

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM
SUBCOMMITTEE ON REGULATORY REFORM

March 13, 1995 Hearing Room 357
1:15 p.m. Tapes 11 - 14

MEMBERS PRESENT:

Rep. Ken Strobeck, Chair
Rep. Sharon Wylie, Vice-Chair
Rep. Jerry Grisham
Rep. Bryan Johnston
Rep. Charles Starr

STAFF PRESENT:

Greg Moore, Committee Counsel
Annetta Mullins, Committee Assistant

MEASURES HEARD:

HB 2823 - PUBLIC HEARING
HB 2764 - PUBLIC HEARING
HB 2482 - PUBLIC HEARING AND WORK SESSION
HB 2269 - WORK SESSION
HB 3383 - PUBLIC HEARING
HB 3389 - PUBLIC HEARING

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

008 CHAIR STROBECK: Calls meeting to order at 1:21 p.m., outlines agenda and opens the work session on HB 2269.

HB 2269 - WORK SESSION

The Preliminary Staff Measure Summary and Legislative Revenue statement are hereby made a part of these minutes (EXHIBIT A). A memo received from Cindi Chinnock, Audit Administration, Oregon Department of Revenue, on the amount of taxes collected from cellular phone companies is hereby made a part of these minutes (EXHIBIT D).

001 REP. JOHNSTON: Explains that the HB 2269-7 amendments (EXHIBIT B) take out all we talked about in 9-1-1 and leave it exactly where it was with the extension of the sunset to December 31, 2001. The HB 2269-8 amendments (EXHIBIT C) accepts the package as it is before the committee but does not resolve the issue of past due monies. Either amendment would be acceptable

in lieu of the current bill. The issue is very poor execution of a legislative plan. The legislative plan was either to tax people who had access to 9-1-1 or not to tax cellular phone people. There is an argument that both parties have advanced on that issue, but we have been collecting the taxes. If we pass the current bill out, we are guaranteeing ourselves,

the State of Oregon, exposure for at least the amount of moneys we have collected. To do that is a significant problem. If we are going to take the risk of the bird-in-the-hand versus the-bird-in-the-bush, I would rather let the Tax Court resolve whether the other folks owe the money.

050 CHAIR STROBECK: What is difference between the HB 2269-6 (SEE EXHIBIT C OF MARCH 6, 1995 MINUTES OF THE SUBCOMMITTEE ON REGULATORY REFORM) and HB 2269-7 amendments?

052 REP. JOHNSTON: The -7 amendments do not alter the taxing formula; it leaves it exactly as it was. It is simply an extension of the sunset. The -8 leaves everything as amended (with the HB 2269-6 amendments), with the exception of resolving the past due amounts.

089 CHAIR STROBECK: My preference, despite the discussion and after spending a lot of time on this, is to stay with the HB 2269-6 amendments to allow the Office of Emergency Management to refund the moneys that have been collected by the cellular phone companies upon someone submitting a claim for those refunds and allowing the existing bill, HB 2269, to clarify the status of cellular phone from here on rather than dragging the process out from the past.

098 MOTION: REP. WYLIE moves that the HB 2269-6 amendments BE ADOPTED.

100 REP. WYLIE: Explains it is disturbing that we have unequal treatment and have allowed it to be unresolved this long. My understanding is that we have the money to run the operation and to refund the money based on somewhat undetermined amount of claims. That is probably the best way to go right now. It seems it is very poor risk management and I hope we will be more consistent in the future.

110 CHAIR STROBECK: I agree this should have been resolved a couple of sessions ago, particularly as cellular phones emerged in the market place.

114 VOTE: In a roll call vote, REPS. GRISHAM, STARR, WYLIE AND CHAIR STROBECK VOTE AYE. REP. JOHNSTON VOTES NO.

119 CHAIR STROBECK: Declares the motion PASSED.

121 MOTION: REP. WYLIE moves that HB 2269, as amended, be sent to the full committee with a DO PASS RECOMMENDATION.

124 VOTE: In a roll call vote, REPS. GRISHAM, STARR, WYLIE AND CHAIR STROBECK VOTE AYE. REP. JOHNSTON VOTES NO.

126 CHAIR STROBECK: Declares the motion PASSED.

132 CHAIR STROBECK: Opens the public hearing on HB 2482.

HB 2482 - PUBLIC HEARING

Witnesses: Sgt. Chuck Martin, Tigard Police Department
Rep. Frank Shields
Kate-Bradford-Stokes, Chair, Oregon Shelter Network
Martin Knotten, Portland
Jerry Justice, Association of Oregon Counties
Chuck Ashcroft, Oregon Parks Association and Parks Director for Columbia

Co.

132 GREG MOORE, Counsel: Reviews the preliminary staff measure summary (EXHIBIT E) and explains the intent is to reduce the cost of such "sweeps" and to result in a more humanitarian effort being made to accommodate the homeless.

165 SGT. CHUCK MARTIN, Tigard Police Department: Explains that a year ago, the City of Tigard found themselves facing an increase of homeless individuals because of economic circumstance, changes in the work place, and many of those working minimum wage jobs did not come close to what they

could afford to pay for housing in a suburban community like the City of Tigard. We found there were a number of individuals who chose to camp on public right of ways that caused public safety and health problems, not only for themselves, but for individuals within the city. Tigard found they did not have adequate ordinances or guidelines to meet the needs of these people, the business owners and the citizens. The City of Tigard drafted a city ordinance that is very similar to HB 2482 that required posting of camp sites in English and Spanish. The ordinance was implemented and the City has done a couple of sweeps. They have been very successful in reducing the incidents of call-backs from citizens, it has reduced street crime, but more importantly it has helped individuals to get the help they need to resolve their homeless issues.

220 CHAIR STROBECK: Why do you think the state should adopt something similar; why couldn't it be done on a city-by-city basis?

221 SGT. MARTIN: I think many cities and counties within the state are in the same situation the City of Tigard was a year ago. We simply deny that social problem or issue exists in our communities. And, I think there is a lack of planning and a lack of forethought about this.

252 CHAIR STROBECK: Don't you have the effect of transferring people from one camp to another if you give them 24-hour notice?

252 SGT. MARTIN: When we do a sweep, we take the staff from social service agencies with us. They are able to offer shelter and service. Some will move to another camp, but by and large this is successful.

265 REP. JOHNSTON: The bill is silent on what it means by "site". Is there a distinction between one person sleeping in public grounds than four to six?

271 MR. MARTIN: No. We treat each as a camp. Generally we don't act on a camp unless it comes to our attention there is a significant crime or health risk. Usually it is more than one individual.

282 REP. FRANK SHIELDS: Submits and reads a prepared statement in support of HB 2482 (EXHIBIT F).

330 REP. SHIELDS: Continues his statement.

366 CHAIR STROBECK: Last week this committee discussed unfunded mandates from the state to the city and county levels. Do you think it passes the threshold?

374 REP. SHIELDS: Sometimes development of a policy saves money. When we do a community dinner, which is every Wednesday night, and people know there is going to be a police presence, they are often much more amiable to working with social service personnel on site. Since the social service personnel are non-profit and private, it would probably decrease the amount of money needed.

422 CHAIR STROBECK: This would obviously cover county parks. What about state parks, state forest lands, etc.

426 REP. SHIELDS: This is not related to any other bill that has been introduced. This simply recognizes the reality that if you or I were homeless when night time comes we are going to sleep somewhere. People will look for the place where they will attract the least attention. They may end up in a city, county or state park and not know it. This bill does not have any relationship to a previous bill that tried to legitimize their

presence.

TAPE 12, A

013 REP. JOHNSTON: Should we add a definition of a camping site?

REP. SHIELDS: Others may be able to help with the definition. If a car pulls up to a spot and some people are there over night, they are pretty transient and they are gone the next day. Sometimes people will assemble and it will be multiple days. I don't know if you want to define that.

040 KATE-BRADFORD-STOKES, Chair, Oregon Shelter Network: Submits a prepared

statement and information on homelessness and paraphrases her prepared statement in support of HB 2482 (EXHIBIT G).

090 MS. BRADFORD-STOKES: Continues her statement.

112 MARTIN KNOTTEN, a resident of Portland: Shares his experiences of working with the people and his past experiences as a homeless person:

> was moved 13 times

> had a full time job working graveyard

> have been involved in attempting to deal with homelessness in Portland;

we had a resolution passed by city council which said most of what is covered in bill

> since resolution was passed last Sept. has worked with a group of people

who have tried to monitor sweeps and assess the need of campers

> it is based on reality

> bill attempts to deal with real situation

> defining problem is more than a police problem; it is bringing the social

service to the fore.

> some may stop being homeless if you can bring them into the system

> bill is beginning of accepting reality of the situation

187 REP. JOHNSTON: Would the bill require a 24-hour notice be posed?

188 MS. STOKES: That is what the bill says

MS. STOKES, in further response to Rep. Johnson's example of someone erecting tents on Pioneer Square and preventing other people from using the

park, comments that at the point of posting notice a social service agency is immediately notified. I work for an agency in Salem and would immediately go to work to find the person a more appropriate place to stay.

Social service agencies are in partnership with law enforcement immediately.

220 REP. JOHNSTON: You are assuming everyone will be doing it for the right reasons and we will be alleviating the situation for the right reasons. There are those who might be doing it for the wrong reasons.

SGT. MARTIN: The cost saving and fix is when you have a camp that that occurs illegally you post it and maintain the sign. You don't have to go back and continually give a 24-hour notice. That is a savings to local police because it lessens the repetitiveness of people coming back to the same place and establishing the camps over and over again.

240 MS. STOKES: We do have some exceptions in the bill: when there are grounds for law enforcement officials to believe that illegal activity other than camping are occurring and in the event of an exceptional emergency such as site contamination by hazardous materials or when there is an immediate danger to human life or safety.

266 CHAIR STROBECK: If this bill were to pass, would the City of Tigard be willing to make their outline and guidelines available to other jurisdictions across the state?

267 SGT. MARTIN: Most assuredly. I believe the City of Portland would also share theirs which are very similar to Tigard's.

261 JERRY JUSTICE, ASSOCIATION OF OREGON COUNTIES: Introduces Scott Ashcroft:, Parks Director for Columbia County and President of the Oregon Parks Association, and comments he thinks it is important for the committee

to have an opportunity to focus on the other aspect of camping parks and the implications of the bill for those areas. I am talking about those camp grounds that are specifically set aside with the purpose of having overnight camping, but at the same time may very well attract a number of people who are there not there simply to recreate. We believe that has implications both in terms of the enforcement aspect as well as the fiscal impact.

293 CHUCK ASHCROFT, President, Oregon Parks Association and Parks Director for Columbia County: The bill was presented to the Board of the Oregon Parks Association and I am not clear whether this addressing illegal camps

or established camp grounds. If it applies only to illegal camps, I need not go far. If it is applying to all camps, the concern we have at established campgrounds is that we have rules in place that apply to all park visitors whether they are homeless or not on length of stay, paying fees, conditions of the campsites. The concern with this bill is if it is dealing with all camps involved, we would be responsible for developing two

sets of rules. We would also be put into a position of having to define whether someone is homeless or not.

254 If we are talking about all campgrounds, I would request an additional exception in addressing county parts that have established rules for length of stay, fees, and the condition of campsites.

364 CHAIR STROBECK: Have you seen the letter from Oregon Parks and Recreation Department (EXHIBIT I) which also suggests changes for those camp sites that already have rules.

376 MR. ASHCROFT: No. The definition would be fine with us.

380 CHAIR STROBECK: Closes the public hearing HB 2482 and opens the work session

HB 2482 - WORK SESSION

384 CHAIR STROBECK: Suggests the committee hand-engage the bill under section 2, paragraph 1(a) line 11, delete "an established camping site," and insert, "public property which is not a designated camp ground or recreational day use area" and also in line 19, after "All", insert "unclaimed".

419 MOTION: REP. WYLIE moves that HB 2482 be amended: On page 1 of the bill, in line 11, delete "an established camping site," and insert, "public property which is not a designated camp ground or recreational day use area" and in line 19, after "All", insert "unclaimed".

422 VOTE: CHAIR STROBECK, hearing no objection to the motion, declares the amendment ADOPTED. All members are present.

423 MOTION; REP. WYLIE moves that HB 2482, as amended, be sent to the Full Committee with a DO PASS RECOMMENDATION.

428 VOTE: In a roll call vote, all members are present and vote AYE.

433 CHAIR STROBECK: Declares the motion PASSED. REP. SHIELDS will carry the bill to the full committee if he desires, if not REP. WYLIE will carry the bill.

TAPE 11, B

012 CHAIR STROBECK: Opens the public hearing on HB 2823, HB 2764, HB 3383 and HB 3389.

012 HB 2823, HB 2764, HB 3383 AND HB 3389 - PUBLIC HEARINGS

Witnesses: Grover Simmons, Independent Employers Association
Mike Hopkins, Lincoln & Allen Bindery and Graphics Arts Center
C. D. Hobbs, Contact Publication
Ron Miller, Bennett & Miller Printing and Publishing
Jerrn Thennel, Shelton-Turnbull Printers
Cameron Birnie, Department of Administrative Services
Mike Freese, Acting State Printer
Dave Barta, University of Oregon
Bill Sizemore, Northwest Athletic Club Association
John Miller, himself
Terri Gilreath, East Side Athletic Clubs
Steve Kafoury, American Medical Response
Craig Smith, Hood River Athletic Club
William Westwooder, athletic facility
Frank Eisenzimmer, Cascade Athletic Club

Publishing

The Preliminary Staff Measure Summaries are hereby made a part of these minutes: HB 2823 (EXHIBIT I); HB 2764 (EXHIBIT J); HB 3383 (EXHIBIT K); HB 3389 (EXHIBIT L).

023 GROVER SIMMONS, Independent Employers Association: Submits and reviews a prepared statement in support of HB 2823 and proposing amendments to keep the printing in Oregon (EXHIBIT M).

070 MR. SIMMONS: Continues his statement.

118 MR. SIMMONS: Continues his statement.

132 MIKE HOPKINS, Lincoln & Allen Bindery and Graphics Arts Center Publishing: Submits and reads a prepared statement (EXHIBIT N).

175 MR. HOPKINS: Continues his statement.

199 C. D. HOBBS, Chief Operating Officer, Contact Publication: Testifies in support of HB 2823:
> bill proposes that state government rely on the private sector for all its printing requirements
> company is a service provider and deals in rapid turn, electronically stored, printed and distributed information
> company has about a four-hour turn around on most products
> the entire physical library for Mentor Graphics Corps exists electronically; printing is done according to sales orders which print at

Contact Publications

> everything is done in house in a fully integrated process
> the printing community has the capabilities to meet all the state's needs

260 REP. JOHNSTON: Are you suggesting you would always do it cheaper.

MR. HOPKINS: Generally speaking, the answer would be yes. We have the best equipment and the competitive work force. Adding more to it generally means with incremental additional business, it can be done cheaper.

280 MR. HOBBS: I don't know what the cost comparison would be. The specifics would depend on what the requirements would be by the state. The entire legislative printing requirement would be about five percent of our business and we are almost the identical size of our state printer. My guess is once the work is put out to bid, there will be enough thirsty competitors out there that you will see some attractive prices.

293 MR. HOPKINS: The reason the industry is so large in Oregon is that it brings a significant amount of work in from other states. To do that you have to be competitive across the United States.

305 REP. JOHNSTON: If we were to pass this bill, ultimately we would lose our in-house capacity and not have the means of comparison.

310 MR. HOPKINS: If you go to the competitive market, you would have no need for the capacity.

335 REP. JOHNSTON: Are either of your shops union shops?

338 MR. HOPKINS: Yes.

MR. HOBBS: No.

340 REP. JOHNSTON: One of the amendments you are seeking is to protect Oregon printers from lower cost printers who would be able to do the job but are out of state?

344 MR. HOPKINS: It is to give the printing industry the first choice of doing it in state if they can do it at a competitive price. That is the present statute.

354 REP. WYLIE: Would large companies be the ones to bid?

353 MR. SIMMONS: The current statute starts with the premise that all public printing shall be done in the state unless: 1) it can't be done, 2) the private sector is trying to charge the government more than they charge the private community, and 3) all bids are unreasonable. That has operated to keep public printing in Oregon and it is an extremely important section.

We believe that needs to be continued.

370 REP. WYLIE: Is it true that the kinds of companies that would be bidding on large amounts of state work would be large full-service state of the art facilities?

376 MR. HOPKINS: I don't know how to respond to "large". We have 60 people and do business in the range of about \$10 million. There are 700 printers in the state.

401 REP. WYLIE: Is it true that the work be done only in the Oregon piece of the plant (whether it is a plant that has one plant in Oregon or whether it has multiple plants all over the world)?

403 MR. SIMMONS: It does. It is an in-state preference and it doesn't say anything about corporate structure.

TAPE 12, B

014 CHAIR STROBECK: I want to ask about confidentiality and the competitive issues. I am sure you have a way of dealing with that when you are dealing with hi-tech companies.

017 MR. HOPKINS: We have established procedures for confidentiality. Information is often encrypted and we have confidentiality agreements with each of our customers. They also have that with us because we want to develop some proprietary methods of exchange electronically.

022 CHAIR STROBECK: Does the total cost of a printing project include the acquisition of the latest technology, etc.? Would you expect the state to be buying more updated equipment in the next few years?

028 MR. SIMMONS: The Docu-Techs are the leading edge at this time and undoubtedly there will be more modern equipment. The cost is built into the price of a job through a cost accounting system and would be reflected in the value of printing work that is done. Oregon is full of advanced and very sophisticated printing companies presently, many of whom would like to do more public printing.

042 CHAIR STROBECK: Is it your professional opinion that the state would consistently save dollars in the production of printing that is currently done by our in-house printing operation?

046 MR. SIMMONS: If we can't do it for less, we should not get the work.

061 CHAIR STROBECK: Are large corporations expanding their in-house operations, or are they closing them down in favor of the printing specialty company?

053 MR. SIMMONS: I believe the trend is to close down in-house establishments and have the work done in the commercial establishments.

061 CHAIR STROBECK: Do you believe there would be capacity in the printing industry in the Salem area to handle the volume of legislative printing that occurs now, particularly during the session?

064 MR. HOBBS: I can't answer that question. My belief is there will be more than an adequate response to handling the legislative printing.

072 RON MILLER, Bennett & Miller Printing and Publishing, McMinnville: Submits and reads a prepared statement (EXHIBIT O)

101 JERRY THENNEL, Shelton-Turnbull Printers: Explains their company is a union house and produces approximately \$8 million a year in business forms and approximately \$2 million in commercial printing.
> has contract with Oregon for snap-out forms, about \$250,000 a year
> because of dealings with the State of Oregon, knows the people at the State Printers are as competent as the day is long and do an excellent job in the buy-out area; these people would never lose a job in Oregon because the private enterprise would gobble them up because they are extraordinary in what they do
> supports HB 2828 because it is time private enterprise not compete with the State of Oregon and vice-versa

141 CHAIR STROBECK: How successful are you in bidding against the state for the business?

141 MR. THENNEL: I am bidding against private printers, not the state.

145 REP. JOHNSTON: What do you mean by "buy out?"

151 MR. THENNEL: Explains it is work the state printer cannot do.

163 REP. JOHNSTON AND MR. THENNEL: Discuss costs of printing and competition:

200 REP. JOHNSTON AND MR. THENNEL: Continue their discussion of costs of printing and competition.

260 CAMERON BIRNIE, Administrator of the Transportation, Purchasing & Print Services Division, Department of Administrative Services: Submits and reads a prepared statement in opposition to HB 2823 (EXHIBIT P).

319 MIKE FREESE, Acting State Printer: Submits and reviews a prepared statement (EXHIBIT Q).

350 MR. FREESE: Continues his prepared statement.

400 MR. FREESE: Continues his prepared statement.

TAPE 13, A

020 MR. FREESE: Continues his prepared statement.

030 > comments on how costs are recovered for equipment: the Docu-Techs are leased and the cost is figured into the cost of the actual printed product

035 MR. FREESE: Explains the capabilities for transferring information electronically.

055 CHAIR STROBECK: When you do find that the private sector is more cost effective, you contract out, and yet you said you also have the volume to keep your equipment busy 24-hours a day. How do you resolve those issues?

058 MR. FREESE: I was speaking specifically of the Docu-Techs. We don't run 24-hours a day on every piece of equipment in the plant. That is virtually impossible unless we were to find some other source to keep the equipment busy. Typically we are talking about the kind of equipment that doesn't run 24-hours a day; it would run two shifts per day.

065 CHAIR STROBECK: Do you adjust your prices. Mr. Thennel explained that he will be charging a little more than if he has some capacity open.

067 MR. FREESE: Our rate structure is figured nearly a biennium in advance and we stick to that rate structure except in cases where we find we are actually doing the work and generating an excess of cash balance. In that case we would lower our rates; we are not allowed to increase them.

073 CHAIR STROBECK: But you don't have the option of going out to solicit other work to keep the presses and employees busy during slack time. Is that correct?

074 MR. FREESE: That is correct.

075 DAVE BARTA, University of Oregon: Submits and reads a prepared statement (EXHIBIT R).

099 MR. BARTA: Continues his prepared statement.

159 CHAIR STROBECK: When you were bidding for the jobs from Oregon State University, did you also include the costs of buildings, property, and taxes?

164 MR. BARTA: We bill our hourly rates pretty much the same way a private printing plant would. We do not have taxes and we don't have profit; we pay money to the Department of Administrative Services and to the university to support our accounting function. We support the mail people on campus. The rationale was that the printing plant and copy center are responsible for a substantial amount of the mail and therefore the funding should come from printing. That is part of our overhead.

177 CHAIR STROBECK: Is there a point where it makes sense to make a break at the kind of business you do and specialize?

186 MR. BARTA: That might very well be, but it isn't just a question of color. It is a question of volume. We don't have a four-color press. Our

largest is a two-color press which means a four-color job has to pass through the press twice. We cannot compete on a long job with the private sector printer who has a four- or five-color press. We are a specialized shop but we specialize in shorter runs of color and of high quality.

213 BILL SIZEMORE, Northwest Athletic Club Association: Testifies in support of HB 3389:

- > bill does not cost any jobs or reduce government programs or agencies;
- > allows government to do what they are presently doing but they would not be able to go further in competing with the private sector enterprises and the taxpayers that are financing them
- > association has done polling that shows that Oregonians, by 66 percent to

19 percent, favor the maximum amount of privatization of government services

- > people believe in government, but government should do what government does best, and that is to run the police, the courts, elections, etc. but not necessarily expand into competing with taxpayers.

277 JOHN MILLER, representing himself: Testifies in support of HB 3389:

- > received survey from New York listing 30 items that people were asked to respond to; one was tax-supported competition.

- > there is nothing a person in private enterprise can do once an entrepreneurial public employee is able to convene the right group of constituencies to pull together enough votes to pass a ballot measure to build a large pool or athletic complex and it is happening more frequently.

- > competition is good
- > are pushing for a competitive environment
- > in 1993, association commissioned a survey through the state asking four basic questions. 1) How well does state government account for the way it

spends tax dollars. Seventy percent said not well at all. 2) Are you aware that in some cases government competes with private enterprise. Fifty percent of the people were aware. 3) How important is it to be able

to compare what it costs government to do a job with what it costs private industry to do the same job. Eighty percent of the respondents said very important. 4) With the exception of fire and police services, when a private business can provide the same service as a government agency would you support or oppose a ballot measure that would require government to use

the low-cost provider. Seventy percent supported it and 13 percent was opposed and 17 percent were undecided..

- > believes most of the arguments against privatization is borne out of the fact they want to find a reason not to enter into a competitive environment

338 TERRI GILREATH, Eastside Athletic Clubs: Submits and summarizes a prepared statement in support of HB 3389 (EXHIBIT S).

388 MS. GILREATH: Continues her statement.

429 CHAIR STROBECK: Does the park district also purchase open space, greenways, free parks, etc.?

MS. GILREATH: They are in the process of doing that. They have secured an 80-acre area that will be mostly open space on which they put the \$7.6 aquatic complex in first. That was not on the public survey of the votes.

The number one request was for walking trails which are not going in right now.

438 CHAIR STROBECK: How would you restructure what the park area should provide to the population who feel they are supporting the activities of a park district with their tax dollars versus the activities of a private athletic club? Where would you draw the line.

446 MS. GILREATH: In a 600 person phone survey, the voters requested walking trails, open space, ball fields, swimming--in that order. Unfortunately, that is not what was responded to in order of priorities. Had that occurred, more people would have been serviced. Now just swimmers

are serviced. We can provide swimming and at a reasonable cost. We have proven that and if we can just compete on a fair playing field, I think we could do a real good job.

459 CHAIR STROBECK: Does the park district use the proceeds from their profit making activities to subsidize the free services which they offer?

463 MS. GILREATH: I would assume so. The last article I read said they were not yet meeting operating costs.

TAPE 14, A

023 MR. SIZEMORE: Comments on the American free enterprise system. If there is a demand in the private sector, someone will fill that demand and make a living at it.

041 STEVE KAFOURY, American Medical Response: Submits proposed amendments

to either HB 3389 or HB 3383 (EXHIBIT T) and explains the purpose of the amendments is to establish criteria for government and private competition.

> reason for the bill is it prohibits a local government from contracting with another local government to provide a service paid for by a fee where a private entity is presently providing that service unless the private entity is not providing adequate service, or the public agency can provide service without a tax subsidy.

> gives history of American Medical Response (formerly Buck Ambulance)

> Multnomah County is asking for a competitive bid situation to determine who will provide service

> the proposal allows a public agency, the Portland Fire Bureau, to have a subsidized rate and they are not allowing a private ambulance company to have a subsidized rate

> not afraid of competition; however, there is no way a private company can

compete in a low bid contest with an opponent who has no bottom line

120 CHAIR STROBECK: In a situation where there was a fire agency that was providing ambulance service, where there was no private agency, would you have a problem with that?

MR. KAFOURY: This bill is specifically directed to a situation where there

is a private agency operating. The bill summary is actually inaccurate where it says, "Limits government ability to provide services that are or could be provided". The amendments say, " Limits government ability to provide services that are provided by the private sector."

130 CHAIR STROBECK: What if a fire agency were in the ambulance business and there was no private ambulance business, but then a private ambulance company came to town, what would this bill or amendment require them to do?

132 MR. KAFOURY: It would have no affect on that situation.

145 CRAIG SCHMIDT, Hood River Athletic Club: Submits and reads a prepared statement in support of HB 3389 (EXHIBIT U).

187 WILLIAM WESTWOOD, owner of a 50,000 square foot athletic facility in Beaverton: testifies in support of HB 3389:

> gives market concentration statistics

> Griffith Park Athletic Club will have to compete with Multnomah County full service club.

> has no way of knowing how competition will play out; dues were reduced by

\$14 per person for monthly dues last year.

240 > Department of Parks and Rec feels they are filling a need
> does not believe the other people they are making reference to can get the use of a fitness facility for \$15 per month; you can get aerobic dance
> damage has been done

> doesn't want to deny people the right to fitness; I don't think the taxpayers of Oregon should be subject to subsidizing the activity because there are high schools and gyms everywhere where people can play basketball
> wants to get damage control

290 CHAIR STROBECK: If the local voters approve a bond issue providing for these services, what can the legislature or the state do?

298 MR. WESTWOOD: I am not prepared to present information on that, but we did a survey in our club to focus groups to get feedback on how we should run our club. We asked people if they had been phone solicited by the Park

and Recs. Those who said they had, had heard nothing of this. The people felt they were voting to maintain parks, to set aside green space, to make our existing park and rec program a little better. Noone we talked to knew they were voting on a \$6.9 million mega health club?

335 CHAIR STROBECK: What should be the role of recreation districts?

338 MR. WESTWOOD: Believes government should only provide what private enterprise does not. I don't think there is a place for government in what we are talking about today.

377 FRANK EISENZIMMER, Cascade Athletic Club: Submits and summarizes a prepared statement in support of HB 3389 (EXHIBIT V).

> introduces members of their association

TAPE 13, B

040 REP. WYLIE: There are a number of services or activities that could be offered at a parks department or at a private facility. Is that correct?

MR. EISENZIMMER: Yes.

REP. WYLIE AND MR. EISENZIMMER: Discuss whether government should be in business if there is a private organization doing the same thing.

066 CHAIR STROBECK: Does the recently passed Portland Parks bond issue have

any impact on you?

068 MS. EISENZIMMER: Very much so. The way they set this up was the Parkrose School District had two or three school bond measures on the ballot, all of which failed. They were asking for about \$17 to \$18 million

to build one or two schools. They packaged it in such a way they were adding a community center. The community center will contain many of the same things athletic clubs now have. With that, they were able to pass it on the third time around. Most of the people in the community will not use

the community center--maybe 10 to 15 percent at the most and the other 85 percent subsidize it.

082 Also, the bond issue that Mr. Westwood was talking about will provide for a facility at 102nd and Stark, just a few blocks away from another facility I have and that will hurt us badly. It is because of the advantage they have in costs.

088 REP. WYLIE: What do you see as a reasonable balance between where the legislature should prohibit the local government from acting and responding to local needs?

102 MR. EISENZIMMER: Instead of letting the businesses be the bad guy, let the government prove their case instead of business having to prove their case.

133 REP. WYLIE: You are asking not just for a level playing field, but truth in advertising, cost analysis and maybe some general criteria when that ought to be appropriate..

139 MR. EISENZIMMER: When you have an organization that is out to get a \$30 million levy passed, they have tremendous motivation and there are professionals out trying to do that.

147 CHAIR STROBECK: A lot of the people out promoting the Tualatin bond issue are folks who are community citizens, volunteers, etc. who seem to have altruistic motives at heart. Did you put up a campaign opposing the initiative?

153 MR. EISENZIMMER: I have to claim ignorance. It came out of no where. I am active in the community and in our association and Erma Cook, Director of the Regional Association, is very active in these kinds of things. That is why there was no campaign, but it would be good at some point to hear their side of the story.

A prepared statement submitted by Tom O'Connor, Oregon Municipal Electric Utilities, is hereby made a part of these minutes (EXHIBIT W).

186 CHAIR STROBECK: Declares the meeting adjourned at 4:20 p.m.

Submitted by,

Reviewed by,

Annetta Mullins
Committee Assistant

Gregory C. Moore
Committee Counsel

EXHIBIT SUMMARY:

A - HB 2269, Preliminary Staff Measure Summary and Legislative Revenue Impact Statement, staff, 3 pp
B - HB 2269, HB 2269-7 proposed amendments, Rep. Johnston, 1 p
C - HB 2269, HB 2269-8 proposed amendments, Rep. Johnston, 6 pp
D - HB 2269, memo from Department of Revenue, 1 p
E - HB 2482, Preliminary Staff Measure Summary, 1 p
F - HB 2482, prepared statement, Rep. Shields, 1 p
G - HB 2482, prepared statement, Kate Bradford-Stokes, 11 pp
H - HB 2482, prepared statement, Robert Meinen, 2 pp
I - HB 2823, Preliminary Staff Measure Summary, staff, 1 p
J - HB 2764, Preliminary Staff Measure Summary, staff, 1 p
K - HB 3383, Preliminary Staff Measure Summary, staff, 1 p
L - HB 3389, Preliminary Staff Measure Summary, staff, 1 p
M - HB 2823, prepared statement, Grover Simmons, 2 pp
N - HB 2823, prepared statement, Mike Hopkins, 1 p
O - HB 2823, prepared statement, Ron Miller, 1 p
P - HB 2823, prepared statement, Cameron Bernie, 2 pp
Q - HB 2823, prepared statement, Mike Freese, 3 pp
R - HB 2823, prepared statement, Dave Barta, 3 pp
S - HB 3389, prepared statement, Terri Gilreath, 5 pp
T - HB 3389, proposed amendments, Steve Kafoury, 2 pp
U - HB 3389, prepared statement, Craig Schmidt, 2 pp
V - HB 3389, prepared statement, Frank Eisenzimmer, 10 pp
W - HB 3389, prepared statement, Tom O'Connor, 2 pp