Structure - The Old and The New", 1975.
2. ORS Statutes regarding Tri-Met, MSD, Port of Portland, The Boundary Commission, CRAG.
3. "Suncoast Study Panel Report to the Region", 1974.
4. "Two-Tiered Government in Monroe County, New York", 1975.
5. "Gateways, Parts I and II", 1974.
6. "A View From the 13th Floor", 1974.
7. "Marketing the Lower Columbia River", 1974.
8. "Policy at the Port", 1973.
9. "Port of Portland, Oregon, Marine Terminal Facilities", 1974.

III. continued -

10. "Aviation Facilities", 1973.
11. "Report of Solid Waste Disposal in the Portland Metropolitan Area", City Club of Portland, Vol. 56, No. 35, 1976.
12. "Biennial Statistical Summary, Portland Metropolitan Area Local Government Boundary Commission", March, 1973.
13. "Governance in the Twin Cities Area of Minnesota, A.C.I.R., Citizens League, Minneapolis, 1973.
14. "Metropolitan Reform: A Review of U.S. Experience", Charles Warren, NAPA Project Director, February, 1976.
15. "Report of the Portland Metropolitan Study Commission", February, 1969.

IV. Student Research Team

A graduate research team in the Urban Studies Program at Portland State University was assigned to the committee and prepared a Phase I Report which describes the agencies named above in detail (Regional Organizations in the Portland Metropolitan Area). This report has been made available to Committee members, and library copies will be available for loan to any member of the Commission.

FINDINGS OF THE COMMITTEE

Areas of Concern

The Committee recognizes that the people in the Tri-County area live in a regional community that can be described in personal, sociological, economic, psychological, and political terms, and that they have certain needs common to the region including clean air, pure water, effective and convenient transportation, effective communications, efficient means for removing wastes, decent housing and effective planning. We also recognize the presence of those areawide governments, each of which was created to satisfy one or more of these needs. The Committee has a general concern as to whether this system of areawide government is the most appropriate for our regional community. Our review of existing agencies has identified the following concerns:

- I. There has been a failure on the part of certain regional agencies to publicly justify their existence, role, and functions.

Those regional governments most accepted by the public appear to have been created in response to an identifiable crisis. Tri-Met, for example, was created to save a faltering public transportation system. The Port was needed to dredge a channel for ships plying the river. The functions were seen as necessary and worthy of financial support although the payroll tax was resisted in some quarters. Other governments were created in response to needs that had not yet reached the crisis stage or in response to federal or state directives. Their functions are not presently viewed by the general public as absolutely crucial, consequently, they receive minimal public support. The Metro-

Findings of the Committee

I. continued -

politan Service District and the Columbia Region Association of Governments are examples of this.

Those regional governments with the least amount of public acceptance may carry out responsibilities that are quite intangible. Regional planning, for example, may be necessary but it is abstract and often misunderstood. And, as it becomes translated into local planning and zoning regulations, it frequently is viewed as a negative regulation on private property and many see it as an infringement on individual rights and local governments' prerogatives.

Should there be an evaluation of all the regional governments, their purposes and functions, to determine whether they should remain unchanged, be eliminated, modified, or merged with another agency?

II. There is no clear and common policy whether regional government should be general-purpose or single-purpose in character.

The Portland Metropolitan Study Commission clearly favored a general-purpose approach in its recommendations. Though the legislature gave passing recognition to that concept in the enabling statutes for the Metropolitan Service District and Tri-Met, with the so-called "marriage clause", it clearly gave the single-purpose government the broader package of implementation tools. If history is any indication, the state will continue to respond to specific crises by creating single-purpose governments.

A. Should the Tri-County Local Government Commission favor a general-purpose government approach? If so:

1. Should the functions of existing governments more single-purpose in nature be totally absorbed by a general-purpose government or should existing bodies continue to function as they are but be brought under the appointive and budgetary control of a general-purpose government.
2. Should the general-purpose government have a general grant of powers similar to those of a home rule municipality or should its powers be specifically enumerated with a clearly defined procedure for adding powers in the future?

III. There is no clear delineation of service responsibility or authority

by level of government or even at the same level of government. This may cause functional overlap in some cases and a functional vacuum in others. For example, cities, counties, the Port of Portland, Tri-Met, the Columbia Region Association of Governments and the Land Conservation and Development Commission are all engaged in land use planning. The Department of Environmental Quality, the Metropolitan Service District, cities, counties and sanitary districts are engaged or at least authorized to be engaged in sewage disposal. Tri-Met, the Metropolitan Service District, counties, and cities are authorized to provide public transportation, and so on. While it is not impossible to arrive at practical working agreements, clarification of responsibilities would help to improve service delivery and decrease public confusion.

We need to answer questions such as the following:

- A. What government should do the planning for the metropolitan area: How should that planning related to plans being developed by cities, counties and the state?

III. continued -

- B. What government should have responsibility for developing the water supply for the metropolitan area? The systems that distribute the water to the individual users?
- C. What government should have responsibility for solid waste disposal? For collection of solid wastes?
- D. Should there be a metropolitan library system? If so, what service should be provided at the metropolitan level and what should be provided at the local level?

IV. There is an inconsistency in the boundaries of the regional governments which may create difficulties in coordination of services.

Jurisdiction of the Boundary Commission extends to four counties; the Health Services Agency covers six counties; the Port of Portland and Tri-Met include the entire tri-county area; the Metropolitan Service District has jurisdiction over only the most urbanized portions of the three counties; and the Columbia Region Association of Governments, with its provisions for associate membership, includes the Tri-County area, plus three cities in Columbia County and Clark County, Washington State.

- A. Are these differences in boundaries essential because of the unique functions performed by each government?
- B. Do the differences in boundaries create additional problems in coordination?
- C. Do they add to the difficulties of achieving better public understanding of these governments?

- V. There is confusion as to whom the various regional boards and commissions are accountable; i.e., themselves, the governor, the state legislature, state agencies, the federal government, the units of local government within their boundaries.

Tri-met is narrow in purpose and has extensive powers of taxation. Its governing body is directly accountable to the governor who appoints the members. Port Commissioners are also appointed by the Governor. While its taxing powers are not as broad as Tri-Met's, the Port can issue \$3 million in general obligation bonds each year without a vote of the people. Members of the Boundary Commission are appointed by the Governor. Its function is to regulate boundary changes and certain extensions of water and sewer services. It has no taxing authority and receives its funding through an appropriation of the state legislature.

CRAG and MSD might be characterized as confederations of governments. The members of the governing boards are appointed by and accountable to the governing bodies of their member governments. CRAG has no ability to tax and must rely on contributions from other governments for its revenues. MSD may levy ad valorem taxes but only with the approval of voters.

HSA has a governing body comprised of 55% consumers and 45% providers. New members are appointed by the existing board which was carried forward from the Comprehensive Health Planning Association. HSA has no authority to tax and will rely heavily upon grants from the Department of Health, Education and Welfare for its revenues.

- A. How do we effectively measure accountability?
- B. How do we balance accountability with effectiveness?
- C. To whom should the regional governing bodies be accountable?

V. continued -

- D. Should governing bodies with the authority to tax be directly elected by the people?
- E. Should the governing bodies of technical service-oriented agencies be accountable to a directly elected board of a general-purpose government?

VI. Inadequate funding is a problem that can prevent a regional government from functioning effectively. In some cases the powers of taxation appear to be disproportionate to the range of responsibilities. Approximately three-fourths of CRAG's revenues are derived from state and federal grants. The local twenty-five percent comes from membership dues.

The Boundary Commission receives all its revenue from the state general fund, which is appropriate since it is a state agency. However, the level of appropriation has never permitted the Commission to carry on any aggressive program in major boundary changes.

Because mass transit is not fully fundable from the fare-box, revenue raising is a problem. However, the taxing authority set forth in the statute is very broad and should be more than sufficient if the public agrees that the subsidized service is necessary.

Public funding for the Port of Portland is considerably lower than that provided the Port of Seattle. However, most operational revenues come from user fees of one type or another. Heavy dependence on general obligation bonds for capital improvements may cause problems for what is essentially an economic development enterprise.

The Metropolitan Service District is authorized to establish an ad valorem tax base and to collect user fees, service charges, and special assessments. The District, however, has been unable to establish a tax

VI. continued -

base and has relied almost exclusively upon state tax loans and planning grants to stay in operation. It is faced with a classic dilemma-- the need to develop a track record to generate public confidence and support, and no money by which to develop the record.

- A. How should regional government be financed?
- B. Should there be a regional property tax base?
- C. Should regional government be authorized to use the income, sales, and excise taxes?
- D. Should local units contribute to the support of regional government?
- E. Should regional government receive state and federal shared revenue?

					Aspects of Portland Area Regional Governments and Agencies (February, 1976)									
Unit	Statutory Authorization	Functions Authorized	Functions Presently Being Performed	Areas Served	Size and Structure of Governing Body	Selection of Governing Body			Chief Administrative Officer	Staff Size	Revenue			1975-76 Budgeted Expenditures
						How	Term	Requirements			Federal	State	Local	
Boundary Commission	Oregon Revised Statute Chapter 199	To review boundary changes, extra-territorial water and sewer rate extensions, and to provide a method for guiding the creation and growth of cities and special service districts.	Performed as authorized	Multnomah, Columbia, Clack- amas, and Washing- ton counties	11 Member Commission	Governor's appointment	4 yrs.	Residence within jurisdiction	Executive Director, Donald F. Carlson	3	None	State General Fund Appropria- tion \$126,965	County taxes authorized but not used	\$126,965 - 1976 Bills
CRAC	O.R.S. 197.705 197.795 PL 92-500 PL 92-500, Sec. 208 PL 92-39 PL 90351 PL 93-83 Swa. 134, Title 23 US code PL 87-560 OMB Circular A-95	Promulgating regional planning goals and objectives that inter-relate all functional and natural systems and activities relating to all the use of the land, air and water systems, recreational facilities; air and water quality management programs, residential, commercial and industrial developments and the provision of public services. Land use planning, zoning, justice planning, A-95 Review	Performed as authorized	Clackamas, Multnomah and Washington coun- ties and all cities therein, Columbia City, Scappoose, St. Helens, The Port of Portland, Tri-Net and the State of Oregon.	14 Member Board of Directors (47 votes) 45 member General Assembly (75 votes) (Votes in both bodies weighted according to popu- lation of area rep- resented)	Appointed by member governments and caucuses thereof	Deter- mined by con- stitu- ents	Members governing bodies of constituent units except for certain associate members	Executive Director, Larry Rice	61	\$983,053	\$46,472	\$497,263 16,450 \$513,713	1.754 million
Health Services Agency (formerly Com- prehensive Health Planning)	Public Law 93-641 OMB Circular A-95	The provision of effective health planning, the promotion of the development of health services, man- power and facilities which meet identified needs, reduce documented inefficiencies and implement the health plans of the agency.	(Comprehensive Health Planning will be de- signated Health Services Agency on April 1, 1976) and perform functions as autho- rized.	Multnomah, Washing- ton, Clackamas, Colum- bia, Clatsop and Tillamook counties.	31 Member Board in- cluding an executive committee of 25. (Both the Board and the Exec. Committee are to be comprised of 55% consumers and 45% providers.)	By existing board	3 yrs. (Max. 2 con- secutive terms)	Residence in six-county district	Executive Director, Richard A. Kin	12	(Figures for Comprehensive Health Planning for '76-'73) N.E.W. \$196,585.00 Public and private contributions \$118,024			Not available until official designation as H.S.A.
Metropolitan Service District	O.R.S. Ch. 268	1. Acquire, construct all METRO sewer facilities; 2. Pro- vide facilities for disposal of solid and liquid wastes; 3. Drain- age control by dams, ditches, canals; 4. Provide public trans- portation and terminal facilities; 5. See operation and maintenance; 6. Add'l. functions by voters.	Solid waste disposal, Johnson Creek Sur- face Water Control (Storm drainage), See Referendum.	Urban area of Multnomah, Wash- ington and Clack- amas counties	7 Member Board of Directors	Chosen by constituent governmental units	2 yrs.	Members of governing bodies of constituent units	Manager, Charles Kemper	6 1/3	None	Grant for solid waste \$160,000	Loan from constituent units for Johnson Creek Drainage \$ 20,000 Users fees from sewer line disposal program \$ 20,000 Property tax not used. Cash carryover \$20,050	\$120,000
Port of Portland	ORS. Ch. 778	Acquire land and operate facilities for air transport, shipping, com- mercial and industrial develop- ment of the port, waterfront, har- bors, rivers and waterways. Acquire, construct, operate, lease, maintain port and dispose of airports, wharves, piers, docks, slips, warehouses, elevators, dry docks, terminals; Own, acquire, lease, maintain within Port Railroad property, streets, water mains, sewers, pipelines, gas and electric lines. Develop, operate, maintain recreational facilities, i.e. public parks, marinas and other recre- ational facilities on land owned by the Port.	Operation of Portland Inter- national Airport, Hillsboro, Troutdale Airports, Rivergate Industrial Park Development, Docka, Kelley Point Park, Swan Island Ship Repair Yard.	Multnomah, Washing- ton and Clackamas counties.	9 Member Board of Commissioners	Governor's appointment	4 yrs.	Residence within Port boundaries	Executive Director, Lloyd E. Anderson	603	Dedicated Airport Construc- tion Funding: \$1,289,000 General Construction: \$1,300,000	None	Property tax: \$5 million User Fees: \$143,861,240 Bonds: Gen'l. obligations: \$ 6,000,000 \$ 3,375,000 \$ 14,300,000 Revenue Bonds: \$35 million \$49 million Dark Bonds: \$13 million	\$153,050,241 -
Tri-Net	O.R.S. Ch. 267	Mass Transit System	Bus system, Port and Side Stations, Portland Mall	Multnomah, Washing- ton and Clackamas counties	7 Member Board of Directors	Governor's appointment	4 yrs. at Governor's pleasure	Residence within district	General Manager, Thomas S. King	1,166	\$4.9 million Capital outlay, 1974 Mass Tran- sit Act for op- eration \$4.4 million	\$400,000 General Fund, Capital Out- lay Grant	Payroll tax - \$12 million Teev fees - \$8.6 million Business lic. fees - not used Bonds - none Income tax - not used Gas tax - not used	\$32 million

Prepared by The Tri-County Local Government Commission
February, 1976

PHASE I REPORT

FINANCE AND TAXATION COMMITTEE

Chairperson: Robert G. Simpson

Vice Chairperson: Marlene Stahl

MEMBERS

Philip Bogue

Robert Landauer

Dennis Buchanan

Hugh McGilvra

William Gregory

Frank Roberts

Corky Kirkpatrick

Steve Telfer

Staff: Chuck Bukowsky

STATEMENT OF PURPOSE AND COMMITTEE PROCEEDINGS

Statement of Purpose

The Finance and Taxation Committee had the responsibility to review the present system for financing local governments in the Tri-County area and to identify problems inherent in that system. To accomplish this purpose the Committee held a series of meetings with representatives of various local governments and a representative of Oregon Tax Research, received and reviewed information collected or prepared by the staff, reviewed information and requested assistance from Gil Gutjahr, Administrative Officer of the Multnomah Tax Supervision and Conservation Commission, and received information from an urban studies research team.

Committee Proceedings

I. Meetings and Resource People

Following are those individuals who met with the committee:

-- MULTNOMAH COUNTY

Dennis West, Director of the Office of County Management

-- WASHINGTON COUNTY

Fred Leutwiler, Budget Director
Dan Potter, County Administrator

-- CLACKAMAS COUNTY

Jerry Justice - Administrative Assistant to the County Commissioner

-- HILLSBORO

Eldon Mills, City Manager

-- PORTLAND

Ken Jones, City Budget Director

-- MILWAUKIE

Harold Schilling, City Manager

I. continued -

-- GRESHAM

Bob McWilliams, City Manager

-- LAKE OSWEGO

Don Eppley, City Manager

-- Oak Lodge Water District

John Dodd, Manager

-- TUALATIN HILLS PARKS & RECREATION DISTRICT

Howard Terpenning, Manager

-- TAX SUPERVISING AND CONSERVATION COMMISSION, MULTNOMAH COUNTY

Gil Gutjahr, Administrative Officer

-- PORT OF PORTLAND

Fred Rogers, Manager of the Budget

-- COLUMBIA REGION ASSOCIATION OF GOVERNMENTS

Jim McKillip, Administrative Assistant to the Director

-- OREGON TAX RESEARCH

George Anala

Gil Gutjahr, Administrative Officer of the Tax Supervising and Conservation Commission, consented to serve as a resource person to the Committee and attended several committee sessions, one of which was devoted to the budget process. All of the speakers have made themselves available for the duration of the project and were most cooperative during discussion of their organization's financial operations.

II. Other Materials

The Committee received or had access to the following material:

II. continued -

- "Aspects of Portland Regional Governments and Agencies" (Chart), February, 1976
- "Apportionment of the Basic School Support Fund for the Fiscal Year Ending June 30, 1975", State Department of Education, Salem
- "School Expenditures Per Pupil" in Clackamas, Multnomah, Washington Counties, State Department of Education, Salem, 1975
- "I.E.D. Equalization Statistics," State Department of Education, Salem, 1975
- School Tax in each Tri-County School District, State Department of Education, Salem, 1975
- "Government Structure: The Old and The New", Ken Martin, USC Graduate Student, 1975
- "Multnomah County Budget, 1975-76"
- "Clackamas County Impoverished County Government in the Affluent Society", Donald Williams, PSU Graduate Student 1975
- "Oregon Cities Finance Forecast", State Department of Revenue, Salem, 1975
- City of Gresham - "Community Services Immediate Action Projects"
- City of Gresham Organization Chart.
- City of Gresham Budget 1975-76
- Taxes, Services and You, League of Women Voters of Oregon, 1972
- City of Lake Oswego 1975-76 Budget
- City of Portland Budget, 1975-76
- Multnomah County Programs & Services 1975-76, Catalog of County Programs",
- Port of Portland Budget, Fiscal Year 1975-76
- Management Budget Fiscal Year 1975-76 - Support Departments, Port of Portland
- Management Budget, Fiscal Year 1975-76, Operating Department, Port of Portland
- Port of Seattle Final Budget for the Year 1976
- "Statement of Taxes Levied in Clackamas County, Oregon for Year Ending June 30, 1976, Assessment Roll of 1975.

II. continued -

- "Summary Assessment & Tax Roll Washington County, 1973 - 1974"
- "Taxes: A New Look - Part 2 League of Women Voters of Oregon, 1973"
- "City Revenue Sharing Budgets in Oregon - 1974-75", League of Oregon Cities, Salem
- "Budget Terminology", Tax Supervising and Conservation Commission, Multnomah County, 1976
- "Summary of Valuations, Annual Budgets, Property Tax Levies, Tax Rates and Indebtedness for Local Governments in Multnomah County, Fiscal Years 1974-75 & 1975-76", Tax Supervising and Conservation Commission, Multnomah County
- "Oregon Tax Review in Brief", Prepared by Intergovernmental Relations Division, Office of the Governor, 1975

FINDINGS OF THE COMMITTEE

Introduction

The complexity that confronts the Tri-County area taxpayer is illustrated by the following: In 1967 there were 388 local government jurisdictions including school districts; in 1975 there were 220. These jurisdictions are further divided into 726 tax code areas. Most of the 220 jurisdictions levy property taxes within their boundaries.

Earlier, the structure and composition of municipal government was quite simple being primarily cities, counties, and school districts. More recently, increased population pressures and urbanization has brought about a proliferation of local governments. Municipal corporations, joined by special districts, comprise a plethora of political and administrative units including cities, counties, school districts, cemetery districts, county service districts, drainage districts, highway lighting districts, irrigation districts, the Metropolitan Service District, park and recreation districts, soil and water conservation districts, special road districts, Tri-Met, water districts, water control districts, water use and control districts, and vector control districts.

Practically all of these units rely on the property tax to some degree, especially cemetery districts, park and recreation districts, rural fire protection districts, school districts, special road districts, and vector control districts.

Cities and counties, being more general in nature and having more diversified sources of revenue, have come to rely less on the property tax. Between 1934 and 1974 city reliance on that tax as a percent of total revenue dropped from 66.5% to 30.5%. The percent of total county revenues from that source was 34.4% in 1969 but had dropped to 22.5% in 1974.

A major cause for the reduction in reliance on the property tax is the six percent constitutional tax limitation. It was adopted as an amendment to the Oregon State Constitution in 1916, amended in 1932 and 1962. It presently restricts ad-volorem tax increases annually to an amount equaling 106% of the highest dollar amount levied in the previous 3 years in which the tax was levied.

Special levies, or bond levies, which do not affect the computation of the six percent limitation may be submitted to the voters for a designated amount of dollars and cents over a designated period of time. A new tax base must be established by the voters at a biennial primary or general election. The new base may be used to compute tax levies following its passage. The difficulty and expense in achieving success in these elections has contributed to the trend of local governments looking to the state and federal governments for revenue and also exploring new ways of raising revenue locally.

What follows are the problems identified by the Committee.

Problems and Issues

- I. Definition of the two-tiered structure of local government, allocation of functional responsibilities to each and a general indication of service levels must precede the design of a supporting and comprehensive local financing system.

While the Finance and Taxation Committee can identify problems of finance in the existing system of local government, it cannot proceed with the design of a supporting and comprehensive local financing tax for a revised system until that system is identified and functional responsibilities allocated. A two-tiered structure in the abstract

I. Problems and Issues - continued -

may be a three or more tiered structure in reality as we relate cities to counties and both to the region and to the neighborhoods.

II. The role of county government in providing urban services presently furnished by or authorized to cities and special districts is unclear and results in fiscal frictions and an inability to plan long term fiscal programs.

Counties are authorized by state law to provide certain municipal services: Sewerage treatment and disposal, drainage, street lighting, public transportation, water supply and distribution, library service, parks and recreation, diking and flood control, fire protection, law enforcement, hospital/ambulance service, vector control, cemetery maintenance, and weather modification.

III. Fragmentation of local government is encouraged by the statutes which facilitate the creation of special purpose districts and contribute to the existing array of conflicting fiscal systems.

As the population grew and urbanization of the Tri-Counties took place outside cities there was a need for municipal services in the unincorporated areas. Few citizens wished to establish new cities for fear of higher taxes or other reasons. The legislature, over a period of years, gave the citizens the right to create special districts (single-purpose units) to provide services such as street lighting, water, sewage disposal, vector control, fire protection, etc. Each of these governments may establish a different fiscal system which complicates comparative record keeping and may impede future restructuring.

IV. There is a need to better inform citizens of the use of local public funds and the relationship of revenues to expenditures. In part, this is evidenced by negative votes on fiscal matters of the citizens. For instance, the Metropolitan Service District's voters refused to establish a small administrative tax base for the district five months after they had approved formation of the district. One could make a good case for the voters not fully understanding the reason for the organization's existence and how it intended to use the money.

V. The existing duplicative local government structure veils policy objectives and priorities.

There are 165 governmental units (excluding school districts) in the Tri-County area. The large number of units performing the same and closely related services, including public safety, water, sewerage, etc., with their individual elected and appointed boards and commissions creates confusion and inhibits development of common objectives and priorities.

VI. Where various units of local government use different means of financing capital construction which results in some with bonded debt and some without, allocations of debt when governments are reorganized is difficult and may cause inequities.

When the sewerage districts in Washington County were amalgamated into the United Service Agency (U.S.A.), equitable allocation of debt was difficult. Front-end loading of the costs of improvements such as water, sewers, and streets in land development rather than the use of Bancroft bonding may cause inequities.

VII. State and federal regulations and funding have impacted local fiscal policy in such a way as to distort and dilute its function as an instrument of local priorities.

For example, cities whose highest priorities are not law enforcement and road construction find their scarce administrative and financial resources diverted from service of local priorities to pursuing and expending politically attractive federal grants in areas such as the above mentioned.

VIII. There appears to be some sentiment favoring the operation and financing of some services at the regional level. However, there is no clear consensus on what services should be provided regionally, by whom, or how to finance them.

The existence of Tri-Met, the Port of Portland, the Columbia Region Association of Governments, the Metropolitan Service District, and the Health Services Agency indicate some recognized need for services at the regional level. However, refusal of the voters to establish a tax base for M.S.D. in 1970, the failure of positive emergency board action on an M.S.D. funding request for solid waste disposal, the present effort to add the zoo to M.S.D.'s responsibilities, the search for additional funding by Tri-Met to relieve the payroll tax, the public outcries over CRAG, etc., suggest no clear consensus on the services to be provided regionally or how to pay for them.

IX. There is an imbalance between certain county services furnished to unincorporated areas and the source of funding which is primarily derived, either directly or indirectly, from residents and taxpayers in the incorporated portion of the county.

IX. continued -

This imbalance can be exemplified by library service in Clackamas County which is in part city funded with the county also contributing. Some cities providing the library facilities are raising questions about residents of incorporated areas subsidizing residents of unincorporated areas for this service. To attempt to cure the imbalances, several cities charge for out-of-city users of the library.

The same problem arises in planning and law enforcement. In these instances, residents of the cities who do not receive many of the services provided by the county pay the same tax as those in unincorporated areas of the county.

Should the residents of cities that provide their own services be excused from paying for similar services provided by the county to residents in the unincorporated areas?

- X. The present I.E.D. and the State of Oregon equalization formulas use the assessed property value per child as the primary measure of school district wealth. This approach does not recognize the ability of each taxpayer to pay for schools in the context of total local tax effort.

Implementation of county I.E.D. equalization is extremely uneven among the I.E.D.s. This has resulted in a serious inequity of treatment under the law among the taxpayers of the several I.E.D.s.

The relationship of I.E.D. tax equalization to state-wide equalization has never been legally defined. Neither program recognizes the existence of the other and they often have contradictory results at the local district level.

Can we design one formula which addresses the ability of each district and its taxpayers to support schools and to implement that formula uniformly regionally or state-wide?

- XI. The quality of local public managers, the ease of access to management assistance when needed, and general supervision of local fiscal activities are recognized as critical elements in achieving economic efficiencies in local government.

As noted in the introduction there are over 220 local units of government in the Tri-County area. Each is involved in the collecting and expending of public funds. Many units are so small and have such limited resources that they are unable to employ qualified public administrators. Others find it difficult to justify the costs of management personnel in contrast to the cost of employing staff providing services directly to the public. Local units in Multnomah County have access to fiscal management assistance from the Tax Supervising and Conservation Commission. Clackamas and Washington counties have no such commission.

Should consideration be given to extending the jurisdiction of the Tax Supervising and Conservation Commission to the Tri-County area?

- XII. How do you expand the financing and administration of services with benefits that spill over into a region and at the same time retain local accountability, visibility and interest?

There is a move to make some services regional while maintaining a neighborhood orientation at the same time. An example of this is the Tualatin Hills Park and Recreation District which, in order to increase its area of service, has expanded quite rapidly to cover a greater portion of Washington County. At the same time, the district has attempted to keep a focus on the neighborhood park concept.

- XIII. Information is not available concerning the effects of state taxation, local taxation and local user fees on the economic development of the tri-county area. The role of local government in economic development is presently not defined.

The system of taxation and other government fees that impact on the private economic sector influences business decision concerning location and employment. Taxes may have a neutral, negative, or positive effect on such decision.

Should the role of local government relative to economic development continue to be passive or should it be more active? And, could this be one of the functions assigned to a regional unit?

- XIV. The perception of public needs and wants by the local officials who appeared before the Committee is not consistent with an ability to finance those needs and wants from existing local revenue sources.

The cost of providing many municipal services has reached the point where delivery costs have outstripped the revenue sources. The question must be; should "essential needs" be distinguished from "Optional needs"? As the voters tend to turn down levies with more frequency, this question becomes even more critical.

- XV. The fiscal capacity of local governments is not responsive to changes in the economy thereby rendering these governments unable to deal with rising demands brought on by development.

During periods of rapid growth, there appears to be limited ability of overburdened and fragmented units to carry out financial planning or long range plans related to population growth and the need for service and/or facility expansion.

How can we finance local units of government with enough stability to avoid extreme cyclical pressures?

XVI. Constitutional limitations on taxing powers of local government create problems of inflexibility.

The six percent limitation makes it difficult to maintain a balance between costs of service and the ability to pay for service, particularly when the units' major source of revenue is the property tax and the rate of inflation exceeds six percent. Some units must pay the costs of several elections annually to achieve a balanced budget. What type of financial structure will alleviate this problem but at the same time retain the protection of the six percent limitation?

XVII. In order to equitably allocate the financial burden of supporting local government, should the financing of schools be considered?

Should local tax effort include the impact of local school support and other state shared revenues such as the cigarette tax, liquor tax, gas tax, and motor vehicle registration? Should services provided on a tri-county basis be funded with state shared revenue? In the interest of equity, is there a need to explore other means of generating revenue such as all wealth rather than only real property?

XVIII. What should the role of the property tax be as a revenue source for local government?

URBAN STUDIES STUDENT RESEARCH TEAMS

<u>Committee</u>	<u>Student Project Title</u>	<u>Students</u>
Neighborhood O. & C.I.	Neighborhood Organizations	Bangsberg, Lori Berri, Ansel Mary Burki Jette, Donna Johnson, Dave
Local Government & I.R.	Urban Counties/Cities	Babatunde, John Edlund, Tina Robinson, Linda Wolfe, Toni
Local Government & I.R.	Consolidation of Services	Piland, Richard Post, Brad Reynolds, Thelma White, Jim
State and Local Relations	Planning Activities	Burt, Betty Byrd, Randy Huang, Edward Goldin, Bob
Regional Governments	Regional Organizations	Farr, Kathy Jermain, David Lemke, Marty Mishler, Ann Whipple, Richard
Finance & Taxation	Finance & Taxation	Devi, Rajani Fitzgerald, Connie Pendleton, Pete