



LOCAL FOCUS

State Shared Revenues
SEI Filing
LOC Regional Meetings

The Magazine of the League of Oregon Cities
February 2018

2018 LEGISLATIVE PREVIEW



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LOCAL FOCUS

February 2018

The Magazine of the League of Oregon Cities



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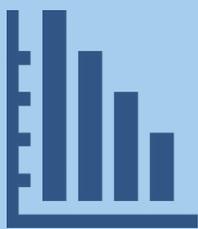
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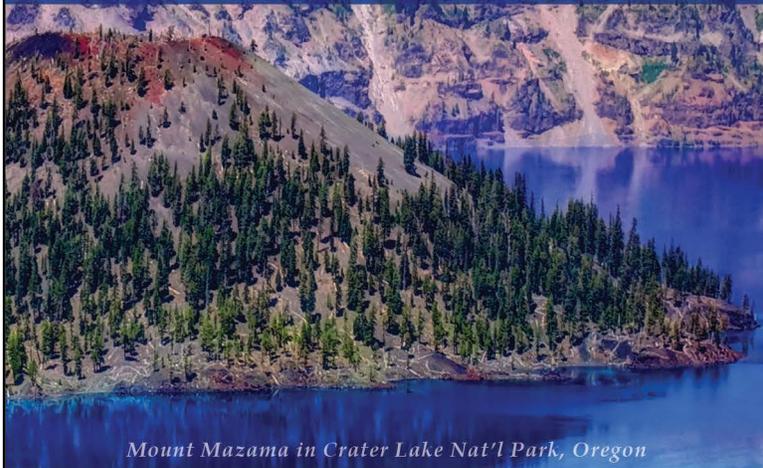


STATE SHARED Revenues

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Session Ideas & Speakers Wanted!

The League is now accepting innovative, cutting-edge ideas for breakout sessions for its 93rd Annual Conference, September 27-29 in Eugene.

Breakout sessions:

- Are 90-minutes long
- Must be educational and non-commercial
- Provide ideas, experiences and/or resources attendees can take back to their communities
- Must be submitted on the form at www.orcities.org/conference to be considered

The deadline to submit an idea is **5:00 p.m. on Friday, March 2, 2018.**

Questions? Contact:

Jenni Kistler, Project Coordinator – jkistler@orcities.org

Jennifer Lewis, Member and Administrative Services Director – jlewis@orcities.org

LOC Regional Meetings Announced for 2018

The League is expanding its Regional Meetings for 2018, and will hold 12 meetings throughout Oregon during April and May. Attending city officials will meet new LOC Executive Director Mike Cully, learn about new member services the League is developing, and hear an update on the 2018 legislative session and the League’s ongoing policy work. The League’s Regional Meetings are a valuable opportunity for LOC staff to hear from members, and will include a roundtable discussion of regional issues of interest to city officials.

For more information, contact:

- Member and Administrative Services Director Jennifer Lewis – jlewis@orcities.org; or
- Administrative Assistant John Schmidt – jschmidt@orcities.org; or
- Call the League office – (503) 588-6550.

2018 Regional Meeting Schedule

City	Date	Time
Astoria	April 4	4-6 p.m.
Newport	April 5	4-6 p.m.
Salem	April 6	4-6 p.m.
The Dalles	April 18	3-5 p.m.
Redmond	April 19	4-6 p.m.
Cottage Grove	April 20	4-6 p.m.
Klamath Falls	May 9	4-6 p.m.
Grants Pass	May 10	4-6 p.m.
Bandon	May 11	4-6 p.m.
Pendleton	May 23	4-6 p.m.
Baker City	May 24	4-6 p.m.
John Day	May 25	4-6 p.m.

Registration Now Open for Spring 2018 League Training

Registration is now available for LOC in-person trainings at www.orcities.org/training.

Returning favorites for this spring include: “Grant Writing Basics” and “Advanced Grant Writing” with PARC Resources; “Land Use Planning in Oregon” with Randall Tosh and Vickie Hardin Woods; and “Customer Service on the Front Line” with Jan Carothers. LOC members are encouraged to register early to guarantee a seat—and a lower registration rate.

The League will also offer some new and refreshed trainings this spring—keep an eye on the training page on the LOC website and future LOC Bulletins for details on workshops on public contracting, governing basics, ethics, and city council teamwork.

Similar to the 2017 LOC Conference registration process, spring training workshop registrations utilize the League’s new online registration system. Registrants will need to log in with the email that the League has on file as their primary address. Anyone who needs to verify their email address, reset a password or has additional questions is encouraged to call the League office at (503) 588-6550. A member of the Member Services team will be happy to assist you.

Contact: Jenni Kistler, Project Coordinator – jkistler@orcities.org

Small Cities Meetings Schedule

The Small Cities Network is a League program for cities with a population of 5,000 or less, with quarterly meetings to network and discuss common issues and solutions.

All meetings start at 11:00 a.m. RSVP to jschmidt@orcities.org.

On the Web: www.orcities.org/smallcities

Upcoming Meetings

North Coast (Region 1)

Tillamook – February 2

South Coast (Region 4)

Gold Beach – February 14

Portland Metro (Region 2)

Donald – March 22

Southern Valley (Region 5)

Shady Cove – March 14

Willamette Valley (Region 3)

Brownsville – February 9

Central Oregon (Region 6)

Mosier – March 22

League Leadership Meets with Governor Brown

LOC President and North Bend City Councilor Timm Slater, along with Executive Director Mike Cully and Legislative Director Craig Honeyman, met with Governor Kate Brown on January 12. Also participating in the meeting was a delegation representing the Association of Oregon Counties (AOC).

During the hour-long discussion, the governor outlined her agenda for the 2018 legislative session. Her priorities include: taking steps to reduce the unfunded liability of the Public Employee Retirement System; preventing gun violence; addressing the opioid epidemic; and achieving cost savings by streamlining the state's procurement process.

Both LOC and AOC expressed their commitment to an earlier and intentional involvement in the biennial budget process, with the goal of helping the governor identify spending priorities with statewide benefits prior to the release of her recommended budget. During the discussion, Governor Brown agreed to direct her staff and the Department of Administra-

tive Services to work with LOC and AOC on this effort. The League and AOC staff will immediately begin to design a process for local government's close involvement in budget development for specific agencies leading up to publication of the Governor's FY 2019-21 budget.

In addition, LOC and AOC emphasized the critical need across the state to provide more resources to address the shortage of affordable housing. The discussion focused on how these organizations and the state can form a better partnership to provide the best assistance to communities addressing their housing needs. Finally, the League emphasized the need for the governor's leadership in pursuing cost containment and tax reform (including property tax) strategies beginning now and proceeding with urgency, regardless of legislative timelines.

Contact: Craig Honeyman, Legislative Director – choneyman@orcities.org

LOC Wall Calendars Available

The League's annual wall calendar has been mailed to cities, and features a wide range of high-quality photographs submitted by our member cities. The calendar also contains information on key events and dates to remember in 2018. Cities can obtain additional copies by emailing the League: loc@orcities.org.



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Statements of Economic Interest (SEI): What You Need to Know

State law requires certain public officials to complete and electronically file a Statement of Economic Interest (SEI) with the Oregon Government Ethics Commission (OGEC). Whether you are a veteran of the SEI filing process or a first-time filer, this article will provide you with the basics.

What is a Statement of Economic Interest?

The SEI is an annual financial disclosure form that certain public officials as specified in ORS 244.050, are required to file with the commission.

Who Must File?

Not all city officials must file an SEI. The filing requirement generally applies to those elected city officials, municipal judges, city recorders, and appointed members of city planning, city zoning or city development commissions, and the chief executive officer of a city or another person who perform the duties of a manager or principal administrator. The SEI filing requirement applies to individuals who hold one of those offices on April 15 of each filing year.

When is the Due Date?

April 15 of each filing year. For the filing year of 2017, a complete and electronically signed SEI must be submitted via the commission's electronic filing system no later than Sunday, **April 15, 2018.** Failure to complete and file an annual SEI by the April 15 deadline may subject a city official to an automatic civil penalty of \$10 for each of the first 14 days the SEI is late and \$50 for each day thereafter, up to a maximum penalty of \$5,000. The OGEC's electronic filing system is available 24/7.

What Disclosures are Required?

SEIs are like an individual's tax filing—they disclose information regarding the previous calendar year. Therefore, city officials will disclose economic interests they held between January 1, 2017 and December 31, 2017. Note: Even if you did not hold your position during the 2017 disclosure period, if you hold the position as of April 15, 2018, you will have a filing requirement.

ORS 244.060, 244.070 and 244.090, describe the required content of the filing. The electronic filing system has help text to guide you through each of the questions. You will be asked to provide information about the following:

- Businesses with which a city official or members of their household are associated;
- Names of businesses under which a city official or members of their household did business;
- Certain sources of income to a city official and members of their household (note that only sources, not amounts, of income must be disclosed);
- Certain holders of debt owed by a city official or members of their household (excluding credit card debt and mortgages);
- Certain investments in real property located in a city official's city (*excluding the city official's primary residence*);
- Payments made on behalf of a city official for certain office-related events;
- Honoraria received by a city official or member of their household;

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- The name of any compensated lobbyist who, during the preceding calendar year was associated with a business with which the public official or candidate or a member of the household of the public official or candidate was also associated; and
- Office-related events.

Where are SEIs Filed?

The SEI is required to be filed via the OGECC’s electronic filing system. The commission’s electronic filing system is available 24/7.

How to Register as a User in the Electronic Filing System (EFS)?

OGECC staff has identified the positions held by public officials who must file the SEI form and has them listed by jurisdiction. Each jurisdiction (city, county, executive department, board or commission, etc.) has a person who acts as the commission’s point of contact for that jurisdiction [OAR 199-020-0005(1)].

The **contact person** for each jurisdiction has an important role in the annual filing of the SEI forms. It is through the contact person that the commission obtains the current name and email address of each public official who is required to file. It is imperative you provide a valid email address to this contact person, this should be an email account you monitor. When there is a change, through resignation, appointment or election, in who holds a position, the contact person notifies the commission.

Once the contact person has entered you into the electronic filing system you will receive an email from the commission that contains a link to the filing system. You then create your personal profile. Once you have successfully registered, you will be able to file your report during the open filing period each calendar year.

On the Web: www.oregon.gov/ogec

The commission’s website contains training tutorials and handouts on the use of the electronic filing system. Live online training sessions are scheduled each filing year to assist filers. You can visit the OGECC’s website at www.oregon.gov/OGEC or call directly at (503) 378-5105.



Because of the complexities of SEI disclosures, this article is necessarily general and is not intended to provide legal advice. City officials are advised to please consult with their city attorney, in accordance with their council rules for doing so, with private legal counsel or with the OGECC to ensure full compliance with SEI disclosure requirements.

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Supreme Court to Decide Billion Dollar Sales Tax Case

By Lisa Soronen

Editor's Note: While Oregon does not presently have a statewide sales tax, there is at least one city in Oregon which has recently adopted a local sales tax.

Last November, a Government Accountability Office report estimated that states and local governments could “gain from about \$8 billion to about \$13 billion in 2017 if states were given authority to require sales tax collection from all remote sellers.”

In January, the U.S. Supreme Court agreed to decide *South Dakota v. Wayfair*. In this case South Dakota is asking the Supreme Court to rule that states and local governments may require retailers with no in-state physical presence to collect sales tax.

This case is huge news for states and local governments. This article describes how we got here and why it is likely South Dakota will win.

In 1967 in *National Bellas Hess v. Department of Revenue of Illinois*, the Supreme Court held that per its Commerce Clause jurisprudence, states and local governments cannot require businesses to collect sales tax unless the business has a physical presence in the state.

Twenty-five years later in *Quill v. North Dakota* (1992), the Supreme Court reaffirmed the physical presence requirement but admitted that “contemporary Commerce Clause jurisprudence might not dictate the same result” as the court had reached in *Bellas Hess*.

Customers buying from remote sellers still owe sale tax, but they rarely pay it when the remote seller does not collect it. Congress has the authority to overrule *Bellas Hess* and *Quill*, but has thus far not done so.

To improve sales tax collection, in 2010 Colorado began requiring remote sellers to inform Colorado purchasers annually of their purchases and send the same information to the Colorado Department of Revenue. The Direct Marketing Association sued Colorado in federal court, claiming that the notice and reporting requirements were unconstitutional under *Quill*. The issue the Supreme Court decided in *Direct Marketing Association v. Brohl* (2014), was whether the Tax Injunction Act barred a federal court from deciding this case. The Supreme Court held it did not.

The State and Local Legal Center (SLLC) filed an *amicus* brief in *Direct Marketing Association v. Brohl* describing the devastating economic impact of *Quill* on states and local governments. Justice Kennedy wrote a concurring opinion, stating that the “legal system should find an appropriate case for this Court to reexamine *Quill*.” Justice Kennedy criticized *Quill* for many of the same reasons the SLLC stated in its *amicus* brief. Specifically, internet sales have risen astronomically since 1992, and

states and local governments have been unable to collect most taxes due on sales from out-of-state vendors.

Following the Kennedy opinion, a number of state legislatures passed laws requiring remote vendors to collect sales tax in clear violation of *Quill*. South Dakota’s law was the first ready for Supreme Court review.

In September 2017, South Dakota’s highest state court ruled that the South Dakota law is unconstitutional because it clearly violates *Quill*, and it is up to the U.S. Supreme Court to overrule *Quill*. In October 2017, South Dakota filed a *certiorari* petition asking the Supreme Court to hear its case and overrule *Quill*. The SLLC filed an *amicus* brief supporting South Dakota’s petition. The Supreme Court ultimately agreed to decide the case.

It seems likely the Supreme Court will rule in favor of South Dakota and overturn *Quill* for a number of reasons. It is unlikely the Supreme Court accepted this case to congratulate the South Dakota Supreme Court on correctly ruling that South Dakota’s law is unconstitutional. Said another way, if the Supreme Court wanted to leave the *Quill* rule in place it probably would have simply refused to hear *South Dakota v. Wayfair*.

It is easy to count at least three votes in favor of South Dakota in this case. First, Justice Kennedy of course. Second, Justice Thomas. While he voted against North Dakota in *Quill*, he has since entirely rejected the concept of the dormant Commerce Clause, on which the *Quill* decisions rests. Third, Justice Gorsuch. The Tenth Circuit ultimately decided *Direct Marketing Association v. Brohl* ruling that Colorado’s notice and reporting law didn’t violate *Quill*. Then-judge Gorsuch wrote a concurring opinion strongly implying that given the opportunity the Supreme Court should overrule *Quill*.

That said, the Supreme Court, and the Roberts Court in particular, is generally reticent about overturning precedent. The *Quill* decision illustrates as much. The Supreme Court looks at five factors in determining whether to overrule a case. One factor is whether a rule has proven “unworkable” and/or “outdated . . . after being ‘tested by experience.’” This factor weighs strongly in favor of overturning *Quill*. As Justice Kennedy pointed out in *Direct Marketing Association v. Brohl*: “When the Court decided *Quill*, mail order sales in the United States totaled \$180 billion. But in 1992, the Internet was in its infancy. By 2008, e-commerce sales alone totaled \$3.16 trillion per year in the United States.”

The Court will hear this case this term meaning it will issue an opinion by the end of June 2018.

Lisa Soronen is the Executive Director of the State & Local Legal Center in Washington, D.C.

City Deadline Calendar

Dates Cities Need to Know

FEBRUARY

February 12:

Urban Renewal Agency: Publish First Notice of Filing Financial Statement.

Publish notice once a week for not less than two successive weeks before March 1 of each year in which the financial statement is filed. (ORS 457.460(2))

February 15:

Ethics: Report Officials Required to File Annual Statement of Economic Interest (SEI).

Cities affected by SEI filing requirements shall notify the Oregon Government Ethics Commission each year of individuals required to file an SEI. (ORS 244.050; OAR 199-020-0005)

February 19:

Urban Renewal Agency: Publish Second Notice of Filing Financial Statement.

Publish notice once a week for not less than two successive weeks before March 1 of each year in which the financial statement is filed. (ORS 457.460(2))

MARCH

March 1:

Budget: Budget Officer to Prepare Proposed Budget

Budget officer shall prepare or supervise the preparation of the budget document.

Note: Depending upon a city's size and total budget, the budget process may begin sooner or later than noted. This budget deadline is therefore suggested, not statutory. (ORS 294.331)

March 2:

Quarterly Certification for State Shared Revenue Marijuana Tax

Cities must complete the Oregon Liquor Control Commission quarterly electronic certification survey in order to receive state marijuana tax distributions for this quarter.

(Or Laws 2015, ch 1, section 44, as amended by Or Laws 2015, ch 699, section 14; Or Laws 2015, ch 767, section 219; and Or Laws 2017, ch 725, section 32)

March 13:

Election Day

Note: Double majority rules apply for property tax measures. (Oregon Constitution Art. XI, section 11(8))

March 15:

May Election: File Statements of Offices, Candidates and Measures with County Elections Filing Officer

Last day for elections officer to file a statement of the city offices to be filled, information concerning all candidates and measures to be voted on. (ORS 254.095)

March 20:

Budget: Publish First Notice of Budget Committee Meeting and Notice of Public Hearing Regarding City's Use of State Shared Revenues

Budget officer must publish the first notice of the budget committee meeting no more than 30 days and not less than five days before meeting. Different requirements apply for other notification methods. It is recommended that the statutorily required public hearing regarding possible uses of state shared revenues be noticed at this time as well. Cities must certify to the Oregon Department of Administrative Services that the state shared revenues hearing has occurred not later than July 31 of the fiscal year. Cities are advised to consult with their budget officer and city attorney on how to incorporate the shared revenues requirement into their budget process.

Note: Depending upon a city's size and total budget, the budget process may begin sooner or later than noted. This budget deadline is therefore suggested, not statutory. (ORS 294.426 (budget); ORS 221.770 (shared revenues))

March 31:

Ethics: Submit SEI Exemption Applications to Oregon Government Ethics Commission

Cities may submit SEI exemption applications for members of public bodies which meet so infrequently so as not to warrant public disclosure. (ORS 244.290(2)(b); OAR 199-020-0008)

***Reminder: Deposit Construction Tax Revenues**

As soon as practicable, cities that impose a construction tax pursuant to Oregon Laws 2016, chapter 59, section 8, shall deposit the construction tax revenues collected in the fiscal quarter just ended in the general fund of the city. (Or Laws 2016, ch 59, section 9) ■

PERS Reports

Cities must remit a regular report to the PERS Board no later than three business days after the end of the city's pay cycle. (ORS 238.705; OAR 459-070-100)

Upcoming EVENTS

Legislature Convenes (Short Session)
February 5 – Salem

LOC Board Meeting
February 16 – Salem

OCCMA Board Meeting
February 22 – Independence

2018 CIS Annual Conference
February 28 - March 2 – Salem

OGFOA 2018 Spring Conference
March 11-14 – Sunriver

NLC Congressional City Conference
March 11-14 – Washington, D.C.

2017 OAMR Mid-Year Conference
April 6 – Portland

LOC Board Meeting
April 13 – Salem

NW Regional Management Conference
May 1-4 – Stevenson, Wash.

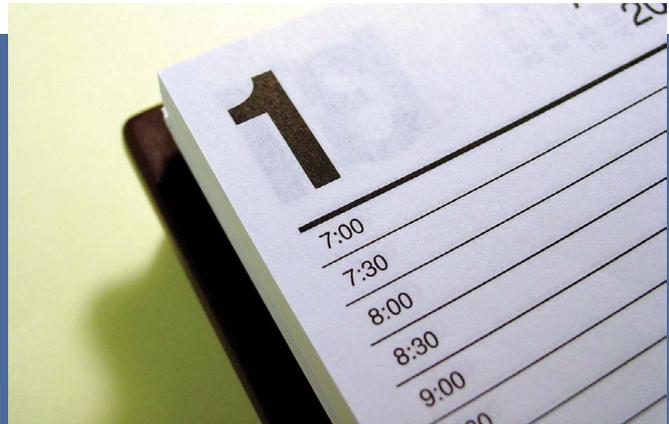
OCCMA (City Managers) Board Meeting
May 4 – Stevenson, Wash.

OCAA Attorneys Spring CLE Seminar
May 18-19 – Newport

LOC Board Meeting
June 15 – North Bend

OCCMA (City Managers) Summer Conference
July 10-13 – Bend

OMA (Mayors) Summer Conference
July 26-28 – Florence



OAMR Annual Conference
September 19-21 – Portland

ICMA Annual Conference
September 23-26 – Baltimore, Md.

LOC Board Meeting
September 26 – Eugene

OMA (Mayors) Board Meeting
September 26 – Eugene

LOC Annual Conference
September 27-29 – Eugene

OCAA (Attorneys) Government Law Review
September 28 – Eugene

OGFOA Conference
October 15-17 – Salem

NLC City Summit
November 7-10 – Los Angeles, Calif.

OCCMA (City Managers) Board Retreat
November 8-9 – Silverton

LOC Board Retreat
December 7 – Salem

Upcoming events are also found on the Calendar page at www.orcities.org.

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2018 LEGISLATIVE PREVIEW



Photo by Edmund Gairman



Financing the Future Together

By Mike Cully, Executive Director, League of Oregon Cities

As the 2018 legislative session kicks off, League President Timm Slater, Legislative Director Craig Honeyman and I recently had an important early audience with Governor Kate Brown and her staff. Our goal was to set the tone for a spirit of collaboration with the administration, while finding common ground related to the governor's priorities this short session. Simultaneously, we focused on reinforcing the League's active engagement on several critical issues that directly impact our cities.

Early Budgeting

I first want to acknowledge and thank Governor Brown for agreeing to involve local governments early in the state's budgeting process. Our ongoing, strong desire is to have a seat at the table when the governor is planning her budget recommendation as city projects and budgets are often dependent on state grants and loan programs as a revenue source. Aging infrastructure promises to cripple the ability of many of our cities to deliver important public services—and there needs to be as much focus on water, wastewater, seismic resilience and affordable housing as was placed on transportation this biennium.

With the League of Oregon Cities and the Association of Oregon Counties back at the table early in the process, we will be your voice as funding decisions are made and investments are identified going forward.

Cost Containment and Revenue Reform

Cities and counties need revenue reform and cost containment. The revenue shortcomings with our present tax system impact all local governments, and we unabashedly asked Governor Brown to take action to mitigate further harm—now. The current administration must think outside the box when tackling this issue and cannot be constrained by legislative timelines.

In short, we want to get to work on this right away.

Cities continue to experience an erosion of service levels, jeopardizing the safety, livability and economic well being of the state. With regard to revenue reform, we must create a sustainable and scalable revenue system for both the state and local governments that is fair and does not inhibit economic growth.

In that vein, property tax reform is a formidable task, but the time is now to affect positive change. The inequities in

property taxes assessed for similar residences or businesses have spun off the charts. The inequities exacerbate affordable housing shortages, increase gentrification and have negatively affected new construction.

On the other side of the coin, it is no secret that the biggest cost issue facing local governments is PERS funding. Options for cities to contain their PERS costs are limited, and statewide solutions are necessary. We must also continue to explore the state's ability to reduce the unfunded liability. Continued money match reform and retiree cost sharing of administrative expenses are areas that deserve further discussion.

To that end, we believe that the work on cost containment and tax reform solutions should begin immediately, and should not stop until solutions are found. Many have said that it is already too late for the 2019 legislative session, but we are unconvinced. We are not alone in recognizing this urgency, so we are joining a coalition with other local governments, schools and the business sector to bolster reform work on these two causes. This work needs to happen immediately, outside the context of legislative barriers, whether that's 2019, 2020 or a special session—it needs to happen now.

Gubernatorial Priorities

We are encouraged to see that both job creation and public pension liability are on the front burner for Governor Brown this session. To create more job opportunities, she proposes lessening some restrictions on construction trades to encourage new businesses—a proposal which also finds more contractors available to build more housing statewide.

Related to public pension liability, the governor has proposed creating a matching fund to incentivize city contributions into their PERS side accounts—a good first step. We look forward to continuing this creative thinking into the 2019 session and beyond. Without action, system wide average PERS rates will most likely exceed 30 percent of payroll and will not decline for years.

With both of these priorities, the League offers its support and its commitment to be involved in the process. With 70 percent of all residents of the state of Oregon residing within a city, the long-term solutions to job creation, investment of resources, revenue reform and cost containment is inextricably linked to the symbiotic relationship between the state and our cities. ■

2018 Legislative Session Preview

Legislators gathered in Salem for the start of the 35-day legislative session on February 5. Although there has not been an intervening election since the 2017 session, there are new members in both the Senate and the House due to resignations, and Democrats continue to control both chambers.

Due to restrictions on bills each member and committee can introduce, the number of bills that will be considered will be manageable, but once again the session will be noteworthy for the depth of policy debate that will ensue. Below is a preview of issues that the League's Intergovernmental Relations department is preparing for.

Tax Reform

Because there is neither the time nor the political will to work on significant state and local tax reform during the short 2018 session, tax reform will likely be a focus in 2019. However, on January 4, House Speaker Tina Kotek (D-Portland) and Senate President Peter Courtney (D-Salem) announced the creation of the Joint Committee on Student Success, co-chaired by Senator Arnie Roblan (D-Coos Bay) and Representative Barbara Smith Warner (D-Portland). This bipartisan, bicameral committee will focus on school funding needs and solutions. The committee's work will include a statewide listening tour that will begin following the 2018 session.

Because the source of the school budget deficit is linked to problems associated with Measures 5 and 50, the League is hopeful that proposed school revenue solutions will include property tax reform. In the meantime, the League will continue to advocate for the inclusion of property tax reform as part of any comprehensive tax reform package. It will also continue to work on specific recommendations for a revenue reform package with a growing coalition of local government partners, the business community and others during the interim.

Finally, the League does anticipate some further tweaking of state income tax provisions during the 2018 session, largely to address the recently passed federal tax bill, as Oregon's income tax code is connected to the federal code.

PERS

Without changes to the Public Employee Retirement System (PERS), the system-wide average rate is expected to reach or exceed 30 percent by 2023. Rather than major changes in 2018, the League anticipates some structural changes in SB 1566 that will allow further reform in 2019. The most significant of these adjustments will be the establishment of an incentive fund that will be used to match local government contributions to their PERS side accounts. Determining the specific revenue source will be used to capitalize this fund remains a work in progress, but legislative authority is a necessary first step to rulemaking.

Additionally, while the new Joint Committee on Student Success will focus primarily on education issues, it will also have to address pension liabilities. Schools generally pay higher PERS rates than cities, and it is unlikely that school finance reform will be successful without addressing this cost.

Housing

A number of legislative efforts are underway to address the ongoing crisis created by the statewide shortage in housing development. Cities around the state have vocally shared with their legislators the challenges they are facing in creating more housing, and so it remains a high priority in the 2018 session. The primary focus for the League, and for some legislators, is developing financial assistance for completing housing plan analysis and funding technical assistance to cities and counties working on housing development projects.

Other proposals include a new tax credit for housing (HB 4108), increasing affordable housing funds through raising the document recording fee, and creating a first-time home buyer savings plan (HB 4007 includes both). Finally, a proposed bill would provide a constitutional revision to allow a municipality to seek municipal bonds for the development of housing that would eventually be owned or operated by a private entity (HJR 201). As always, the League's focus is on supporting new tools that provide flexibility to local governments and opposing further mandates or extra regulations on local decisions on housing development.

Carbon Cap and Invest Proposal

Introduced late in the 2017 session, SB 1070 proposed the implementation of a cap and invest program. The bill was intended to signal the beginning of a process to create and pass a program during a future legislative session. Workgroups met this past September through November to draft similar legislation for introduction during the 2018 session.

The bills, SB 1507 and HB 4001, replicate many components of SB 1070. It proposes to: update greenhouse gas emission reduction targets; set a cap on carbon emissions for certain regulated entities that emit more than 25,000 metric tons of carbon dioxide (or carbon dioxide equivalent) annually; establish a market for the issuance of emission allowances within the cap; and create an offset market as an additional compliance tool. Revenues generated through the auctioning of emission allowances would be dedicated to the state's Highway Trust Fund, energy ratepayer relief, assistance for disadvantaged communities, and other programs. Many details of the program would be determined through rulemaking by the Oregon Environmental Quality Commission, with other state agencies involved in specific issue areas.

The League has heard varying positions on cap and invest from cities across the state. Due to the variety of input on this issue, the League does not have a position on the legislation,



but will provide regular updates to members so individual cities are well informed and positioned to communicate their feedback to the Legislature. Please check the League's weekly *LOC Bulletin* each Friday for regular updates throughout the 2018 session.

Public Contracting – Qualification Based Selection

The League introduced SB 382 during the 2017 legislative session to address concerns expressed by many cities regarding the mandated use of qualification based selection (QBS) for the procurement of certain professional services, including architectural and engineering. A public hearing was held on the 2017 legislation, but it did not pass out of committee. Following adjournment, the city of Hillsboro approached the League with a new concept, HB 4127, which will be introduced in 2018.

HB 4127 provides contracting agencies, including cities, an alternative to the current QBS process. The proposed alternative process would allow contracting agencies to make a selection of up to five consultants, based on qualifications. Following the selection, the contracting agency would request pricing information from the selected consultants. The contracting agency would then make a final selection based all information received. A contracting agency could continue to use the current QBS process, if they prefer, as the bill does not require use of the alternative process.

The League supports the proposed legislation and is working closely with Hillsboro and other municipalities to move the legislation forward. Cities interested in providing written testimony or contacting legislators to advocate for passage of HB 4127 are asked to contact LOC's Tracy Rutten at truten@orcities.org.

Gigabit Property Tax Exemption

The League will advocate for repeal of the gigabit tax property tax exemption for qualified centrally-assessed taxpayers. LOC is requesting this change because fiber optic gigabit technology has changed since 2015, when the exemption was created, and the program has not provided the intended benefits. It is being interpreted by some in ways that neither make sense fiscally nor provides the intended economic development incentive. There simply is not an appropriate return on investment in exchange for the tax break. The meaning of the exemption provisions is currently being litigated in a suit brought by Comcast against the Oregon Department of Revenue, and the local government taxes subject to the suit will be held up for years if the program is not repealed. The League is working with stakeholders to phase out the program with a reasonable property tax credit for Comcast and Frontier, the two companies that have applied for the incentive but have not yet received it. LOC has been part of a work group that was formed during the 2017 session to resolve the issue. HB 4027 is slated to address the issue.

Lodging Tax

The League will advocate for passage of HB 4120 that revises the definition of "transient lodging intermediary" to ensure all business model types that facilitate the retail sale of rooms or homes for lodging are required to collect and pay state and local lodging taxes and file tax returns. Presently, some intermediaries do not pay the tax, or only pay cities with which they have an agreement. The legislation will also clarify the authority of cities to conduct proper audits of lodging providers and intermediaries, using subpoena power if necessary. This will ensure that cities can track what properties are being rented, and that applicable city regulations can be enforced.

(continued on page 18)

Local Marijuana Tax

The League will be advocating for the lifting of current confidentiality requirements of local marijuana tax receipts. Beginning in January of 2017, the state began collecting local marijuana taxes for cities and counties that executed an intergovernmental agreement (IGA) with the Oregon Department of Revenue (DOR). The terms of the IGA require cities and counties to keep tax information confidential to the same standard as required of DOR in state statute. Disclosure of individual tax payer information or of a small pool of taxpayers is prohibited and is a felony. However, cities, no matter the number of marijuana taxpayer premises in their jurisdiction, need to be able to disclose marijuana tax revenue received each quarter from the state to their councils, mayors, budget staff, etc. to make budget decisions and comply with municipal budget laws.

Economic Development

During the 2017 session, due to the tight state budget and the failure to pass a revenue package, the Legislature spent only \$1 million in their omnibus tax credit bill. Thus, many tax credits were not extended and will sunset. The League will be watching for opportunities to advocate for new tax credits or extensions of income tax credits that have high economic development returns on investment. For example, the League would like to see the electronic commerce zone program extended and expanded to cover more than 15 enterprise zones, as there are cities on a waiting list to participate. The League has also been assisting with the development of a new brownfield remediation income tax credit to get brownfields cleaned up and redeveloped. Brownfields typically have very low property values, and thus are a burden on communities throughout the state. Modest tax credits are more likely to advance during the session if the next state revenue forecast comes in at a level that would trigger the kicker without more tax credit expenditures.

Building Codes

Legislation is underway to address alleged issues related to some locally run building inspection programs that use contracted parties to perform some of the program functions (HB 4086). There are two issues that need addressing to ensure that the inspections in these communities can continue. First, inspectors' specialized certifications need to be considered valid, regardless of the inspector's employer. Second, the right of cities to use third party contractors to provide building inspection programs must be made clear to prevent these programs from being shut down. The League is working on supporting legislation that will protect a city's ability to use these inspectors to ensure timely, efficient responses to building permit applications and building inspection needs.

Property Tax: Children's Districts

The League will continue to oppose the authorization of a new type of special district called children's districts (SB 1515). LOC has opposed such legislation each of the last two sessions, as these districts would have property tax authority and count towards the local government cap from Measure 5. As a result, such districts would cause or exacerbate property tax compression for cities, counties and other special districts. They will also create geographic tax inequities, depending on the borders of the new district. The programs and services to be provided by such districts can already be performed by school districts, recreational districts, cities and counties. The League maintains that comprehensive property tax reform is needed before this type of district should be authorized.

City officials can follow legislation of interest by logging on to the League's Bill Tracker on the Legislative page of the LOC website. In addition, the weekly *LOC Bulletin*, published Fridays at noon, will also help members stay current with developments in the Capitol. Finally, the League will once again present legislative webinars on February 16 and March 2. The one-hour webinars will begin at noon. ■



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League's Grassroots Advocacy Evolves

By Scott Winkels, LOC Intergovernmental Relations Associate

The 2018 short legislative session affords the League the opportunity to introduce new online tools that will boost its advocacy efforts.

The first change will allow for the more efficient and strategic engagement of city leaders in the legislative process. Email groups are being created that will include every mayor, councilor and city manager/administrator of the cities located within a legislative district. This will facilitate the effective delivery of highly targeted legislative alerts that will amplify the efforts of LOC lobbyists in advocating for home rule and city interests in the Capitol.

In addition, the League will be enhancing its social media efficacy to include more active member involvement. During the 2017 session, the League used social media to effectively reach members and the public with its messages on the need to restore recreational immunity for local governments, and in the process could gauge the messaging's impact. This showed that, going forward, social media will be a powerful tool for the League to use in educating the public on the top priority issues for cities. In addition to our own efforts to promote posts on Facebook and Twitter, we will be asking cities and city leaders to share, "Like" and otherwise spread these posts to their networks. Gaining widespread support for finance reform and the protection of local control will require consistent and disciplined messaging to Oregonians, and city leaders will be at the forefront of making that happen.

Finally, the League has identified a "ripple effect" of engagement when a city leader becomes involved with LOC. We have affectionately named this phenomenon the "Kalkhoven Effect" after the late Mayor of Nehalem and former LOC President, Shirley Kalkhoven. Engaged city leaders will be asked to encourage colleagues in their regions to participate in efforts like those mentioned above, and help build a statewide network that will quickly and effectively respond to legislative opportunities and challenges.



City leaders met one-on-one with legislators last session to encourage support of important issues to cities, including protecting home rule and finance reform.

League staff believe these are ambitious but achievable first steps to the formation of a comprehensive grassroots advocacy program that will build legislative clout and public support for the LOC's efforts to protect local control and achieve financial sustainability. ■

#ORCitiesLeg

Want to stay up to date on legislation, action alerts and LOC activities in the Capitol? Follow #ORCitiesLeg and Like, Re-Tweet and Share. We'll be using this hashtag from opening to closing gavel and are looking for city leaders to amplify our message.



Follow the League at the Legislature

Information is power, someone once said. To stay informed on local government issues managed by the LOC lobby team during the 2018 session, and to be most effective in their own advocacy efforts, cities can avail themselves of the many tools offered by the League. These include the following:

- **The LOC Bulletin** – delivered electronically every Friday, this publication has the most up-to-date coverage of the status and policy developments relating to bills being tracked by the League. Email loc@orcities.org to subscribe.
- **“Action Alerts”** – featured in the *LOC Bulletin* and on the League’s website, these are calls to action in which League lobby staff seeks city assistance in advocating the position of local government on specific legislation.
- **Bill Tracker** – available on the legislative page of the League’s website, this allows cities to keep tabs on individual pieces of legislation. See page 23 for how to log in and use the bill tracker.
- **Social Media** – follow us on Twitter ([@OregonCities](https://twitter.com/OregonCities)), like us on Facebook ([@LeagueofOregonCities](https://www.facebook.com/LeagueofOregonCities)), and subscribe to our YouTube channel ([@LeagueofOregonCities](https://www.youtube.com/LeagueofOregonCities)) to stay engaged and help us in our advocacy efforts by sharing and liking posts.
- **Webinars** – the League’s Intergovernmental Relations Department is planning two webinars (Friday, February 16 and Friday, March 2) to update participants on issues pending before the Legislature during the 2018 session. For more information, see the Friday *LOC Bulletin*.
- **“Summary of Bills”** – produced at the conclusion of every legislative session, this publication provides a recap of both passed and failed legislation of interest to local governments.

Also in this edition of *Local Focus* is an article, “League’s Grassroots Advocacy Evolves,” which describes the beginnings of a new commitment and a new method of engaging members in the legislative process. More targeted and hopefully more effective, it will assist local government officials’ efforts to have an even greater impact on policies coming out of the state capitol in Salem.

Finally, member cities are invited to call or email the League’s office at any time to talk with a member of the lobby team about a bill. Of particular interest to the advocacy team is local feed-

back or intelligence that can be offered about a bill, especially perspectives that might be provided concerning a legislator’s views on an issue.

One of the goals of the League’s strategic plan has been to “advocate effectively on behalf of the cities of Oregon, especially for the preservation and strengthening of home rule.” Cities can use the tools described above to stay informed, then use that information to help the League influence legislation and pursue positive outcomes for cities in the Capitol. ■

ACHIEVE MORE



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Julie B. Fahey,
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Legislative research, monitoring and tracking; correspondence and reports



Are You Signed Up for the LOC Bulletin?

Stay current on legislative news, action alerts, breaking news, bill summaries and more. The *LOC Bulletin* is emailed every Friday.

To be added to the distribution list, contact loc@orcities.org.

2018 Oregon Legislative Assembly

Dist.	Representatives	Party	Phone (503)	Office
HD 1	David Brock Smith	R	986-1401	H-379
HD 2	Dallas Heard	R	986-1402	H-386
HD 3	Carl Wilson	R	986-1403	H-390
HD 4	Duane Stark	R	986-1404	H-372
HD 5	Pam Marsh	D	986-1405	H-375
HD 6	Sal Esquivel	R	986-1406	H-382
HD 7	Cedric Hayden	R	986-1407	H-492
HD 8	Paul Holvey	D	986-1408	H-277
HD 9	Caddy McKeown	D	986-1409	H-476
HD 10	David Gomberg	D	986-1410	H-471
HD 11	Phil Barnhart	D	986-1411	H-279
HD 12	John Lively	D	986-1412	H-488
HD 13	Nancy Nathanson	D	986-1413	H-276
HD 14	Julie Fahey	D	986-1414	H-474
HD 15	Andy Olson	R	986-1415	H-478
HD 16	Dan Rayfield	D	986-1416	H-286
HD 17	Sherrie Sprenger	R	986-1417	H-388
HD 18	Rick Lewis	R	986-1418	H-479
HD 19	Denyc Boles	R	986-1419	H-385
HD 20	Paul Evans	D	986-1420	H-281
HD 21	Brian Clem	D	986-1421	H-478
HD 22	Teresa Alonso Leon	D	986-1422	H-283
HD 23	Mike Nearman	R	986-1423	H-378
HD 24	Ron Noble	R	986-1424	H-376
HD 25	Bill Post	R	986-1425	H-373
HD 26	Richard Vial	R	986-1426	H-484
HD 27	Sheri Malstrom	D	986-1427	H-280
HD 28	Jeff Barker	D	986-1428	H-480
HD 29	Susan McLain	D	986-1429	H-477
HD 30	Janeen Sollman	D	986-1430	H-487
HD 31	Brad Witt	D	986-1431	H-374
HD 32	Deborah Boone	D	986-1432	H-481
HD 33	Mitch Greenlick	D	986-1433	H-493
HD 34	Ken Helm	D	986-1434	H-490
HD 35	Margaret Doherty	D	986-1435	H-282
HD 36	Jennifer Williamson	D	986-1436	H-295
HD 37	Julie Parrish	R	986-1437	H-371
HD 38	Andrea Salinas	D	986-1438	H-485
HD 39	Bill Kennemer	R	986-1439	H-380
HD 40	Mark Meek	D	986-1440	H-285
HD 41	Karin Power	D	986-1441	H-274
HD 42	Rob Nosse	D	986-1442	H-472
HD 43	Tawna Sanchez	D	986-1443	H-273
HD 44	Tina Kotek	D	986-1200	H-269
HD 45	Barbara Smith Warner	D	986-1445	H-275
HD 46	Alissa Keny-Guyer	D	986-1446	H-272
HD 47	Diego Hernandez	D	986-1447	H-373
HD 48	Jeff Reardon	D	986-1448	H-473
HD 49	Chris Gorsek	D	986-1449	H-486
HD 50	Carla Piluso	D	986-1450	H-491
HD 51	Janelle Bynum	D	986-1451	H-284
HD 52	Jeff Helfrich	R	986-1452	H-489
HD 53	Gene Whisnant	R	986-1453	H-383
HD 54	Knute Buehler	R	986-1454	H-389
HD 55	Mike McLane	R	986-1455	H-395
HD 56	Werner Reschke	R	986-1456	H-377
HD 57	Greg Smith	R	986-1457	H-482
HD 58	Greg Barreto	R	986-1458	H-384
HD 59	Daniel Bonham	R	986-1459	H-483
HD 60	Lynn Findley	R	986-1460	H-475

Dist.	Senators	Party	Phone (503)	Office
SD 1	Jeff Kruse	R	986-1705	S-315
SD 2	Herman Baertschiger Jr.	R	986-1706	S-403
SD 3	Alan DeBoer	R	986-1707	S-421
SD 4	Floyd Prozanski	D	986-1708	S-413
SD 5	Arnie Roblan	D	986-1709	S-417
SD 6	Lee Beyer	D	986-1710	S-411
SD 7	James Manning	D	986-1600	S-205
SD 8	Sara Gelser	D	986-1712	S-405
SD 9	Fred Girod	R	986-1713	S-401
SD 10	Jackie Winters	R	986-1714	S-323
SD 11	Peter Courtney	D	986-1715	S-201
SD 12	Brian Boquist	R	986-1716	S-311
SD 13	Kim Thatcher	R	986-1717	S-307
SD 14	Mark Hass	D	986-1700	S-207
SD 15	Chuck Riley	D	986-1719	S-303
SD 16	Betsy Johnson	D	986-1720	S-209
SD 17	Elizabeth Steiner Hayward	D	986-1721	S-215
SD 18	Ginny Burdick	D	986-1722	S-223
SD 19	Currently Unrepresented			
SD 20	Alan Olsen	R	986-1724	S-425
SD 21	Kathleen Taylor	D	986-1725	S-423
SD 22	Lew Frederick	D	986-1726	S-419
SD 23	Michael Dembrow	D	986-1727	S-407
SD 24	Rod Monroe	D	986-1728	S-409
SD 25	Laurie Monnes Anderson	D	986-1729	S-211
SD 26	Chuck Thomsen	R	986-1730	S-316
SD 27	Tim Knopp	R	986-1721	S-309
SD 28	Dennis Linthicum	R	986-1713	S-305
SD 29	Bill Hansell	R	986-1726	S-415
SD 30	Cliff Bentz	R	986-1710	S-301

Stay Informed with Legislative Webinars

Two webinars are scheduled during the 2018 legislative session:

- February 16
- March 2

During these webinars, League staff will provide briefings on legislation of importance to cities, including action alerts for city officials to contact their legislators on specific bills.

The webinars start at noon. More information on how to sign up will be available in the *LOC Bulletin* and online at www.orcities.org/legislative.



ASK LOC

Q: How can I track bills during the 2018 legislative session?

A: There are two ways to track bills. One way is CM3, which tracks the League's bills, and the other is the Oregon Legislative Information System (OLIS).

Why Should I Use CM3?

CM3 uses the data available on OLIS, but it focuses on the bills that the League is tracking. It also provides League specific information about the bills including: the priority level; position; category; and lobbyist handling the bill. CM3 allows you to create and download customized reports, which provide hyperlinks to the most current drafts of bills.

How Do I Get to the Bill Tracker?

The League's bill tracker, CM3, can be accessed by going to **mycm3.com** or by clicking on the "Legislative" tab on the League's website and then clicking the "Bill Tracker" tab.

Is CM3 Open to Everyone?

CM3 is available to all League members by using the following username and password:

Username: loc@orcities.org

Password: loc@orcities.org

How Do I Use CM3 Once I am Logged On?

At the top there are four clickable tabs: "Calendar," "Tracking," "Reporting" and "Useful Links."

Date	Time	Committee	Measure	Position	Type	Location
6/19/2017	8:30 AM	JTR	HB 3469	No Position	Work Session	H.R.A.

The calendar shows hearings scheduled on tracked bill, including the name of the committee, room for the hearing, and assigned League lobbyist. The bill number is a hyperlink to the most updated version of the bill. Each week, the calendar is available in PDF form in the League's Friday *LOC Bulletin*, but new hearings are scheduled throughout the week.

Tracking

The "Tracking" tab allows the user to see and email the members of a legislative committee. First, select either Senate, House or Joint Committee from the "Committee Type" menu then on the "Committee Name" menu choose the correct committee. A list of the committee member's name and email will populate in a table on the same page allowing an email to the entire committee to be sent.

Reporting

Reporting allows the user to create either a simple "Bill Log" or a customized "Full Bill Summary." Both the bill log and full summary can be exported into various file formats using the drop down menu that looks like

Bill Log

Measure	Client Name	Date Input	Date Out	Position
HB 2001	League of Oregon Cities	1/13/17		Support
HB 2008	League of Oregon Cities	1/13/17		Support

The bill log is a simpler version of the bill summary. It can be customized by category, position or priority by the respective drop down menus. However, the bill log does not identify the lobbyist working on the bill. It does not provide as much information about the bill content.

Full Bill Summary

Measure	Position	Priority	Date Input	Assigned To	Category
HB 2001	Support	3	1/13/17	Erin Doyle	Housing

(continued on page 24)

How to Use Bill Tracker and OLIS

The full bill summary allows a customized report based on a number of categories, and the report provides a summary of the bill, history, the position, priority, employee, and category. The bill summary is available in PDF form each week in the League's Friday Bulletin.

What is OLIS?

The Oregon Legislative Information System (OLIS) is an on-line database with information on current and past legislative sessions. In OLIS, you can view a day's legislative activities, find bills and related bill materials, watch and listen to legislative committee hearings, and watch both Senate and House floor sessions.

How Can I Access OLIS?

OLIS is accessed using the "OLIS" icon on the Oregon State Legislature's home page: www.oregonlegislature.gov.



How Do I Track a Bill in OLIS?

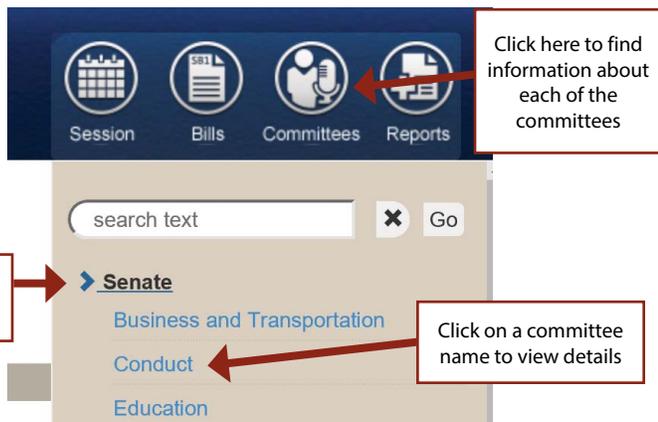


To find a bill, click the "Bills" icon on the right and select to search by number, text or sponsor. After entering your search criteria select "Go" and click on the bill number to see a significant amount of information, such as the bill's legislative history.

How to Use Bill Tracker and OLIS

How Do I Track a Committee's Activity?

Select "Committees" from the icons on the OLIS home screen. Using the arrows, you can see all of the committees for the chamber and select the committee of interest. The committee home page includes links to specific bill hearings and informational sessions. Following committee activities is important to understanding both legislative history and actions the legislature may take in future sessions.



Can I View Bills or Materials from Past Sessions?

Yes. OLIS contains committee materials, floor materials, and bills dating back to 2007. Under the "Session" tab, click the session of interest and use the same search functions as described above.

Questions

If you have questions, or need help navigating the CM3 system or OLIS, please contact LOC Intergovernmental Relations Assistant Jenna Jones at: jjones@orcities.org or (503) 588-6550.

If you would like a more in depth how to guide to use CM3 and OLIS, visit www.orcities.org/legislative. ■



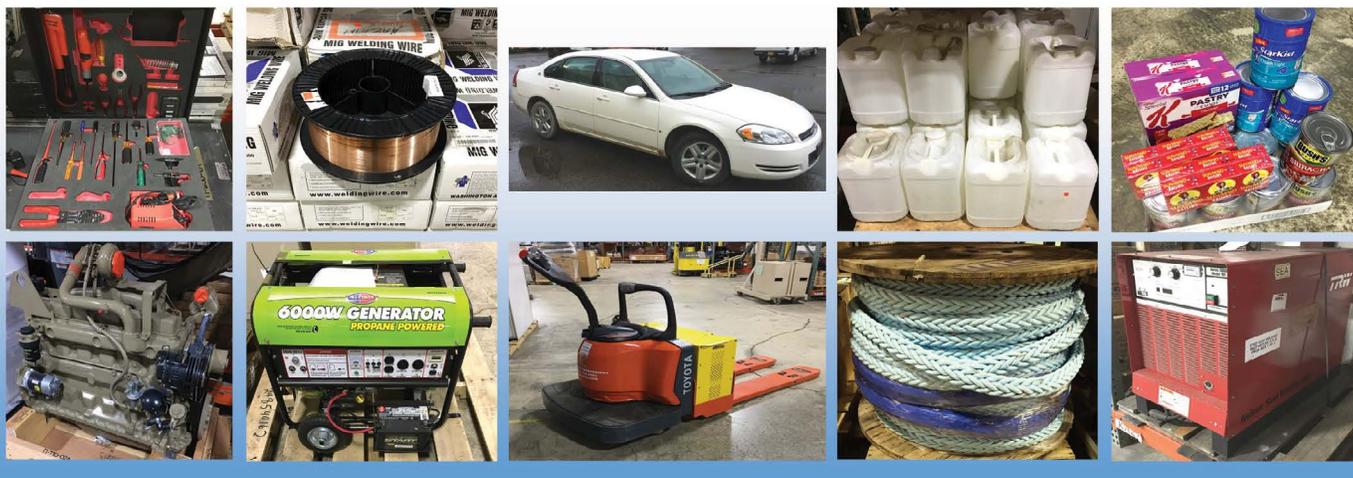
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2018 State Shared Revenues

Information and forecast estimates in this report are based on the best information available at publication in January 2018. The material is subject to forecast and law changes made throughout the year.

Per Capita State Shared Revenues for Cities

Per capita distributions for revenue sources are calculated based on certified population statistics from Portland State University's Center for Population Research (PSUCPR). Population estimates compiled each July are typically certified on December 15, and thereafter begin to govern the distributions. See page 32 for certified population estimates. Note that quarterly state marijuana tax distributions will use the most recent PSUCPR population numbers (not the yearly certified numbers). Therefore, per capita numbers for those distributions will change throughout the year with annexations, etc.

	Liquor Revenues (20% of Total Share)	Cigarette Tax Revenues	9-1-1 Tax Revenues	Highway Trust Fund Revenues (Gas Tax)	Marijuana Tax Revenues (75% of City's Share)
2016-17 Estimates (2017 SSR Report)	\$14.90	\$1.26	\$5.47	\$58.47	N/A ¹
2016-17 Actuals	\$13.88	\$1.30	\$5.17	\$58.75	\$0 ²
2017-18 Estimates	\$17.85	\$1.27	\$5.37	\$64.75	N/A ³
2018-19 Estimates	\$18.37	\$1.21	\$5.50	\$72.48	\$2.51
2019-20 Estimates	\$19.03	\$1.18	\$5.62	\$75.17	\$2.99

Non-Per Capita Based State Shared Revenues for Cities

State marijuana taxes and liquor revenues have partial distributions to cities that are not based on population. The 14 percent liquor revenue share to cities uses an adjusted population formula that factors in per capita property taxes and per capita income of each city. (See ORS 221.770). The 25 percent state marijuana tax share to cities is distributed based on the number of licensed marijuana premises in each certified city compared to the total number of licensed marijuana premises in certified cities. This includes grower, wholesaler, retailer, etc. licensed premises. The estimates for the total share for all cities is provided in the following table to allow cities to see trends to assist cities in their individual computations.

	Liquor Revenues (Based on Formula, 14% of Total Share)	Marijuana Tax Revenues (Based on Licenses, 25% of City's Share)
2016-17 Estimates (2017 SSR Report)	\$29,613,000	N/A ¹
2016-17 Actuals	\$27,265,744	\$0 ²
2017-18 Estimates	\$35,478,000	\$3,452,887
2018-19 Estimates	\$36,926,000	\$2,033,551
2019-20 Estimates	\$38,701,000	\$2,423,277

1 The total 2016-17 state shared marijuana tax estimated distribution to cities, provided for in the 2017 report, was \$5,640,000 plus an additional \$1,430,000 from revenues received in 2015-16 but that had not yet been distributed. No per capita estimate was provided in the 2017 report because the forecasts and distribution methods were in flux.

2 No state payments were actually made in fiscal year 2016-17 as payments were delayed. Backlog payments were made in October and December 2017, and thus they are included within the total fiscal year 2017-18 estimates. See bar graph on page 28.

3 A per capita estimate isn't applicable because two formulas were at use in 2017-18.

2018 State Shared Revenues

City Budgeting Basics on the 5 Sources

By Wendy Johnson, LOC Intergovernmental Relations Associate

Cities are expected to again receive five different state shared revenues in the upcoming fiscal year. Most shared revenues are distributed to cities based on population, but some use more complex distribution mechanisms. The five summarized below include revenue projection trends, descriptions of each revenue source, and an explanation of the city share and how it is calculated.

Using state projections, the League has produced estimates of state shared revenues for cities to utilize when formulating their budgets. Projections for distributions to cities may be revised up or down throughout the year as revenues come in or as laws change. For further detailed estimates and explanations of each shared revenue, see the League’s State Shared Revenue Report, which is available online.

State Shared Revenue Background

City general funds in Oregon primarily come from property taxes, franchise fees, transient lodging taxes, fees for services and state shared revenues. As a key revenue source for cities, state shared revenues help provide basic services and meet community needs. When state shared revenue formulas were first established, local governments were generally preempted by the state from enacting or continuing to enact local taxes

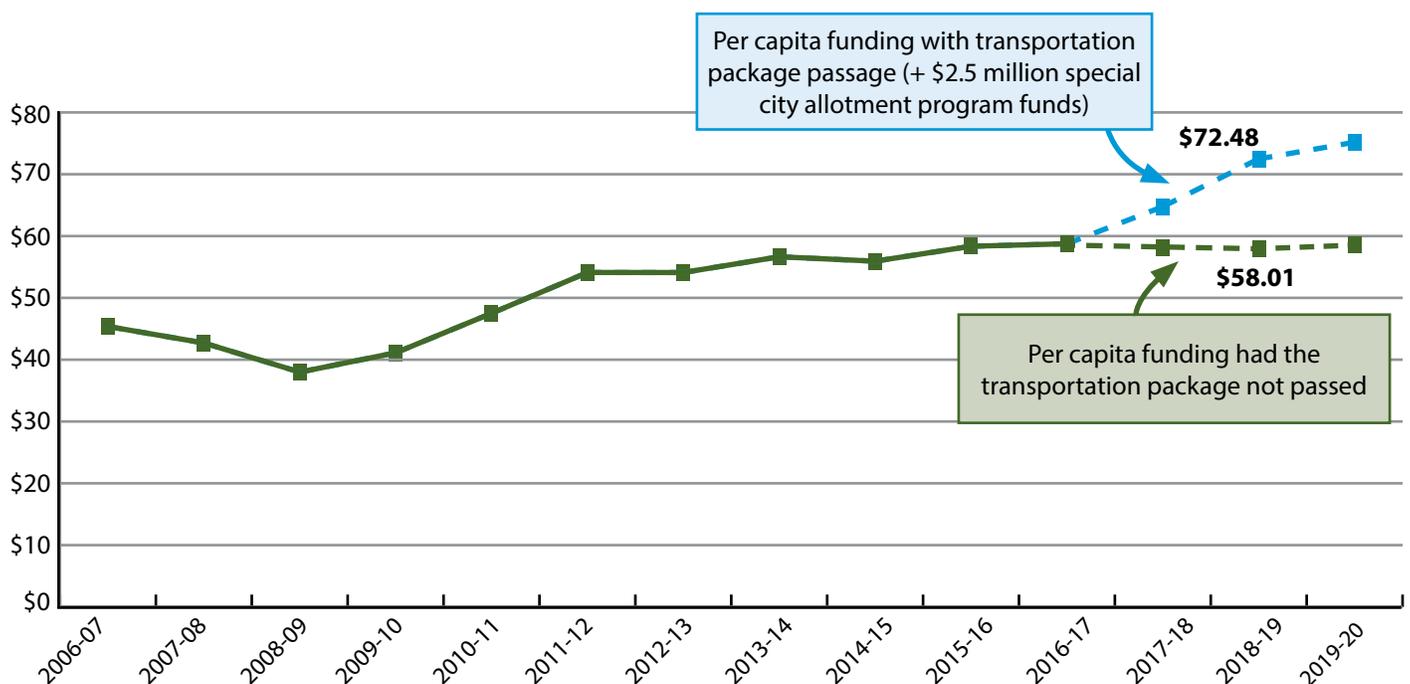
in exchange for a specified portion of the revenues collected by the state. Thus, these revenues should not be viewed as “shared revenues,” but as historical city and county revenues that are now collected by the state. Despite continued local revenue challenges and rising service costs, state shared revenues are often threatened with cuts as a means to help balance the state budget. The League’s advocacy work continues to include efforts to protect or improve each of these revenue sources for cities.

The 5 State Shared Revenues

1. Highway Trust Fund Revenues (Gas Taxes, etc.)

City revenues from the State Highway Trust Fund will see significant per capita dollar increases starting this fiscal year that will continue to grow in the following years. This is due to the important passage of the transportation package, HB 2017, during the 2017 legislative session. Priority legislation that was strongly supported by the League, the package provides for a 10-cent gas tax increase over a seven-year period and a 53 percent increase in the weight-mile tax. Registration and title fees also will gradually increase. With the package, the state gas tax increased on January 1, 2018 from 30 cents per gallon to 34 cents. Additional 2 cent increases will

Actual and Projected Highway Trust Fund Disbursements to Cities (Per Capita)



occur in 2020, 2022 and 2024. The city share of the Highway Trust Fund is approximately 16 percent; counties receive about 25 percent, and the Oregon Department of Transportation (ODOT) receives 59 percent. From the cities' total allocation, \$2.5 million will now go to the special city allotment fund and will be matched by the Oregon Department of Transportation. The annual allotment provides grants to small cities (population less than 5,000) to fund transportation projections. Previously, the allotment had been just \$500,000, but the League successfully advocated for an increase in the transportation package.

2. Marijuana Tax Revenues

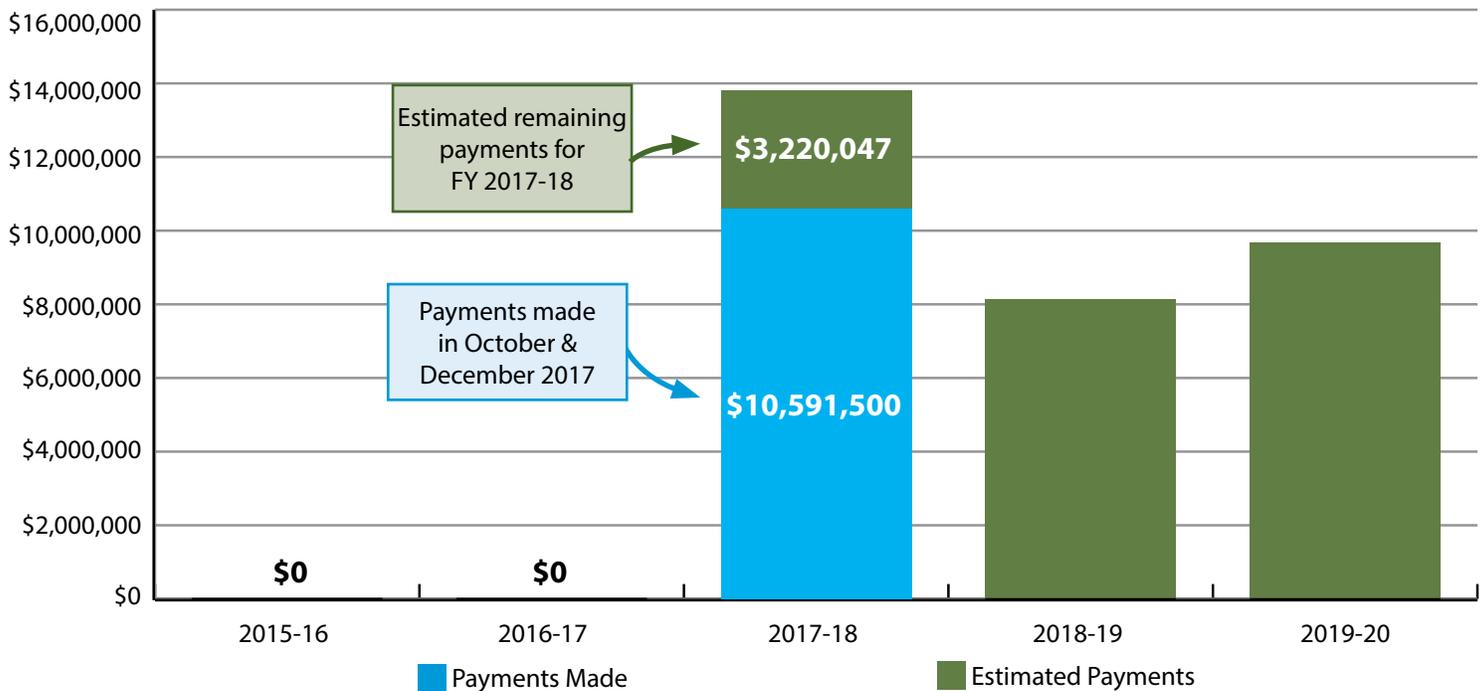
Currently, the state imposes a 17 percent tax on recreational marijuana products. Cities may impose an additional 3 percent tax on such products. Cities receive 10 percent of the state's total revenues on recreational marijuana products, but the formula for distributing that 10 percent has changed over time. (A city that imposes a 3 percent tax on such products would, of course, receive that money as well, but such revenues are not considered part of the "shared revenue" from the state). Originally, 10 percent of state taxes collected between January 1, 2016, and June 30, 2017, was distributed to all cities on a per capita basis (those payments were made in October and December 2017). However, due to the intent of the voters who enacted the recreational marijuana measure, Measure 91 (2014), cities that ban one or more marijuana license types will no longer receive any shared revenue from the state marijuana tax. Thus, for state revenues collected on July 1, 2017, and beyond, only cities certified by the Oregon Liquor Control Commission (OLCC) that do not ban marijuana will receive state marijuana tax revenue. HB 3470 (2017) adjusted the quarterly tax distribution formula

for those cities: 75 percent of the shared revenue is distributed to eligible cities on a per capita basis, and 25 percent of the shared revenue is distributed to cities based on the number of license premises in the city (grower, retailer, wholesaler, etc.). Revenues collected after June 30, 2017, were also distributed in October and December using the new 75/25 formula. Because the October distribution only represented a partial quarter, the League suggests that cities eligible for the shared revenue (i.e., do not ban marijuana facilities) use the December distribution as a starting point for making their upcoming fiscal year budget projections. Note, however, that the license portion of the distribution is particularly hard to predict in the new industry as the number of licenses continues to increase each quarter, but their location greatly varies. As in the past, the League suggests conservative budgeting practices for this revenue stream. Updated state marijuana tax revenue projections are expected in mid- to late-February. Cities are reminded that due to the League's advocacy efforts, potential statutory restrictions on how state shared marijuana revenues may be used were removed in HB 3470 (2017).

3. Liquor Revenues

Cities' share of this revenue source is projected to continue trending upward. The three major contributors to this revenue source are: the sale of distilled spirits; taxes on beer, wine and cider; and liquor licensing fees. Distilled spirit sales make up 96 percent of this revenue source. That's because the state maintains the exclusive right to sell packaged distilled spirits and sets the mark-up on products using a wholesale price formula. Thus, the bulk of this state shared revenue technically is based on profits (the mark-ups on spirits) and not taxes. At approximately 8 cents per gallon or about 4 cents on a six-pack, Oregon's beer tax continues to be one of lowest in

Actual and Projected State Marijuana Tax Disbursements to Cities



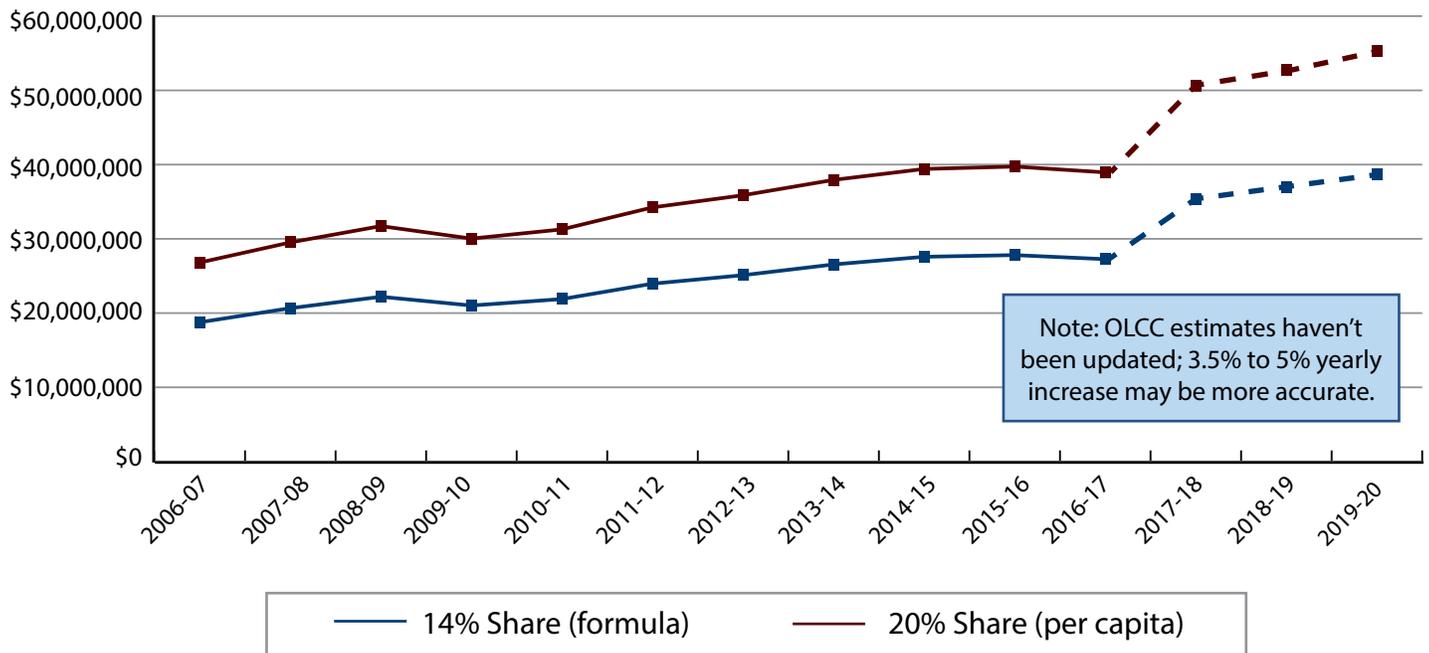
the country. The wine tax is in the middle compared to other states, and is 67 cents per gallon. Cities' share of this total state shared revenue source is 34 percent, of which 20 percent is distributed to cities per capita, with 14 percent distributed using a formula that factors in property taxes, population and income. Cities will note a small blip on the revenue distribution line graph this time, indicating that revenues decreased a bit in 2016-17. This decrease is due to a loan of approximately \$650,000 from the liquor fund to pay for start-up costs of the marijuana program. That money was repaid in 2017-18. The loan was smaller than initially anticipated, as the number of licenses issued has been higher than projected and they offset costs of administration. The OLCC has not adjusted

their projections for some time, and the League recommends more conservative budgeting than the projections provided. A reasonable economic estimate, according to the Office of Economic Analysis, is a 3.5 to 5 percent increase over last year's actual payments.

4. Cigarette Tax Revenues

This revenue source is projected to continue trending downward—which it has for more than 10 years—as smoking decreases. Cigarette taxes are currently \$1.33 per pack, and cities' share of that revenue is a meager 1.7 percent of the tax, or about 2 cents per pack. The tax increased from \$1.32 to \$1.33 on January 1, 2018, pursuant to the last phase

Actual and Projected Liquor Tax Disbursements to Cities



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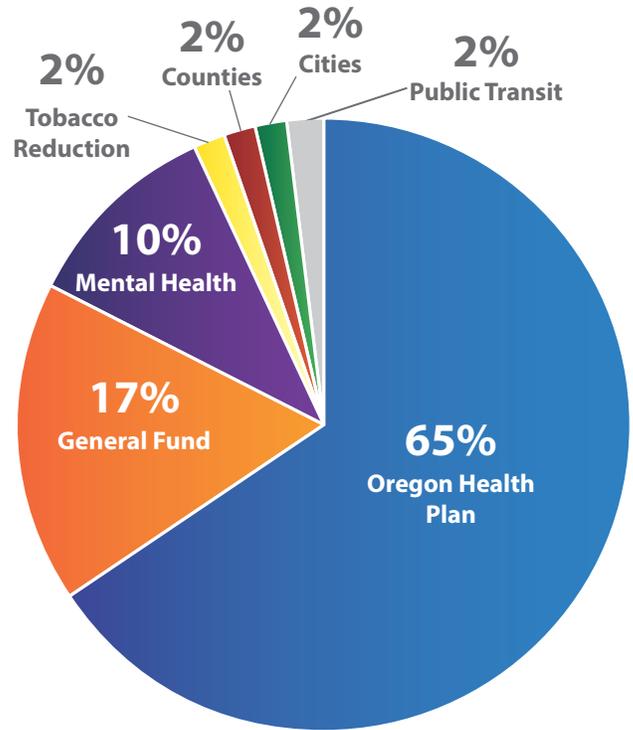
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of gradual increase legislation passed in the 2013 special session. Efforts to increase the tax further failed during the 2017 session, as such tax increases require a three-fifths vote by the Legislature and there wasn't the political support. It's important to note that while cities receive a share of tax revenues for cigarettes, no shared revenue is distributed for any other tobacco products, including cigars, moist snuff, chewing tobacco, pipe tobacco, etc. Imposing a new state tax on vaping products (e-cigarettes) was discussed at length in the 2017 session, with several bills in play. Under home rule, cities can impose a local vaping tax, but current law preempts cities from imposing a tax on the sale or use of any tobacco or cigarette product. The League opposes local vaping tax preemptions, and will continue to advocate for a reasonable share of any new state vaping tax.

5. 9-1-1 Tax Revenues

9-1-1 tax revenue projections are trending with modest growth. However, the cost of providing enhanced 9-1-1 services continues upward. Most cities will not directly receive this state shared revenue, as the city share is directed to the public safety answering point (PSAP) provider connected to the statewide

Distribution of Cigarette Tax Revenues



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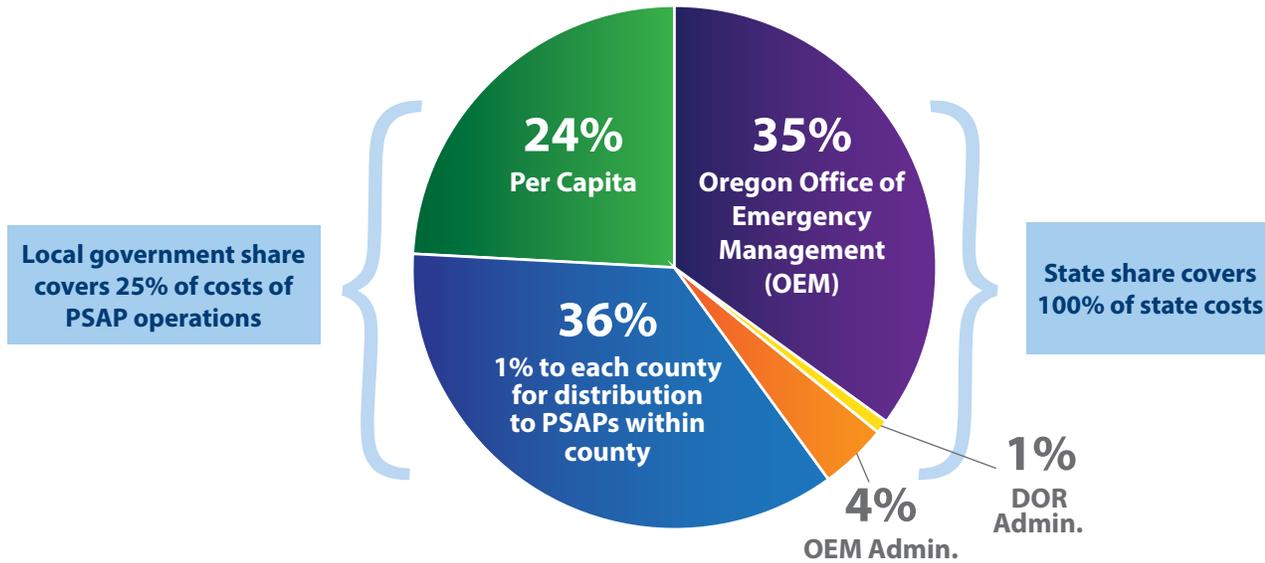
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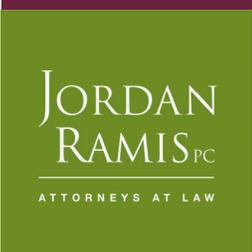
network. Less than 20 of the 43 PSAPs in Oregon are operated by cities; most are managed by counties or a regional entity. This responsibility is partially funded through the state’s Emergency Communications Tax, which is 75 cents per month per phone line. Prepaid wireless products are now also taxed at sale, at a rate of 75 cents per transaction. Local governments receive approximately 60 percent of 9-1-1 taxes,

but the taxes generally cover less than 25 percent of the costs of total PSAP operations. Ratios of individual PSAP costs to taxes received vary. The local government share is 1 percent to each county, with the remainder distributed per capita.

Contact: Wendy Johnson – wjohnson@orcities.org or (503) 588-6550. ■

Distribution of 9-1-1 Tax Revenues





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Certified Population Estimates* – Alphabetical

Adair Village	850	Depoe Bay	1,440	Independence	9,340	Mt. Vernon	525	Sodaville	335
Adams	375	Detroit	210	Ione	330	Myrtle Creek	3,490	Spray	160
Adrian	180	Donald	985	Irrigon	1,975	Myrtle Point	2,535	Springfield	60,655
Albany	52,710	Drain	1,160	Island City	1,115	Nehalem	280	St. Helens	13,240
Amity	1,640	Dufur	605	Jacksonville	2,950	Newberg	23,480	St. Paul	435
Antelope	50	Dundee	3,225	Jefferson	3,235	Newport	10,215	Stanfield	2,145
Arlington	610	Dunes City	1,325	John Day	1,735	North Bend	9,800	Stayton	7,770
Ashland	20,700	Durham	1,880	Johnson City	565	North Plains	2,980	Sublimity	2,755
Astoria	9,735	Eagle Point	8,930	Jordan Valley	175	North Powder	445	Summerville	135
Athena	1,175	Echo	705	Joseph	1,120	Nyssa	3,285	Sumpter	205
Aumsville	3,970	Elgin	1,730	Junction City	6,075	Oakland	945	Sutherlin	8,060
Aurora	980	Elkton	210	Keizer	38,345	Oakridge	3,245	Sweet Home	9,090
Baker City	9,890	Enterprise	1,985	King City	3,630	Ontario	11,465	Talent	6,325
Bandon	3,125	Estacada	3,280	Klamath Falls	21,770	Oregon City	34,610	Tangent	1,235
Banks	1,775	Eugene	167,780	La Grande	13,245	Paisley	270	The Dalles	14,625
Barlow	135	Fairview	8,975	La Pine	1,730	Pendleton	16,890	Tigard	50,985
Bay City	1,340	Falls City	950	Lafayette	4,095	Philomath	4,710	Tillamook	4,930
Beaverton	95,685	Florence	8,745	Lake Oswego	37,490	Phoenix	4,605	Toledo	3,485
Bend	86,765	Forest Grove	23,555	Lakeside	1,725	Pilot Rock	1,505	Troutdale	16,070
Boardman	3,635	Fossil	475	Lakeview	2,300	Port Orford	1,145	Tualatin	26,960
Bonanza	455	Garibaldi	790	Lebanon	16,720	Portland	639,100	Turner	2,005
Brookings	6,595	Gaston	650	Lexington	255	Powers	695	Ukiah	245
Brownsville	1,705	Gates	485	Lincoln City	8,665	Prairie City	915	Umatilla	7,245
Burns	2,830	Gearhart	1,480	Lonerock	20	Prescott	55	Union	2,150
Butte Falls	430	Gervais	2,570	Long Creek	195	Prineville	9,880	Unity	75
Canby	16,660	Gladstone	11,840	Lostine	215	Rainier	1,910	Vale	1,915
Cannon Beach	1,705	Glendale	875	Lowell	1,070	Redmond	28,265	Veneta	4,785
Canyon City	705	Gold Beach	2,275	Lyons	1,180	Reedsport	4,155	Vernonia	2,065
Canyonville	1,925	Gold Hill	1,220	Madras	6,300	Richland	175	Waldport	2,095
Carlton	2,205	Granite	40	Malin	815	Riddle	1,185	Wallowa	805
Cascade Locks	1,310	Grants Pass	37,135	Manzanita	635	Rivergrove	500	Warrenton	5,285
Cave Junction	1,935	Grass Valley	165	Maupin	425	Rockaway Beach	1,350	Wasco	420
Central Point	17,700	Greenhorn	2	Maywood Park	750	Rogue River	2,220	Waterloo	235
Chiloquin	740	Gresham	109,820	McMinnville	33,665	Roseburg	24,015	West Linn	25,695
Clatskanie	1,760	Haines	415	Medford	79,590	Rufus	280	Westfir	255
Coburg	1,085	Halfway	290	Merrill	840	Salem	163,480	Weston	685
Columbia City	1,985	Halsey	925	Metolius	740	Sandy	10,855	Wheeler	405
Condon	685	Happy Valley	19,985	Mill City	1,860	Scappoose	6,875	Willamina	2,110
Coos Bay	16,615	Harrisburg	3,655	Millersburg	1,835	Scio	905	Wilsonville	24,315
Coquille	3,915	Helix	195	Milton-Freewater	7,070	Scotts Mills	370	Winston	5,410
Cornelius	11,915	Heppner	1,295	Milwaukie	20,550	Seaside	6,620	Wood Village	3,920
Corvallis	58,735	Hermiston	17,985	Mitchell	140	Seneca	160	Woodburn	24,685
Cottage Grove	9,920	Hillsboro	101,540	Molalla	9,610	Shady Cove	3,105	Yachats	740
Cove	550	Hines	1,560	Monmouth	9,855	Shaniko	35	Yamhill	1,075
Creswell	5,410	Hood River	7,955	Monroe	620	Sheridan	6,185	Yoncalla	1,065
Culver	1,420	Hubbard	3,300	Monument	130	Sherwood	19,350		
Dallas	15,570	Huntington	445	Moro	330	Siletz	1,235		
Dayton	2,670	Idanha	140	Mosier	455	Silverton	10,070		
Dayville	155	Imbler	305	Mt. Angel	3,400	Sisters	2,540		

* These numbers reflect the December 15, 2017 certified numbers from the Portland State University Population Research Center. State shared revenues for the Highway Trust Fund, Liquor Revenues, Cigarette Tax Revenues, and 9-1-1 Emergency Communication Tax Revenues will use these populations. Portland State also provides quarterly supplemental population reports which will provide the basis for quarterly marijuana revenue distributions. The supplemental reports are available at <https://www.pdx.edu/prc/population-reports-estimates>.



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Looking Ahead (and Back) at Pre-Loss Employment Trends

When reviewing the record number of calls taken by CIS Pre-Loss last year (544), it appears cities have discovered that employment law claims are expensive, inconvenient and (unfortunately) popular. And because they're receiving this important message, more and more CIS-member cities are seeking help from CIS' Pre-Loss attorneys. "Many cities want to ensure that the termination or other decision affecting an employee is being done 'right,'" said CIS Senior Pre-Loss Attorney Tamara Jones. "The fact that CIS members have confidence in the guidance and advice (Pre-Loss Attorney) Katie Kammer and I provide to them means a great deal to us, and we take pride in the fact that Pre-Loss calls appear to have become a more acceptable part of most CIS members' decision-making process whenever a termination or suspension is on the line."

The bulk of the calls and emails to the two attorneys fall into two categories: terminations and leaves of absence/disability accommodation. Fortunately, the bulk of termination decisions they've reviewed have been properly vetted.

Proper vetting of a decision means that the city has a good documented history of performance problems, good documented efforts to work with the employee when problems arise, and a legitimate basis for termination that passes the "F Word"—would a juror think is it fair?—test.

In some cases, a city may want to terminate its employee after years of poor performance with little to no documentation, or documentation that is so one-sided, it would have little value if the employer were sued.

(continued on page 34)

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“A manager’s running log of ‘problems’ with no corroborating written proof that the employee received information about those ‘problems’ would fall into this category,” said Jones.

Other issues that some cities have a hard time with are leaves of absence and disability accommodations.

“We field a lot of questions about how to handle the employee who has exhausted 12 weeks of FMLA/OFLA leave of absence but can’t return to work due to a medical issue,” said Jones. “Some employers, acting out of frustration and without consulting the law, want to fire that employee for ‘abandoning’ his/her job; for many others, the question is how best to approach the employee to see if a legally required unpaid leave of absence is necessary as a form of ‘reasonable accommodation’ under the Americans with Disabilities Act.”

Raised Deductible in 2016 was CIS’ Response to Skyrocketing Claims

Back in 2016, CIS was experiencing so many employment claims related to terminating or disciplining employees that it raised its deductible for claims from \$5,000 to \$15,000 for claims where the member had not sought and taken the advice of Pre-Loss attorneys. The raised deductible was designed as an extra incentive for cities to reach out to CIS Pre-Loss attorneys before firing or disciplining an employee.

In 2017, members were responsible for \$151,000, much of it related to the \$15,000 employment claim deductible, according to Jones.

So even with the record number of Pre-Loss calls, more cities need to contact CIS before acting to avoid paying the \$15,000 deductible.

Some ‘Trust’ Issues

Last year, one CIS member paid a \$15,000 pre-loss deductible after receiving a claim from an employee who was terminated against the advice provided by a CIS Pre-Loss attorney.

“The issue was whether they ‘trusted’ the employee,” said Jones. “Why wouldn’t that be a good reason to let someone go?”

Yet, according to Jones, whenever an employer picks what she calls a “soft skill” as a basis for a termination, it’s very important that the employer has some concrete examples to back up that conclusion.

“Words like ‘trust’ or ‘professionalism’ have subjective meanings,” said Jones. “They aren’t universally shared.”

That’s what makes terminations for “trust” more difficult to defend than terminations for failing to meet a work plan, or for engaging in harassment—these are defined situations in which the employer has provided employee education, either through disciplinary or coaching documentation, or employer policies.

Considering that most jurors who will hear the employment law claims against CIS members are also employees themselves, it’s important to pick reasons that can be easily and

CIS Unveils New Podcast and More!

At the CIS Annual Conference, CIS will introduce Pre-Loss Attorney Katie Kammer’s employment law podcast. Meanwhile, CIS’ sample handbook for 2018 will become available in the next couple of months, and CIS is in the process of updating and streamlining its HR forms available on the CIS website and continues to provide handbook and policy reviews as time permits. And, lastly, the H2R/Pre-Loss team will be available to assist cities throughout the year with educational training, and other efforts relating to their individual HR/employment law needs.

universally defined: To an employer, “trust” may mean something very different than to a juror-employee with no managerial experience.

Also, the city that wants to terminate for “trust” issues typically has a more concrete basis for termination that they just can’t see, given the emotion surrounding whatever the event was that led them to think that “trust” or “professionalism” was the real reason.

“That’s why a good conversation with outside counsel before any termination decision can oftentimes identify a more defensible reason for a termination,” said Jones.

In the case about “trust,” the employee was reportedly a friend of another employee who’d been extremely outspoken about and critical of the organization’s operations. Unfortunately for employers, however, an employee who associates with someone who’s a member of a protected class—in this case, a whistleblower—has protection against retaliatory acts.

“When the member came to us to talk about the termination, they were obviously disappointed with the employee, which turned out to be an obstacle to seeing the situation with objective eyes,” Jones said. “Instead of focusing on the risk of firing someone with a protected class status, the member wanted to fire the employee for ‘trust’ issues and for unsatisfactory work.”

Unfortunately for the CIS member, there was nothing in the employee’s history with the organization (or personnel file) to support such a decision.

“Arguing to a jury that the ‘real’ reason was either not or only partially based on her friendship with the whistleblower would be a loser argument,” said Jones. “This is why we recommended against the termination.”

There were other options available to address the situation, she added.

Has #MeToo Reached Cities?

Surprisingly, the #MeToo movement hasn’t generated as many calls or questions as CIS attorneys had anticipated.

“I believe the lack of reaction can be attributed to the fact that so many of CIS’ members already have strong anti-

harassment policies in place,” said Jones. “They’ve also educated their employees on this issue through CIS trainings and other resources in the past five years—and even before then.”

Jones doesn’t believe cities are “burying their heads in the sand” when it comes to harassment in the workplace.

“I just believe they may have been better prepared to deal with the increased scrutiny and questioning from employees than some of their private sector counterparts,” she added.

That said, CIS does have a fair number of harassment trainings scheduled in the first six months of 2018 and it’s expected that the training requests will continue throughout the year.

HR Issues for 2018: Equal Pay, Retaliation, Veterans’ Preference & Marijuana

There are a number of employment laws that will require careful consideration in 2018.

Cities (and all Oregon employers) are less than a year away from being subjected to claims stemming from unlawful pay practices under Oregon’s new Pay Equity Act. It will require cities to immediately review their hiring practices to determine if they’re lawful by the new law’s standards, and whether 2018 will be the year to engage in pay equity analyses within their respective organizations. (The law requires one per protected class.)

Another important issue is retaliation. These types of claims continue to clog the courts and administrative agencies, and remain a hot topic.

Cities also need to take the time to ensure that 2018 is the year that veterans’ preference is properly applied at every stage of the application/hiring process.

Marijuana usage by employees continues to present uncertainties for Oregon employers, especially now that state attorney generals have been given the “green light” by the federal government to prosecute marijuana users in states like Oregon, where usage of marijuana remains lawful.

Bottom line: Employers will have a lot going on in 2018, and CIS encourages cities to continue to reach out to the Pre-Loss and Hire to Retire (H2R) teams for assistance in navigating these complicated issues.

“I’d also like to see cities continue to practice defensive management whenever they work with employees and employee relations issues that could result in a claim,” said Jones.

Jones admits that defensive management encompasses a fair number of different situations, and creates difficulties for employers that would like to manage their employees the way they see fit. However, as long as society operates in a legal system that provides no checks or balances on employment law claims before they’re filed, and as long as employment laws give

“Hire to Retire” (H2R) Program Launches New Roundtables

In spring 2018, CIS is launching “HR Roundtables” across the state. Instead of formal training for managers and supervisors, CIS’ H2R team will talk to city employees who handle or oversee human resources and employee relations issues in a discussion-style format.

“The roundtables will involve small, regional groups, and will be all about them,” said Senior Pre-Loss Attorney Tamara Jones.

Sharon Harris, CIS’ Human Resources Senior Consultant and a member of the H2R team who will be leading some of the roundtable discussions, said the H2R team wants to hear about what HR issues CIS members are facing now, and what big issues they’re anticipating in the next couple of years. She also wants to hear about the HR issues that “keep them up at night.”

Although a formal training program like the “Spring Supervisor Training” won’t be offered in 2018, the CIS H2R team is committed to continuing its training efforts, whether it be through in-person trainings or trainings provided online, as well as targeted HR assessments. The topic of CIS member training needs will also be discussed during the HR roundtables.

“We’re looking for direct feedback on what we’re doing right for CIS members in the HR/employment law world and what we can do better,” said Jones, who supervises CIS’ pre-loss program.

CIS members should look for more information about the HR roundtables in the next couple of months.

The H2R/Pre-Loss team also has a robust series of pre-conference and conference sessions ready to go for the CIS Annual Conference, Feb. 28 – March 2 in Salem.

employees the benefit of the doubt before a city has its day in court, cities can’t afford to be anything less than vigilant.

“Given the prevalence of employment law claims, it’s not a matter of getting sued that’s at issue,” said Jones. “What counts is getting sued on your terms, not theirs.”

Good documentation has never been more important. Employers must have policies and enforce them consistently, and they must treat their employees fairly and with respect.

“Cities should think about that in 2018 and beyond,” said Jones. ■

ONTARIO New Splash Pad

Three years ago, budget cuts forced the closure of Ontario's swimming pool and golf course. But, with the community clamoring for more activities for kids and a grassroots movement to make that a reality, the city is now scheduled to break ground on a new splash pad near the Ontario Aquatic Center this month.

The Ontario City Council voted unanimously during its work session last month to hire Anderson Poolworks to build the splash pad. City Manager Adam Brown said citizen involvement has been key to the project, which will begin in earnest this month with Anderson Poolworks taking another step in the regulatory process and the city's public works contractor donating its labor to break ground on the project.

As *The Argus Observer* reported in early January, the 4,000-square-foot splash pad will boast 23 water features. Anderson Poolworks received a contract worth \$262,516 to build it.

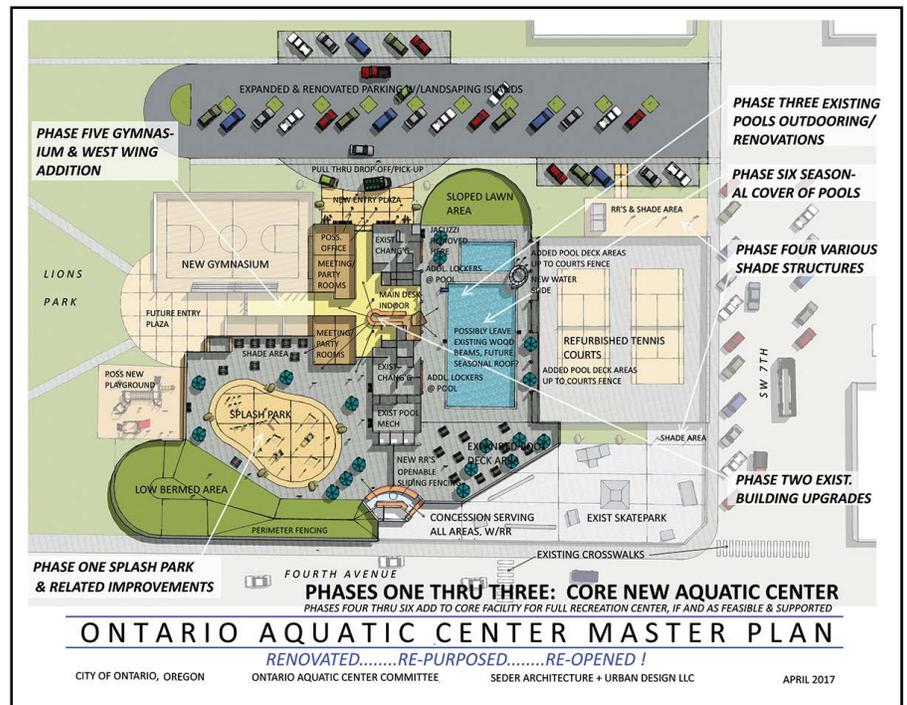
The splash pad is in the first phase of a six-phase project, with the goal of eventually reopening the city's existing swimming pool and fitting it with a retractable roof that allows it to stay open year-round, Brown said.

"The plan is really cool because it ties everything together. We've got a skate park on one side of the aquatic center and the splash pad is on the other side. In the end, our goal is for kids to be able to go from the splash pad to the pool," he said.

Overall, the six-phase Ontario Aquatic Center Master Plan involves improvements, new offerings, renovations and major repurposing of existing facilities. The first three phases of the master plan establish the base core of the new aquatic center, while the remaining three phases add more amenities, support, a new west wing and a more recreation facilities at the existing aquatic center space. The final phase involves adding the retractable roof so people can use the pool all year, according to *The Argus Observer*.

"We're really excited. The biggest source of funding right now is the Transient Occupancy Tax, and private entities and donations are helping to make the project happen," Brown said.

The city's transient occupancy tax will pay for nearly \$263,000 of the project. Friends of the Aquatic Center is the private



group that has helped generate donations, sponsorships and grant funding to aid in developing the master plan and pay for the project. By early January, Friends of the Aquatic Center had received a \$25,000 grant from the Saint Alphonsus Foundation and more than \$41,000 in additional donations, according to *The Argus Observer*.

Have City News to Share?

Email us your copy (500 words max.) detailing your city's notable achievement (i.e., a project, initiative, award or individual honor), preferably with an image.

Contact: Kevin Toon, ktoon@orcities.org

WILSONVILLE

Kinsman Road Extension

Last month, the city of Wilsonville announced that the new Kinsman Road extension that connects SW Barber Street to SW Boeckman Road has opened on budget and four months ahead of schedule. In addition to providing another routing connection for travelers, construction of the roadway simultaneously incorporated other water- and sewer-installation infrastructure projects, resulting in reduced costs and less public disruption.

Originally scheduled for completion in June 2018, the \$8.6 million half-mile-long roadway segment, located between the Villebois community and the industrial westside of Wilsonville, connects two major arterials to significantly improve the city street grid while providing increased connectivity for both freight and residential traffic. The new Kinsman Road extension was constructed as a heavy-duty concrete roadway, complete with sidewalks and bike lanes. It also provides increased public access to the Wilsonville Transit Center, including the SMART Central bus and the Tri-Met WES commuter rail service.

City engineer Zach Weigel, PE, who oversaw the project, indicates that advance planning and permitting activities, favorable weather and well-coordinated government agencies and contractors contributed to the early completion of the project. City Community Development Director Nancy Kraushaar, PE, said, "The Kinsman Road extension project is a real win-win for the public that provides new travel routing options, as well as reduced costs for additional major water and sewer projects."

City engineers worked to combine \$5.1 million of other public infrastructure projects with the long-planned road extension in order to more efficiently use taxpayer-funds. The Kinsman Road project included the installation of a \$4 million segment of a major drinking-water pipeline and a \$1.1 million sanitary sewer pipe. Combining these projects allowed various local governments to all save money and minimized disruption to the public by utilizing one contractor and sharing common costs, such as contractor mobilization, traffic control, permitting, project design, right-of-way acquisition and environmental protections that all three projects would have incurred if performed separately.

The city also installed more than 3,000 feet of new sewer line in the acquired road right of way that is designed to serve the



regionally significant Coffee Creek industrial area now under development.

Funding for the combined \$13.7 million road-sewer-water pipeline project came from: city transportation and wastewater system development charges; federal/state funds (U. S. Dept. of Transportation Multimodal Transportation Enhance Program (MTEP); through the Statewide Transportation Improvement Program (STIP); the Surface Transportation Program Urban (STP-U); and the ratepayers of the Tualatin Valley Water District and the city of Hillsboro.

Submitted by – City of Wilsonville

City Events

Send your city event to
Julie Oke at jmoke@orcities.org.

February

- 7-8 **Madras** – Central Oregon Farm Fair (www.madraschamber.com)
- 9-10 **Mt. Angel** – 9th Annual Wurstfest (www.mtangelwurstfest.com)
- 9-19 **Lincoln City** – Antique Week (www.oregoncoast.org)
- 10 **Carlton** – Mardi Gras Adult Prom (www.ci.carlton.or.us)
- 15-3/1 **Portland** – 41st Annual Portland International Film Festival (www.nwfilm.org/festivals/piff)
- 13 **Portland** – Mardi Gras Parade (www.portlandmardigras.com)
- 15-18 **Klamath Falls** – Winter Wings Festival (877-541-2473)
- 16-17 **Reedsport** – Confluence Wine, Beer & Seafood Festival (541-662-0168)
- 17 **Astoria** – Festival of Dark Arts (www.fortgeorgebrewery.com)
- 17 **Carlton** – Annual Crab Feed (www.ci.carlton.or.us)
- 17-18 **Eugene** – 32nd Oregon Asian Celebration (www.asiancelebration.org)
- 22-25 **Newport** – Seafood & Wine Festival (www.seafoodandwine.com)
- 22-25 **Seaside** – Seaside Jazz Festival (www.jazzseaside.com)

March

- 3 **Canyonville** – 48th Annual Greatest of the Grape (www.visitroseburg.com/events)
- 10 **La Pine** – Annual Crab Feed (www.lapinefrontierdays.org)
- 10 **Milwaukie** – Winter Blues Music Festival (www.winterbluesfest.net)
- 16-18 **Heppner** – Wee Bit O’Ireland (www.heppnerchamber.com)
- 17 **Carlton** – St. Patrick’s Day Pub Crawl (www.carltonbusinessassociation.com)
- 23-4/30 **Woodburn** – Wooden Shoe Tulip Festival (www.woodenshoe.com)
- 23-25 **Seaside** – Oregon Ghost Conference (www.oregonchostconference.com)
- 24-25 **Yachats** – Original Arts & Crafts Fair (www.yachats.org)
- 31 **Carlton** – Easter Egg Hunt (www.ci.carlton.or.us)

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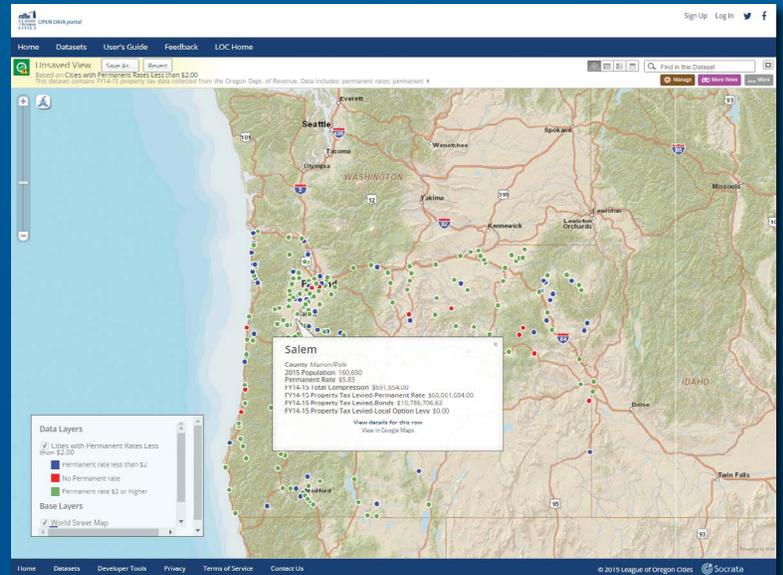
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- ▶ Display key information using maps



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