

HOUSE COMMITTEE ON RULES AND REORGANIZATION

February 10, 1993 Hearing Room E 1:30 p.m. Tapes 24 - 25

MEMBERS PRESENT: Rep. John Watt, Chair Rep. Lonnie Roberts, Vice-Chair
Rep. Delna Jones Rep. Dave McTeague Rep. Cedric Hayden Rep. Michael
Payne Rep. Eldon Johnson Rep. Fred Girod Rep. Avel Gordly

STAFF PRESENT: Adrienne Sexton, Committee Administrator Kenneth
Brady, Committee Clerk

MEASURES CONSIDERED: HB 2031-Creates State Fair Corporation

WITNESSES: Don Hillman, Oregon State Fair William Nessly,
Oregon State Fair Rep. Peter Courtney Rich Peppers, O.P.E.U. Bill Frey,
Northgate NeighB orhood

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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. [--- Unable To Translate
Graphic ---]

TAPE 24, SIDE A

006 REPRESENTATIVE JOHN WATT, COMMITTEE CHAIR: Convenes Meeting at
1:32.

009 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Speaks to committee as to
what questions they are most likely to ask.

021 WATT: Opens hearing on HB 2031.

(Tape 24, Side A) HB 2031-CREATES STATE FAIR CORPORATION

023 SEXTON: Explains HB 2031. -Notes handouts. -Explains major
changes that would take place. 103 DON HILLMAN, OREGON STATE FAIR:
Introduces and explains written testimony (EXHIBIT A, B, & C) . . .
-Cost benefit analysis. -Activity matrix. -Hand engrossed bill. -Doesn't
move anything nor privatize. -Not prompted by measure 5. -Gives info
about the fair organization.

168 REPRESENTATIVE LONNIE ROBERTS, COMMITTEE VICE-CHAIR: Don't you
get general fund money?

172 HILLMAN: No, we do not. -26 full-time employees. -Discusses ways
they raise money. -Explains ties to state government. -Says what stays
that same and what changes.

218 REPRESENTATIVE DELNA JONES: How many employees?

220 HILLMAN: 26 full-time and 800 temporary for fair.

223 JONES: Are they represented by OPEU and get PERS?

226 HILLMAN: Yes. -Cost/benefit analysis. -Be able to compete and save lots of money. -Explains duties of fair corporation.

257 ROBERTS: Is the tax exemption for bonds state and federal?

262 HILLMAN: Yes.

265 REPRESENTATIVE FRED GIROD: Elaborate on compensation of board.

270 HILLMAN: I believe that it would remain the same.

272 GIROD: What safeguards will there be against activities that have happened in the past?

276 HILLMAN: We take that seriously.

284 GIROD: Will you still represent agriculture like you have been?

288 HILLMAN: Yes. More than 1/3 of our program is agriculture.

297 GIROD: How much money does the fair take in? An average restaurant?

303 HILLMAN: General terms . . . 5 million a year with 85% in the fair time. -Lists biggest sources. -Between \$3,000 and \$200,000 from each stand. We get a percentage.

319 REPRESENTATIVE AVEL GORDLY: What would become of representation? People of color, etc?

326 HILLMAN: That's in written testimony. -Explains. -Diversity is important.

336 GORDLY: How diverse is the board now?

339 HILLMAN: 5 members. 3 men & 2 women.

341 GORDLY: Any minorities?

343 HILLMAN: No.

345 REPRESENTATIVE ELDON JOHNSON: Is this income estimate yearly or biannual?

348 HILLMAN: Biannual.

350 JOHNSON: Have you thought about outside accounting?

354 HILLMAN: Thought about it, but not acceptable.

360 REPRESENTATIVE MICHAEL PAYNE: This is a good way to break unions. -Can the new board negotiate lower wages?

369 HILLMAN: Not privatized . . . not in our interest to change jobs or benefits, etc.

380 PAYNE: Question is could you?

383 HILLMAN: I don't think so.

386 JONES: Employees still under PERS, is that required?

390 WILLIAM NESSLY, JR.: Optional. -Submits written testimony
(EXHIBITS D & E).

400 JONES: Optional to employer or employees?

407 NESSLY: As drafted with amendments, to employees.

410 JONES: The employees have the option for another union, right?

420 NESSLY: It's unfair for an employer to interfere.

427 ROBERTS: Clarify: If they're represented by OPEU then they can
remain so?

430 NESSLY: If they choose.

437 GORDLY: In a public corporation, it would be owned by the state?

440 NESSLY: Yes.

442 GORDLY: State ethics law would still apply?

444 NESSLY: Yes.

TAPE 25, SIDE A

030 NESSLY: Goes through proposed amendments.

048 ROBERTS: 15 members . . . are you going to stagger their
appointments?

053 NESSLY: No prescribed terms.

056 ROBERTS: Should be a time limit.

060 GIROD: Agreed.

085 JONES: Why is there not a specified term?

088 NESSLY: Our model is based on Dan Simmons' setup for the
Board of Medical Examiners changes . . .

096 JONES: Because you've been asked to?

098 NESSLY: Yes.

099 JONES: Not a good thing.

101 JOHNSON: Should be a four or six year term.

106 WATT: Refer question back to executive dept.

117 NESSLY: Continues.

150 JONES: Is there anything that is a problem for declaring an emergency with funding?

155 NESSLY: I can check on that.

161 PAYNE: About the employees . . . could this be written so the employees could stay as state employees?

168 NESSLY: I have no reasons why it couldn't.

171 JONES: Why do this if they are still state employees? 175
NESSLY: I was just agreeing that it could be done. -Continues his analysis.

224 ROBERTS: Asks for clarification.

230 NESSLY: Responds.

242 ROBERTS: Notes another clarification.

256 NESSLY: Continues. -Explains transition language.

274 ROBERTS: Aren't the employees already in PERS?

276 NESSLY: Yes.

286 WATT: The big question is WHY?

288 HILLMAN: To keep it competitive.

300 WATT: As a private corporation, could it be competitive?

303 HILLMAN: I don't know. As we outline it it would work, though.

310 WATT: All we're doing it giving powers to you, right?

315 HILLMAN: Yes.

318 JOHNSON: Would also allow you to use outside auditors if you wished. Other agencies do it, and sometimes its less expensive.

329 ROBERTS: Offers a scenario and questions.

333 HILLMAN: Responds.

341 ROBERTS: Asks about insurance coverage.

346 HILLMAN: Responds.

366 REPRESENTATIVE PETER COURTNEY: In opposition to the bill. Just saw the amendments today.

TAPE 24, SIDE B

008 COURTNEY: Discusses neigHB orhoods which surround the fairgrounds. -Loud concerts, etc. -Notes what this bill threatens. -Reads from the blue book . . . -The amendments aren't necessary . . . put in something about the surrounding neigHB orhoods. 151

WATT: Talks of moving some things out of state budget. "Glossy promotion"? -Why?

167 COURTNEY: It's an idea from the state fair . . . they want more freedom.

184 JONES: I sympathize with [Rep. Courtney]. . . but, I'm wondering why you still have this difficulty. Would this bill make any change?

191 COURTNEY: The improvements that have been made wouldn't have gotten made if the original bill were in effect.

213 JONES: Notes some changes in handouts (EXHIBIT A - C). . .

230 COURTNEY: Responds.

247 JONES: How much responsibility should the state have with the fair's money?

251 COURTNEY: Responds. -If this passes . . . the state still needs to have authority to change things.

287 JOHNSON: How did the neigHB orhoods get there? Was the fair there first?

294 COURTNEY: The fair was there first. -NeigHB orhoods accept that.

317 REPRESENTATIVE CEDRIC HAYDEN: Proposes that the state fairgrounds be moved up the Santiam Pass.

337 COURTNEY: Good luck. Has been discussed at length. Historic signifigance was important.

380 RICH PEPPERS: Submits written testimony (EXHIBIT F) . . . In opposition due to no understanding of why it's happening -Public assistance to the corporation. -Outlines written testimony. -Legal liability? Who would be? -Labor contract is not there.

TAPE 25, SIDE B

026 ROBERTS: Asks question of Peppers.

035 PEPPERS: Responds.

040 ROBERTS: I oppose this for reasons of employees.

048 PEPPERS: OPEU is opposed for same reasons. -Details some points.

053 HAYDEN: Asks about his idea of moving the grounds to the Santiam area. 079 PEPPERS: Never been proposed to us before.

082 PAYNE: Could the fair negotiate a new contract with employees?

088 PEPPERS: I believe they could under the way its written.

091 JONES: Is there any reason to believe that that is the plan?

097 PEPPERS: We've been led to believe no. But no assurances.

103 JONES: Executive dept. negotiation isn't too good right now.

Wouldn't you be better off if
not under executive board?

114 PEPPERS: We only want the employee benefits to remain the same.
-Negotiations would put us in a less able position. -More comfortable in
executive dept. than this bill as it sits.

133 BILL FREY: Northgate neigHB orhood association . . . -Talks about
meeting of NNA. -In support of HB 2031. -Needs amendments to the bill;
it's not perfect. -Personally supports as well.

202 GIROD: I'd like a copy of the letter.

205 WATT: Closes on HB 2031. -Closes meeting at 3:10.

Prepared by Reviewed by

Ken Brady
Administrator

Adrienne Sexton Clerk

EXHIBIT LOG:

A - Testimony on HB 2031 - Don Hillman - 14 pages B - Testimony on HB
2031 - Don Hillman - 3 pages C - Testimony on HB 2031 - Don Hillman -
11 pages D - Testimony on HB 2031 - William Nessly, Jr. - 3 pages E -
Testimony on HB 2031 - William Nessly, Jr. - 3 pages F - Testimony on
HB 2031 - Rich Peppers - 4 pages