

SENATE COMMITTEE ON GENERAL GOVERNMENT

January 14, 1999 Hearing Room C

3:00 p.m. Tapes 1 - 2

MEMBERS PRESENT: Sen. Verne Duncan, Chair

Sen. Cliff Trow, Vice-Chair

Sen. John Lim

MEMBERS EXCUSED: Sen. Marylin Shannon

Sen. Frank Shields

STAFF PRESENT: Marjorie Taylor, Administrator

Patrick Brennan, Administrative Support

MEASURE/ISSUES HEARD: Adoption of Committee Rules

Introduction of Committee Members and Staff

Discussion of Committee Issues

League of Oregon Cities

Association of Oregon Counties

Special Districts Association

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 1, A		
006	Chair Duncan	Calls meeting to order at 3:02 p.m. Excuses Sen. Shannon and Sen. Shields from the meeting. Gives brief overview of the meeting agenda.

ADOPTION OF COMMITTEE RULES

032	Sen. Trow	MOTION: Moves to ADOPT the proposed Committee Rules dated 1/14/99.
035		VOTE: 3-0 EXCUSED: 2 - Sen. Shannon, Sen. Shields
	Chair Duncan	Hearing no objection, declares the motion CARRIED.

INTRODUCTION OF COMMITTEE MEMBERS AND STAFF

038	Chair Duncan	Offers members the opportunity to introduce themselves.
039	Sen. Lim	Represents Senate District 11. Introduces himself. States he is in his second term.
042	Sen. Trow	Represents Senate District 18. Introduces himself.
046	Chair Duncan	Represents Senate District 12. Introduces himself. Introduces Committee Staff.

DISCUSSION OF COMMITTEE ISSUES

075	Chair Duncan	Discussion of committee procedures for future meetings. Mentions that Sen. Trow is the Vice Chair. Gives an overview of the direction that the committee is headed. States the committee will have the third highest number of bills of all Senate committees.
115	Chair Duncan	Details major committee issues he is concerned with. Mentions growth; specifically city/county/state involvement. Expresses his desire to hear a report from the Governor's Growth Task Force, as well as the Oregon Progress Board. Mentions State employees and lobbying. Discusses previous legislation and expresses concern that state employees are not made to feel welcome in the Capitol. States that he feels that state employees should be part of the process. Mentions the Syracuse University Study on State Government Performance.
158	Sen. Trow	Discusses his interests for the committee. Agrees that growth issues and the Governor's Task force study should be examined. Comments on the Year 2000 (Y2K) issue and the public alarm from potential problems resulting from it. Specifically, the committee should hear from cities, counties, and other districts regarding their preparation for the potential problems.
175	Sen. Lim	Discusses his interests for the committee. Agrees that growth is a big issue.

		Professes a desire for smaller government. Mentions that public officials must remember that they serve the people and not vice versa. Feels that smaller government should be a priority. States that Oregon should continue to reduce government and privatize where possible.
216	Chair Duncan	Recognizes the various groups that have been invited to speak and share their ideas and concerns before the committee.
<u>LEAGUE OF OREGON CITIES</u>		
239	Joanne Verger	Mayor of Coos Bay, representing the League of Oregon Cities (LOC). Introduces LOC delegation and gives overview of issues they will discuss.
265	Verger	Overview of LOC, which represents 238 cities, and their development of four priorities. Explains pamphlet (EXHIBIT B). Gives an example of Coos Bay as a site for implementation of LOC ideas, specifically the use of "partnering" and block grants.
300	Verger	Mentions some issues of concern to cities: <ul style="list-style-type: none"> • Infrastructure funding • Transportation funding • PERS funding impact on city budgets
306	Dave Barenberg	Senior staff associate, LOC. Mentions circumstances regarding transportation as a partnership between levels of government, and how the road system is deteriorating.
335	Barenberg	Discusses sources of transportation funds for cities, and where those funds are allocated. Mentions the potential cost of upkeep and of building new roads.
370	Barenberg	Mentions legislation LOC is interested in, particularly in funding, growth, and infrastructure issues. States that LOC is seeking help from the legislature for dealing with these issues.
TAPE 2, A		
018	Linda Ludwig	LOC staff. Works with at-risk youth, juvenile justice, and public contracting issues. Mentions that cities wish to be a partner in dealing with youth issues, including developing activities for youth, especially after school. Mentions coordination between service providers and local and state governments. Promises to provide further information in the future.
054	Maria Keltner	Director of Local Government Personnel Institute, which works for both LOC and the Association of Oregon Counties (AOC). Deals with workforce management, Worker's Compensation, collective bargaining, retirement, the Occupational Safety and Health Organization (OSHA), and the Public

		Employees Retirement System (PERS).
070	Keltner	Discusses PERS. States that cities and counties are concerned primarily with cost, as well as the volatility of the payroll deduction on long-range budget planning. Plans to present legislative solutions.
085	Sen. Trow	Asks about LOC plans to address the Y2K problem.
090	Beth Vargas Duncan	LOC staff, general government issues. Addresses Y2K problem. Says that the initial step was a survey of city plans, responded to by 189 out of 238 member cities. Says further review of results is necessary, but larger cities are active in addressing the issue. Mentions that infrastructure issues are of concern, specifically city computers, power, water, and natural gas.
119	Sen. Trow	Compliments LOC efforts, but mentions that there is a need to reassure to citizens that basic services will not be compromised.
125	Vargas Duncan	Mentions a manual, " <i>Wrestling with the Millenium Bug</i> ," that has been released by LOC, on the Y2K issue.
137	Chair Duncan	Requests copies of the pamphlet and survey.
140	Sen. Trow	Asks about electricity deregulation, the potential move to free market electricity, and how it would affect cities.
146	Vargas Duncan	Mentions she does not know about the issue, but other LOC staff is working on it.
154	Sen. Trow	Asks about LOC interaction with Oregon state and county government, specifically how the committee and legislature aid the efforts of LOC.
166	Barenberg	Discusses interaction issues, and mentions that LOC is encouraged by the executive branch's open-ness to partnership.
178	Verger	States that Coos Bay is getting help with the Nucor issue, and is satisfied with the city's interaction with the Oregon Economic Development Department.
190	Chair Duncan	Discusses the concept of working with communities, including a possible name change to the Oregon Economic and Community Development Department, to show a spirit of cooperation.
195	Sen. Trow	Thanks LOC for working with the Legislature and the state.
199	Sen. Lim	Asks Mayor Verger about the impact of the spotted owl legislation upon

		employment in Coos Bay.
208	Verger	Says that Coos Bay is hard hit by the spotted owl legislation, and that thousands of people have been impacted, perhaps 10 percent of that area's population. Says that state officials have worked well with the city. Mentions that Nucor might provide jobs, but that it will be at least three years until they are in operation. Says that the city remains optimistic.
235	Chair Duncan	Thanks the LOC delegation for their presentation.
<u>ASSOCIATION OF OREGON COUNTIES</u>		
240	Bill Penhollow	Introduces the Association of Oregon Counties (AOC) delegation.
260	Steve McClure	Union County Commissioner and chair of the Finance and Administration Committee, AOC. Introduces AOC, its members, and mission (EXHIBIT C). Discusses the overlap between counties and state government. Mentions the different offices and services of county government, including police and jails, elections, assessment and taxation, and school funding.
305	Chair Duncan	Asks for clarification on the funding of state officials by counties, specifically district attorneys.
315	McClure	Mentions that the state pays a stipend and the county pays the rest. Gives examples of some challenges facing AOC, such as Ballot Measure 50 and spotted owl financial impact. Says counties need to maintain funds to maintain services.
345	McClure	<p>Advances three "Realignment Priorities" for legislation:</p> <ol style="list-style-type: none"> 1. Assessment and taxation 2. District Attorneys 3. Court facilities <p>Mentions transportation as another issue, as well as revenue from timber resources, economic development, growth management, and juvenile oversight. Asks members to consider counties as partners, rather than special interest groups.</p>
415	Sen. Trow	Mentions the view that some people in state government hold of counties as being special interest groups, and states that the legislature desires to consider counties as partners.
428	McClure	Mentions that the special interest group view is an issue that bothers AOC.
TAPE 1, B		

010	Bill Penhollow	Remarks on upcoming issues. Mentions public contracting and purchasing. Asks for proposed legislation and committee introduction on behalf of AOC, and mentions legislation that was already introduced. Discusses network of counties across the United States for "piggyback" purchasing of materials such as computers.
050	Penhollow	Says that AOC has established a group of personnel and administrators to address the Y2K issue, since counties are largely responsible for disaster and emergency services. Essential services are being identified and linked together in order to maintain operation in crisis situations.
065	Chair Duncan	Asks if satellite services are utilized for the linking of essential services.
071	Penhollow	Answers that satellites are not used for essentials, at this time.
073	Sen. Trow	Asks about possible emergency problems related to the Y2K issue, such as the "911" system.
079	Penhollow	Mentions a status report regarding the Y2K issue that shows the readiness of facilities/utilities services (regulated ones only) and the plans for the future presentation of the report on their status. Mentions that AOC would have full results by the fall of 1999. States that the AOC will be meeting on 2-9-99 at the AOC offices in Salem and invites members and staff to attend.
102	Chair Duncan	Mentions interaction between the Senate Committee on Information Management and Technology and AOC, and how AOC members will be at work during the critical hours around New Years Eve, 1999, to prevent potential Y2K problems.
112	Penhollow	Mentions other problems (storms, accidents, etc) that AOC has considered as potential problems that must be prepared for in addition to the Y2K problem.
120	Trow	Asks whether some Y2K problems might occur before January 1 st , 2000.
123	Penhollow	Answers that there are certain "key dates" where problems might arise that would be an indication of greater problems for January 1 st , 2000.
128	Chair Duncan	Adds that preparedness may be necessary after 1-1-2000, including the potential need to track ones own bank account information, due to computer malfunctions.
130	Paul Snider	Legal Counsel, AOC. Mentions concerns of liability and compliance with Y2K. Says reliability needs to be primary, since Y2K is unprecedented. States that it is important to fashion legislation to encourage honesty regarding compliance, to help prepare for the potential impact. States that small, private co-ops are the most at risk from Y2K, which could impact services that are Y2K compliant.

180	Chair Duncan	Mentions legislation regarding state liability and its importance.
188	Sen. Trow	Asks for suggestions for legislation from AOC regarding the Y2K problem.
190	Snider	Mentions the importance of maintaining responsibility and legislation that encourages investigation, cooperation, and especially honesty of those parties that can help.
208	Chair Duncan	Asks if private groups have been contacted by AOC regarding the Y2K issue.
215	Snider	Mentions he does not know of such efforts.
221	Chair Duncan	Requests that AOC keep the committee informed. Suggests that AOC also give updates on technology to the committee.
224	Sen. Trow	Asks for suggestions for what state level government can do.
229	McClure	States that fiber-optics technology is a potential way to "neutralize geography" and allow more widespread use of expensive technology. Says that fiber-optics technology could reach rural areas and help reduce the problems of small communities being cut off from important facilities that exist only in metropolitan areas.
256	Chair Duncan	Mentions that Sen. Nelson is also interested in the fiber-optic issue.
255	Sen. Trow	Inquires about the cost of such a project.
258	McClure	States that he does not know, and mentions that no one can guess the cost due to all the unknowns and variables.
267	Chair Duncan	Thanks the AOC delegation.
<u>SPECIAL DISTRICTS ASSOCIATION</u>		
270	Hasina Squires	Representative for the Special Districts Association (SDA). Gives a brief overview of the SDA (EXHIBIT D). States that the SDA represents 800 special districts in Oregon, including rural fire protection, irrigation, water, ports, parks and recreation, cemeteries, and vector control districts. Says that most special districts are funded through property taxes and fees for services.
310	Squires	States that SDA is interested in many areas of potential legislation. Mentions property tax cuts as having had a great impact on special districts, and are thus a big issue for the SDA in this legislative session. Mentions that potential threats to fee based services are also an area of concern for SDA.

340	Squires	Mentions her previous testimony for the SDA before an interim committee regarding infrastructure needs for some special districts in Oregon. These districts rely on general funds for upgrading to meet compliance. Mentions public contracting issues.
380	Squires	Discusses the Year 2000 (Y2K) problem. Says that the SDA has insurance that would cover potential problems. Mentions awareness of legislation to provide immunity to public agencies and their insurance in the event of complications resulting from the Y2K problem. Says that the threat of lawsuits has encouraged action and due diligence among special districts. Mentions that there may be other housekeeping and technical bills of interest to the SDA.
TAPE 2, B		
018	Sen. Lim	Asks for a definition of vector control.
021	Squires	Confirms that it relates to insects.
024	Chair Duncan	Inquires about consolidation.
028	Squires	Mentions that it is the most frequently discussed issue for special districts. States that the SDA is interested in speeding up processes mandated by SB 122 and ORS Chapter 195. Says that some discussions have fallen apart, but that mergers and consolidations are a reality for those special districts that have too few staff to provide necessary services.
050	Chair Duncan	States that the committee should investigate the consolidation issue.
055	Sen. Lim	Inquires whether the SDA represents unincorporated areas.
058	Squires	Says that some members of the SDA are mainly in unincorporated areas of Oregon.
063	Chair Duncan	Concurs, giving his home district, as an example.
065	Sen. Lim	Mentions that there are some non-represented (unincorporated) areas in his district.
067	Sen. Trow	Asks in what areas the legislature and state government can assist or where the SDA wants legislative action.
070	Squires	Mentions that the main area of concern is local control and authority.
078	Sen. Trow	Inquires as to whether there is much loss of local control occurring among

		special districts.
080	Squires	Mentions that there has been little loss of local control, but that privatization has been somewhat problematic.
083	Chair Duncan	Thanks Squires for her presentation.
090	Sen. Trow	Inquires about bill procedures within committee meetings.
092	Marjorie Taylor	Administrator. Mentions that personal staff should provide these, but that the committee staff will provide a copy of bills in addition to Staff Measure Summaries (SMS). Says that members should bring their own bill files.
102	Chair Duncan	Mentions that, should changes to the process become necessary, they can be implemented later.
105	Sen. Lim	Inquires about Sens. Shannon and Shields.
108	Chair Duncan	Explains why they were excused.
116	Chair Duncan	Adjourns meeting at 4:30 p.m.

Submitted By, Reviewed By,

Patrick Brennan, Marjorie Taylor,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Proposed Committee Rules, Staff, 2 pp.

B ñ Written Material, Beth Vargas Duncan, 2 pp.

C ñ Written Material, Bill Penhollow, 17 pp.

D ñ Written Material, Hasina Squires, 23 pp.