

# 2022 State of the Cities Report



**ALSO IN THIS ISSUE**  
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Infrastructure Funding Update  
State Shared Revenues  
Budgeting Basics



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\* <https://www.infrastructurereportcard.org>

\*\* 2017 IPSOS Survey of HomeServe policyholders and non-policyholders

# Local Focus



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#### Vice President

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Dave Drotzmann, Mayor, Hermiston

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Jessica Engleke, Mayor, North Bend

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# A New Path Forward

Tanea Browning, LOC President  
Councilor, Central Point

It is an honor to serve Oregon's cities as the incoming 2022 LOC Board President, and I look forward to the work and challenges ahead. First, I want to express that the recent actions taken by former LOC Executive Director Mike Cully in no way reflect the vision, mission or views of the League of Oregon Cities' board, staff or affiliates. I also greatly appreciate the swift actions taken by Immediate Past President Keith Mays and the full board to address the matter during an emergency meeting to accept Mr. Cully's resignation.

Under the leadership of Interim Executive Director Patty Mulvihill, the League will continue to provide top-quality services to its members through the hard work and dedication of its entire staff. LOC staff has continually been the backbone of providing premium services to our membership, and we can move forward with confidence because of this incredible team. The members of the LOC Board are grateful that Ms. Mulvihill has accepted the interim position, allowing us to move forward knowing that we will continue to serve our members at the level they've come to expect.

In its last strategic plan, the LOC Board identified a need for diversity, equity and inclusion, and now we have the opportunity to implement the systems we have been developing as we move forward later this year with the recruitment of a permanent executive director. For the first time in the League's history,

we have representation on the board from every region in the state, and it is my intention to travel to all 12 of Oregon's regions and hear feedback from the city leaders in our communities. These listening sessions will help inform the next strategic plan and help guide the future work of the LOC. I'm eager to hear what LOC services you find useful, and what additional resources your city may need. We want to witness what the last several years have done to your communities and determine how we can help. The next strategic plan is imperative to the recruitment of the new executive director, and for the organization's future. We need a leader for the organization that embodies the League's mission, vision and direction.

We continue to find ourselves in unprecedented times, and local governments are demonstrating how to successfully navigate the challenges of finding middle ground as they move their communities forward. Our communities need local leadership more than ever, so please join me in the regional listening sessions in your community to see how we can help. I can't wait to see you. ■



Tanea Browning  
LOC President; Councilor,  
Central Point

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Patty Mulvihill  
Interim Executive Director

## From the Interim Executive Director The Year Ahead

**T**he League of Oregon Cities (LOC), like its members, is more than just one person. It is the sum of all its parts that makes the LOC a successful organization. Those parts include its board of directors, committees, caucuses,

staff, affiliate organizations, business partners, and every person representing one of Oregon's 241 cities. As the LOC recruits its next executive director, please know that every part making up the whole of the LOC is actively working to ensure the year ahead is member-focused, results orientated, and rooted in the organization's mission.

With an eye towards the future, the LOC will begin and end 2022 supporting city leaders, working to build a stronger Oregon, and advocating for local control at every turn. During the next year, the LOC has committed to:

- Hosting 12 regional meetings, facilitated by President Tanea Browning, the purpose of which is for the president to gain an understanding of the needs and issues facing each city in the state. The feedback President Browning receives will be incorporated into the LOC Board of Director's strategic planning process.
- Adopting a new strategic plan for the LOC. This new plan, while adopted by the board of directors, will be created in consultation with member cities and interested stakeholders. In adopting a new strategic plan, the board is looking to ensure the LOC's long tradition of excellence is maintained, and that the organization enters its next 100 years with a focus on serving and protecting cities.
- Convening locally elected and appointed officials from across the state of Oregon at its Spring Conference in Hermiston and its 97th Annual Conference in Bend this October. Both conferences present an opportunity for attendees to gain valuable information on matters impacting municipalities, network with one another, and explore regions of the state they may not otherwise visit.
- Educating city officials through various training events over the course of the year, culminating with the Elected Essentials program. At the end of every even numbered year, the LOC presents Elected Essentials for newly elected and appointed officials. This training will help them gain an understanding of core local government concepts they will utilize during their tenure with an Oregon city.
- Lobbying state and federal officials for the betterment of Oregon cities. While 2022 is a short legislative session in

Oregon, LOC staff plans to have a big impact on the bills being passed. Staff is actively working to protect local control, secure additional funding opportunities, and champion adopted policy priorities. Due attention is also being paid to lobbying efforts at the federal level. While the American Rescue Plan Act (ARPA) and Infrastructure Investment and Jobs Act successfully passed, LOC lobbyists remain active in their efforts to ensure the money promised cities is properly disbursed and that rule making associated with said funds are transparent, equitable, and pragmatic.

The year ahead, from my perspective, is one of opportunity. An opportunity for LOC member cities to share with its principal leader, President Browning, the types of meaningful change they need to see in their communities to achieve or maintain greatness. An opportunity for the LOC Board of Directors to set forth a plan of action that successfully carries the LOC into its next 100 years of existence. An opportunity for elected and appointed city officials to continue their education in ways that only better their respective communities. An opportunity to enact meaningful statewide and federal legislation that makes a real impact on the everyday lives of Oregonians.

I look forward to the year ahead, and the work that will be accomplished.



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# Register for the Local Government Spring Conference in Hermiston

The LOC is excited to bring the 2022 Local Government Spring Conference to Hermiston on **April 21-22**. The Conference Planning Committee is working to put together a great program focused on relevant topics impacting cities.

## Preliminary Program

### Thursday, April 21

- 8:00 a.m. – 11:00 a.m. **Mayors Workshop** – Top Tools & Techniques Applied to Problem-Solving for Cities and Towns (*additional \$75 fee*)
- 8:30 a.m. – 11:30 a.m. **Councilors Workshop** (*additional \$75 fee*)
- 11:15 a.m. – 12:30 p.m. **OMA Board Meeting**
- 12:00 p.m. – 1:30 p.m. **Welcome & Keynote**
- 1:30 p.m. – 2:00 p.m. **Networking Break**
- 2:00 p.m. – 3:00 p.m. **Breakout Sessions**
- Cybersecurity
  - Recruitment and Retention in Abnormal Times
- 2:00 p.m. – 4:30 p.m. **Tours**
- Water Tour
  - Community Fundraising Tour
- 3:00 p.m. – 3:30 p.m. **Networking Break**
- 3:30 p.m. – 4:30 p.m. **Breakout Sessions**
- Doing More with Less
  - Housing Development
- 6:00 p.m. – 9:00 p.m. **Offsite Event** – Echo Ridge Cellars

### Friday, April 22

- 7:30 a.m. – 8:30 a.m. **Networking Breakfast**
- 8:30 a.m. – 10:00 a.m. **Breakout Sessions**
- Infrastructure & Development in Oregon
  - Diversity, Equity and Inclusion (DEI) Roundtables
- 10:00 a.m. – 10:30 a.m. **Networking Break**
- 10:30 a.m. – 11:30 a.m. **Breakout Sessions**
- Harnessing the Power of Home Rule
  - Homeless Inclusion
- 11:30 a.m. – 11:45 a.m. **Networking Break**
- 11:45 a.m. – 1:15 p.m. **Lunch & General Session**
- 1:15 p.m. – 1:45 p.m. **Networking Break**
- 1:45 p.m. – 2:45 p.m. **Breakout Sessions**
- Engaging Your Community
  - System Development Charges (SDCs)
- 2:45 p.m. – 3:00 p.m. **Networking Break**
- 3:00 p.m. – 4:30 p.m. **General Session – Property Tax**
- 5:00 p.m. – 7:00 p.m. **Networking Reception/Rodeo**

## Thursday Reception

Join us for a fun networking reception on Thursday at Echo Ridge Cellars.

## Enjoy the Rodeo!

Cap off the day enjoying a hosted reception and complimentary tickets to the High School Rodeo.

## Hotel Information

LOC has secured a block of rooms at Oxford Suites Hermiston. Reservations can be made by calling the hotel directly at (541) 564-8000 and mentioning League of Oregon Cities to obtain the negotiated group rate. Reservations can also be made online at [oxfordsuites.com](https://oxfordsuites.com) with promo code G809.

## Register Now

Register at [www.orcities.org](https://www.orcities.org). The cost is \$200 for LOC members if registered before April 8. Space is limited so register now!

# Meet the 2022 LOC Board of Directors

## OFFICERS



**President**  
Tanea Browning  
Councilor, Central Point

Councilor Browning is a native Oregonian, appointed in 2015 and elected in 2016 to her current position. She has served on the Central Point Urban Renewal Agency and Budget Committee. Her commitments also include the Central Point Visitor Information Center and the boards of the Rogue Valley Council of Governments and Jackson County Fire District No. 3. She is a member of the Central Point Rotary, a director with the Crater Foundation, founder of the public non-profit Direct Involvement Recreation Teaching, and executive director for the Central Point Chamber of Commerce.



**Vice President**  
Steve Callaway  
Mayor, Hillsboro

Mayor Callaway was elected to the Hillsboro City Council in November 2010, re-elected in 2014, and became mayor in 2016. His previous experience includes the city's budget committee, the Hillsboro 2020 Vision Implementation Committee and the city's planning commission. Additional community involvement includes the Jackson Bottom Wetlands Preserve Board, the Hillsboro Library Foundation, the Boys and Girls Club, and the Hillsboro Schools Foundation. Mayor Callaway recently retired from his position as a principal at Tobias Elementary School in Hillsboro.



**Treasurer**  
Dr. Dave Drotzmann  
Mayor, Hermiston

Dave Drotzmann was elected mayor of the Hermiston City Council in 2012. He previously served on the LOC Board of Directors from 2017-2019 and was recognized as the League's legislative advocate of the year in 2019. Prior to his city council service, Mayor Drotzmann served eight years on the Hermiston School District Board of Directors. He's been actively involved for years with multiple community organizations, including the Hermiston Chamber of Commerce, Rotary, and the Hermiston

Booster Club, as well as a coach of youth and high school sports programs. Dr. Drotzmann currently sits on the editorial team for The Oregon Way and is a partner in an eyecare practice in Hermiston.



**Immediate Past President**  
Keith Mays  
Mayor, Sherwood

Mayor Mays was re-elected in March and November of 2018. He previously served four years as council president and eight years as mayor of Sherwood from 2005-13. Over the past 20-plus years, Mayor Mays has served as president of the Oregon Mayors Association, the Sherwood Chamber of Commerce, the Friends of Tualatin River National Wildlife Refuge and the Willamette River Water Coalition. He has also served as a member of Metro's MPAC and on several LOC committees. A resident of Sherwood for more than 20 years, Mayor Mays is a Rotarian and currently sits on boards and committees for several local and regional non-profit and government organizations.

**SAVE THE DATE!**



**97th Annual LOC Conference**

October 5-7, 2022 | Bend



**DIRECTORS**



**Catherine Biscoe**  
Councilor, Philomath

Councilor Biscoe was elected to the Philomath City Council in November of 2020. Her public service experience includes serving on Philomath’s Budget Committee; the Benton County/City of Corvallis HOPE Advisory Board, focusing on housing and homelessness; and the board of Philomath Community Services. She is a graduate of 1,000 Friends of Oregon Land Use Leadership Initiative.

With a strong interest in developing women’s leadership opportunities, she is a member of the Center for Women’s Leadership, NLO Alumnae Committee, and was active in the development of the LOC Women’s Caucus, for which she is serving as president. Her work at Oregon’s Department of Transportation, Office of Civil Rights, with the Emerging Small Business and Disadvantaged Business Enterprise programs, is supported by her more than 20 years of small business experience.



**Arlene Burns**  
Mayor, Mosier

Mayor Burns is in her fourth term in Mosier, where she has helped the community navigate three major fires and helped lead the city’s major infrastructure upgrades. Elected mayor in 2014, she also served as Council President from 2012-14. Mayor Burns is a member of the Safe Energy Leadership Alliance and the Climate Mayors network, and serves as a representative on Travel Oregon’s Gorge Tourism Studio Steering Committee.

In 2019, the governor appointed her co-convenor of the Oregon Electric Vehicle Collaborative. Prior to public service, Mayor Burns was a world-class expedition kayaker, exploring remote waterways and leading commercial expeditions in the Himalayas, South America, and the former Soviet Union.



**Candy Canga-Picar**  
Councilor, Metolius

Councilor Canga-Picar joined the Metolius City Council in 2016. She previously lived in large cities in California and her move to Metolius was her first experience of living and working in a rural area. Canga-Picar earned her doctorate degree with a transcultural care project that promotes cultural competency to health care providers and community members in Jefferson County.



**Robert Cowie**  
Councilor, Chiloquin

Elected in November 2020, Councilor Cowie is serving in public office for the first time. He worked for more than 20 years at Sony Electronics in many capacities, including VP of Customer Insight, VP of the VAIO Technology Center, Director of Engineering, Director of Product Quality, and program management. His previous work experience also includes many years in the broadcast television and cable television industries. He currently is a customer experience consultant, helping businesses establish and grow their customer experience and employee engagement programs. *(Non-voting position)*



**Jessica Engelke**  
Mayor, North Bend

Mayor Engelke was elected as North Bend’s first female mayor in November 2020. She is a longtime North Bend resident, invested in making Oregon’s south coast a better place. Mayor Engelke is a tenured business professor at Southwestern Oregon Community College and teaches a variety of business classes. She has more than 25 years of hands-on experience in the business community and is a former president of the Bay Area Chamber of Commerce.



**Roland Herrera**  
Councilor, Keizer

Councilor Herrera was elected to the Keizer City Council in 2014 and re-elected in 2018. After retiring from a 30-year career in public works, Herrera co-founded the Latino Action Committee and was instrumental in the formation of the LOC’s People of Color caucus. Councilor Herrera serves on the board of directors for Mana a Mano, the St. Vincent Dual Language Catholic School, and the Marion County Public Safety Coordinating Council. He was recently appointed by

the governor to the Oregon Commission on Judicial Fitness and Disability.

*(continued on page 10)*

## 2022 LOC BOARD OF DIRECTORS



**Beach Pace**  
Councilor, Hillsboro

In her first run for elected office, Councilor Pace was elected to the Hillsboro City Council in 2018. She currently serves as the CEO of Big Brothers Big Sisters (BBBS) of the Columbia NW and on the board of the Westside Queer Resource Center. Previously, she served at-risk youth as vice president and executive director of City Year San Jose/Silicon Valley. Councilor Pace holds a bachelor's degree from the United States

Military Academy at West Point and an MPA from Northern Michigan University. She served in the U.S. Army in the Ordnance branch both domestically and overseas as a Bomb Squad Executive Officer and Commander.



**Carmen Rubio**  
Commissioner,  
Portland

Commissioner Rubio began her public service career as a policy advisor for Multnomah County Commissioner Serena Cruz, then later for Portland Mayor Tom Potter and Portland City Commissioner Nick Fish. From 2009–2019, she served as executive director of Latino Network, advocating for Portland's growing Latinx community while expanding the network's team to 140 individuals who focused on elevating youth and families to achieve their potential and define their futures.

Commissioner Rubio was born and raised in Hillsboro, the granddaughter of immigrants who came to this country as migrant workers. She is the first in her family to graduate from college and is the first Latina on the Portland City Council.



**Dean Sawyer**  
Mayor, Newport

Mayor Sawyer served with the Newport Police Department for 30 years in supervisory and command positions. In retirement, he worked for 10 years as the emergency management planner for the Siletz Tribe. In 2010, Mayor Sawyer ran for city council, and served as a council member until 2018, when he was elected mayor. He has lived in Newport for 42 years and is married with two grown sons.



**Byron Smith**  
City Manager,  
Hermiston

Byron Smith has served the city of Hermiston since 2014. Previously, he served as city manager in Fort Madison, Iowa for five years, as assistant city manager/city planner in Poplar Bluff, Missouri for four years, and with the League of Arizona Cities and Towns from 1998 to 2004. Mr. Smith holds a master's degree in public administration from the University of Kansas, a bachelor's degree in business management from Brigham Young University, and an associate's degree in business administration from Eastern Arizona College.



**Kevin Stine**  
Councilor, Medford

Elected in 2014, Councilor Stine currently serves as the Medford City Council President. He served for nine years in the U.S. Navy, completing three submarine deployments. Councilor Stine is currently a member of the Navy Reserves and serves on the Navy Funeral Honors Team. He is also substitute teacher for the Medford School District. Previously, he worked at the non-profit ACCESS, working to house homeless veterans, and at Rogue Community College, where he

assisted veterans with utilizing their education benefits. He has a bachelor's degree in political science from Southern Oregon University.

## 2022 LOC Board of Directors Meetings

- February 18 – 9 a.m. - 4 p.m.  
Hillsboro
- April 20 – 12 p.m. - 5 p.m.  
Hermiston
- June 17 – 9 a.m. - 4 p.m.  
Central Point
- October 4 – 9 a.m. - 4 p.m.  
Riverhouse on the Deschutes, Bend
- December 9 – 9 a.m. - 4 p.m.  
Location TBD



John Walsh  
City Administrator,  
St. Helens

County Management Association (ICMA-CM) and has earned recognition for excellence and good governance from the LOC.

Mr. Walsh has overseen the day-to-day operations for the city of St. Helens since 2012. He previously served as the city manager of Myrtle Point, Ore. and held management roles in the cities of Centralia and Pacific, Wa. With more than 20 years of public sector experience, Mr. Walsh has led many large and complex capital improvement projects, including infrastructure and brownfield redevelopment projects, as well as several community and economic development initiatives. He is a credentialed city manager through the International City/



Kenna West  
City Manager,  
Willamina

When she isn't serving her beautiful city of Willamina, her energy is focused on helping abused and neglected horses, and training and racing her barrel horses.

Ms. West is a native Oregonian with her roots firmly planted in rural timber towns. She has served the city of Willamina, nicknamed "Timber Town USA," since 2017. She previously served the city of Salem and Marion County for more than a decade. Ms. West came to government service following a career as a lawyer. She holds a juris doctorate from Northwestern School of Law at Lewis and Clark College, and was in private practice for more than a decade. Along with her love of community, she is also passionate about equine rescue and care.

Jim Hamsher, Mayor, Prairie City  
Bio and photo unavailable ■

## LOC Holds Final Board Meeting of 2021 via Zoom

The LOC Board of Directors met virtually on Friday, December 10, 2021. The following actions were taken:

- The board approved several amendments to the LOC Constitution, which had been passed by a vote of the LOC membership at the Annual Business Meeting in October;
- Appointments were made to the 2022 LOC Budget Committee.
- Appointments were made to the 2022-2023 LOC Policy Committees.
- The board appointed Sherwood Mayor Keith Mays, North Bend Councilor Timm Slater and Hermiston City Manager Byron Smith to the LOC Foundation board, reappointed Independence Mayor John McArdle, Cottage Grove Assistant City Manager Jake Boone, and Tualatin City Manager Sherilyn Lombos to the LOC Foundation board; and recommended Mayor McArdle to serve as the board president.
- The board received notice that all LOC city membership dues have been paid for FY 2022.
- The board received a recommendation for a 5.4% increase in membership dues for 2022-23.
- NLC Liaison John Goodhouse provided an update from the National League of Cities (NLC)
- Patrick Priest from CIS provided an update to the board.

For more information on the LOC Board of Directors please visit [www.orcities.org](http://www.orcities.org).

## Request Printed Copies of the *Local Focus*

The *Local Focus* magazine is distributed quarterly by email to city officials and local government partners. Printed copies are available by request. To opt-in to receive a printed copy in the mail, fill out the form at the link below.

[Opt-In for a Printed Copy \(bit.ly/3F22xSp\)](https://bit.ly/3F22xSp)

## LOC Online Calendar Updated with 2022 Dates



**New this year!** The LOC has launched an online master calendar to help cities plan for 2022. The online calendar includes all of the dates from the printed wall calendar – conferences, meetings, deadlines – and will be updated regularly.



## LOC Launches New Homeless Solutions Resource

The LOC is excited to announce the launch of a new online Homeless Solutions Resource for cities.

This online guide aims to help cities better understand homelessness in their communities and support local implementation of HB 3115 ahead of the July 2023 deadline. The guide includes resources on how to lead productive community conversations, interpret data, and catalogue best practices and local shelter and housing services program examples from around the state.

The LOC will continue to update and expand its website to feature additional local and national programs

and examples. City leaders and partners are encouraged to review the new online resource and suggest additional content, links and resources.

The LOC hosted a webinar overview to introduce members to the new website in December. The webinar recording is available on the LOC website: [www.orcities.org](http://www.orcities.org).

View the Homeless Solutions Resource at:

[www.orcities.org/resources/reference/homeless-solutions](http://www.orcities.org/resources/reference/homeless-solutions)



## UNCOVER HIDDEN SAVINGS WITH CASH INCENTIVES

Underground leaks may be out of sight, out of mind, but if left untreated, these leaks can take a hidden toll: wasted water, wasted energy and reduced capacity to serve customers. To help make locating and repairing underground leaks more affordable, tap into Energy Trust of Oregon's cash incentives.



For more information, call 503.928.3154 or visit [www.energytrust.org/wastewatertreatment](http://www.energytrust.org/wastewatertreatment).

Serving customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista.





# 2022 LOC Policy Committees Appointed

As one of his last acts as LOC President, Sherwood Mayor Keith Mays appointed members to the seven LOC policy committees which will convene this spring to identify specific objectives for cities during the 2023 session of the Oregon Legislature.

Consisting of more than 100 elected and appointed city officials, the committees will begin their work following the conclusion of the current legislative short session. Policy committee deliberations will continue through May, with each committee identifying several issues to be presented for consideration and prioritization in city council meetings throughout the state during the summer. Once the results are tallied, the LOC Board of Directors will formally approve several priority issues that will become the focus of the LOC's communication strategy leading up to and during the early days of the 2023 legislative session.

The LOC's seven policy committees are:

- Community Development
- Energy & Environment
- Finance and Taxation
- General Government & Human Resources
- Telecom
- Transportation
- Water/Wastewater

See adjacent box for a listing of committee chairs and vicechairs. Visit the Committees page under Advocacy on the LOC website ([www.orcities.org](http://www.orcities.org)) for complete rosters of committee members and meeting schedules.

## LOC Policy Committees

### Community Development Committee

Chair: Brian Latta, City Manager, Dallas  
Vice Chair: Megan Perkins, Councilor, Bend

### Energy & Environment Committee

Chair: Steve Uffelman, Council President, Prineville  
Vice-Chair: Kathy Hyzy, Council President, Milwaukie

### Finance and Taxation Committee

Chair: Don Hudson, Assistant City Manager/Finance Director, Tualatin  
Vice-Chair: Dave Drotzmann, Mayor, Hermiston

### General Government & Human Resources Committee

Chair: Heidi Lueb, Council President, Tigard  
Vice-Chair: Ben Bryant, Assistant City Manager, Happy Valley

### Telecom Committee

Chair: Peter Truax, Mayor, Forest Grove  
Vice-Chair: Tim Rosener, Council President, Sherwood

### Transportation Committee

Chair: Ken Woods, Councilor, Dallas  
Vice-Chair: Tim Rippe, Councilor, Forest Grove

### Water/Wastewater Committee

Chair: Niki Iverson, Water Director, Hillsboro  
Vice-Chair: Jason Pulley, Senior Utilities Planner, Salem




Grants to make communities livable for people of all ages  
[aarp.org/CommunityChallenge](http://aarp.org/CommunityChallenge)

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Apply today! Deadline is March 22.  
Learn more at our February 22 information session: [aarp.cventevents.com/ORChallengeGrant22](http://aarp.cventevents.com/ORChallengeGrant22)



## NEW! On-Demand LOC Training Now Available

The LOC is excited to announce the creation of a library of on-demand trainings for city officials. Couldn't attend an LOC training? Now you can watch them on-demand at your convenience! Our growing on-demand library currently has three trainings available: City Planning in Oregon; Grant Writing Basics; and Oregon Public Contracting Basics. For more information or to purchase these on-demand training videos, visit our webpage: [www.orcities.org](http://www.orcities.org)

## Topics A-Z



## Municipal Information at Your Fingertips

Have you checked out the [Topics A-Z](#) section of the LOC website? Find resources, publications, samples and links to information on a range of topics from animal regulations to youth engagement.

Find it in the Resources tab, the Reference, at [www.orcities.org](http://www.orcities.org).

# RESOURCES FOR RE-OPENING SAFELY



Oregon Cooperative Procurement Program (OrCPP) members have access to products on statewide price agreement to help you re-open safely.

## Are you a member?

[Click here to check](#)

[View our list of COVID related supplies currently on price agreement](#)



Contact us at [info.orcpp@oregon.gov](mailto:info.orcpp@oregon.gov)

# City Deadline Calendar

Important statutory deadlines cities need to know

## FEBRUARY

February 15:

### **Ethics: Certain Individuals File Annual Statements of Economic Interest (SEIs)**

By no later than February 15, cities must notify the Oregon Government Ethics Commission of certain individuals, including elected city officials, who are required to file an SEI.

February 21:

### **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.

Note: This deadline is suggested, not statutory.

### **Reminder: Public Employee Retirement System (PERS) Reports**

City must remit a regular report to PERS Board, no later than three business days after the end of the city's pay cycle. (ORS 238.705; OAR 459-070-0100.)

## 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.

March 8:

### **Election Day**

Note: Double majority rules apply for property tax measures.

March 18:

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

Budget: The budget officer must publish the first notice of the budget committee meeting not more than 30 days and not less

than five days before a meeting. Different requirements apply for other notification methods. State shared revenues: As a separate matter, a public hearing on state shared revenues is required to occur no later than July 31 of the calendar year, and cities must then certify to the State that this hearing has occurred. Beginning with notice, we recommend that cities incorporate this hearing's requirements into the 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.

### Download the full 2022 deadline calendar

The complete calendar is available on the [LOC website](#) under Resources, then Reference.



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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 (OGECE). 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 OGECE.

## 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 performs 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 2022 filing year, a complete and electronically signed SEI must be submitted via the OGECE's electronic filing system no later than **April 15, 2022**. 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 per day 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 OGECE's electronic filing system is available 24/7.

## What Disclosures are Required?

SEIs disclose information regarding the previous calendar year (i.e., the reporting year). Therefore, city officials will disclose

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economic interests they held between January 1, 2021 and December 31, 2021. Note: Even if you did not hold your position during the 2021 disclosure period, if you hold the position as of April 15, 2022, you will have a filing requirement.

ORS 244.060, 244.070 and 244.090 describe the required content of the SEI filing. The electronic filing system has a helpful [Instructional Handbook](#) that you can use while completing the filing. 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) if that income exceeds 10% of the total annual household income;
- 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 by sources other than your city employer on behalf of a city official for certain office-related events;
- Honoraria received by a city official or member of their household; and
- 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.

### Where are SEIs Filed?

The SEI is required to be filed via the OGEC's electronic filing system. The OGEC's electronic filing system is available 24/7.

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

OGEC 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 should update the jurisdiction's list in the electronic filing system.

Once the contact person has entered you into the electronic filing system, you will receive an email from the OGEC that contains a link to the electronic 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. The open filing period is from March 15 to April 15.

### Where Can I Find More Information About the SEI?

The OGEC'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 OGEC's website at [www.oregon.gov/ogec/public-records/Pages/SEIS.aspx](http://www.oregon.gov/ogec/public-records/Pages/SEIS.aspx) 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 OGEC to ensure full compliance with SEI disclosure requirements.*

**In the spirit of reflection that occurs this time of year, we asked our auditors which year was their best ever.**

**We respectfully present our findings below:**

1987	1988	1989	1990	1991
1992	1993	1994	1995	1996
1997	1998	1999	2000	2001
2002	2003	2004	2005	2006
2007	2008	2009	2010	2011
2012	2013	2014	2015	2016
2017	2018	2019	*	2021

\*World crisis the likes of which had not been seen in 100 years.

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## Lawmakers Invest in Oregon’s Infrastructure; CIS offers Builders’ Risk Coverage

During Oregon’s last legislative session, lawmakers funded building and water infrastructure projects with the help of Oregon’s \$2.6 billion share of COVID-19 stimulus dollars. Of particular interest is \$275 million to help fund 48 drinking water and wastewater projects — and \$150 million for wildfire response.

With so many cities and counties preparing for construction projects, it’s a good time to remind leaders about insuring buildings during construction or repair. CIS Builders’ Risk Endorsement is designed to cover the property loss exposures related to construction.

These projects often involve unique risks not usually contemplated by standard property coverage forms. Given these unique issues, the typical contract between an owner and a contractor will require that one of the parties secure Builders’ Risk coverage. CIS’ coverage can insure the CIS member, contractor, and subcontractors. It also covers the building or structure being constructed, plus fixtures, materials, supplies, machinery, and equipment to be integrated into the completed structure. Building projects greater than \$25 million (or \$5 million for frame construction) need reinsurance approval, while smaller projects (less than \$1 million) are covered under the CIS Property Coverage Agreement.

Coverage for projects less than \$1 million does not include extra coverage provided by the Builders’ Risk Endorsement. Currently, CIS has a minimum of \$5,000 deductible that applies to the Builders’ Risk coverage. The deductible is higher for larger projects, or if the member carries a higher property coverage deductible.

To learn more about CIS’ Builders’ Risk coverage, contact Tena Purdy at [tpurdy@cisoregon.org](mailto:tpurdy@cisoregon.org).

## CIS 21st Annual Conference — Abbreviated Virtual Conference, In-Person Event Rescheduled

Every year, CIS looks forward to connecting with members, agents, and business partners in person at its signature event. Unfortunately, the pandemic has continued to impact CIS’ plans. After extensive deliberation, CIS will hold a consolidated version of its annual conference Feb. 23-24 that will be entirely virtual. CIS will present not-to-exceed rates and other time-sensitive updates during the abbreviated virtual event this February.

CIS has rescheduled its in-person event to Aug. 24-26, 2022, and it will be held at the Salem Convention Center. Virtual attendance options will also be available.

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## Abbreviated Virtual Conference Schedule — Feb. 23-24, 2022

### Wednesday

- Risk Management 101/Intro to Insight

### Thursday

- Annual Report to Members (preliminary rates)
- Agent and Member Services Session
- CIS P/C Trust Advisory Committee Meeting
- What's New in Benefits
- Benefits Advisory Committee Meeting

## CIS' Shark-Tank Winner Corvallis Celebrates Accident-Free Workplace

Corvallis Public Works Director Adam Steele updated CIS recently, informing them that winning the CIS Shark Tank competition has already improved safety for the city. The grant helped fund backup cameras for the city's heavy equipment. The Shark Tank Runner-up winners — Madras (\$2,500) and Yachats (\$2,500) — have also seen a decrease in safety-related

issues. All three had winning risk-management ideas to minimize claims. They submitted their risk management ideas identifying:

- The risk to be addressed
- How it would reduce claims, and
- How it could benefit other CIS members.

CIS is seeking more submissions for this year's competition. Stay tuned for details on when and how to submit city projects. The projects are reviewed and evaluated by CIS' sharks in advance of the conference. The three finalists will present their project during the Shark Tank session at the 2022 CIS Annual Conference, Aug. 24-26. Finalists will have 2-3 minutes to pitch their project, emphasizing how the idea will reduce claims for the CIS pool.

It's not too early to contact CIS' sharks (CIS risk management consultants) to take advantage of this great funding opportunity.

The sharks will pick the finalists, but the audience will judge projects on efficacy, transferability, innovation, and creativity. The grand prize is \$5,000. First runner up \$2,500, and the second runner up \$1,000. Projects that are not selected to present, still win by receiving one free conference registration per entity to the 2022 CIS Annual Conference. ■

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# 2022 State of the Cities Report

Every two years, the League of Oregon Cities (LOC) conducts a survey to gauge the general fiscal condition of the cities in Oregon. The 2021 results indicate that while demands for city services have remained steady, perceptions about future revenue sources keeping pace with demand are less positive than in previous surveys. This would appear to be in stark contrast to the 90% of cities that were better able or able to meet their financial needs than in previous years. Overall, this year's survey indicated a considerable lack of certainty for cities across the state.

For most cities, the primary sources of revenue are property taxes and utility franchise fees. Studies by the LOC since 2016 reveal that franchise fee revenues often do not keep pace with inflation. Additionally, the property tax constraints of Measures 5 and 50 have created a system that limits the amount of revenue available to local governments. This means that traditional revenue sources for cities are not keeping pace with costs, forcing local governments to either rely on alternative revenues, cut spending, or eliminate services.

In the effort to overcome the structural deficiency in Oregon's property tax system, new revenues have most often come from additional fees and from taxes on recreational marijuana. Previous surveys, in 2017 and 2019 specifically, have found that a city's region, population, and economic growth have had a strong correlation to its financial health. However, this is the first survey in which this appears to not be the case, with financial health of cities not falling into the traditional patterns.

Primary cost drivers remain consistent from 2019, and the majority of cities maintained their levels of service, taxes, fees, staffing, etc. Besides wage increases, the majority of cities' financial activity appear to have frozen in place since 2019. This is likely due to the global pandemic caused by COVID-19 and the uncertainty this generated. Cities have been able to weather the pandemic partially due to significant amounts of one-time federal money from the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the

## KEY FINDINGS

- The overwhelming majority of cities were able to meet or exceeded financial needs in 2021. Despite this, fewer cities expect future revenues to keep pace with demand.
- City service demands are nearly identical to the previous survey. Fifty-six percent of cities saw an increase in demands compared to 57% in 2019.
- City financial practices tracked by this survey are largely "maintained" from the previous year. Wages was the only area that was increased by a majority (63%) in the last year. This level of maintaining practices across so many financial subjects has not been seen in any prior surveys. This indicates cities in Oregon are effectively holding steady in the face of uncertainty.
- Except for public events and recreation facilities, far fewer cities reduced staffing, services, and or hours of operation than in previous surveys.
- COVID relief appears to have been sufficient for cities (72%) to meet their additional needs during the global pandemic.

American Rescue Plan Act (ARPA) of 2021. Survey respondents expressed pessimism that revenues will keep pace with costs going forward, which is attributed to the coming end of this federal aid and widespread concerns about inflation.

This survey collected data between November 15, 2021, and December 23, 2021, with 88 cities responding. The respondents represent only 908,710 city residents, or 31% of the city residents in Oregon. In addition, survey respondents were overrepresented

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“ The entire community has pretty much been trying to address the impacts of COVID for nearly two years. No new programs or services have been instituted or changed that have improved the state of our city.”

– *City of Cave Junction*

by cities in the 4th Quintile<sup>1</sup> and cities in the Metro, South Willamette Valley, and Northeastern Oregon regions.

## RESULTS

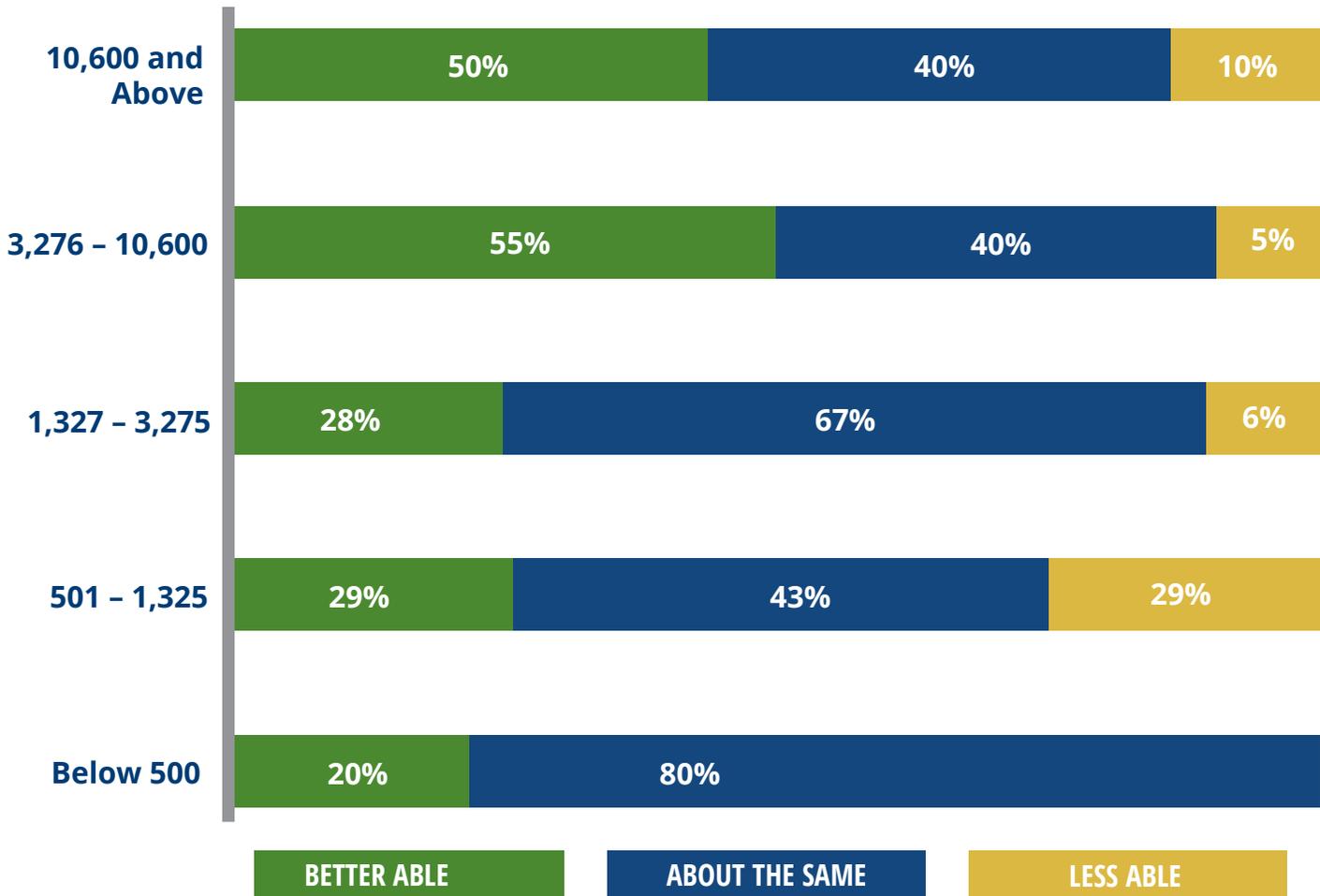
Most cities reported their financial condition as better or about the same over the last year. Thirty-nine percent of cities reported they were better able to meet financial needs, as opposed to 51% which answered, “About the same.” This is consistent with what was seen in 2019 and 2017. Cities with a population greater than 3,276 were more likely to answer, “Better able.” This was also more likely in the Metro, South Willamette Valley, and Northeastern Oregon regions. Ten percent of respondent cities reported being less able to meet their financial needs in 2021 than in 2020. These cities were most often in the second and fifth quintiles as well as in the South

Willamette, Southern Oregon, South Central Oregon, and Northeastern Oregon regions. The juxtaposition of cities being “better able” and “less able” to meet needs in the same regions indicates financial health of cities is often specific to that city.

When asked about the anticipated state of their finances in the next fiscal year, cities were far more pessimistic than previous years. Sixty-one percent of cities anticipated general fund revenue would keep pace or exceed current needs in the future. This is far less than the 72% of cities anticipating this outcome in 2019, indicating a growing pessimism about future revenue sources. A total 37% of cities anticipated current revenue sources will fall short in the future; the overwhelming majority of these cities have populations greater than 3,276. Overall, 56% of cities statewide have witnessed demand increases and

*(continued on page 22)*

### OVERALL, IS YOUR CITY BETTER ABLE TO MEET ITS FINANCIAL NEEDS THAN LAST FISCAL YEAR? (BY POPULATION)



“Last year was difficult in that we didn't know how COVID would affect our revenues. Now that we have gone through a whole year of budget numbers under the new normal, we aren't quite as wary as we were last year. There is still a lot of unknown, so we remain cautious, but we feel more hope about the outcome.”

– *City of Salem*

expect these demands to continue to increase in the future. This is slightly less than the 58% reporting an expected increase in 2019.

Most cities maintained their financial practices from the previous year. Among the surveyed actions taken in FY2021, the majority of cities:

- Maintained fees/charges/licenses (61%)
- Maintained overall service levels (79%)
- Maintained city FTEs (69%)
- Maintained infrastructure spending (61%)
- Maintained safety spending (58%)
- Maintained operating spending (60%)
- Increased employee wages (63%)
- Maintained employee contributions to health insurance (63%)

These results indicate significantly more cities maintaining financial practices, and far more consistency among cities.

Cities with a population greater than 1,325 were most likely to increase charges and fees. Due to a more cautious approach among member cities, spending patterns have remained relatively identical to 2017. Only 18% of responding cities added new revenue sources in FY2021, most of which were miscellaneous fees, as well as the temporary fund infusion from ARPA. This indicates cities have maintained spending and filled gaps with fees and federal grants. Cities in the 4th Quintile were most likely to take on new revenue sources.

Member cities are also reporting reducing hours and staffing levels, though at levels below those seen in the 2019 survey.

**General fund revenue anticipated to keep pace or exceed current needs in the future.**

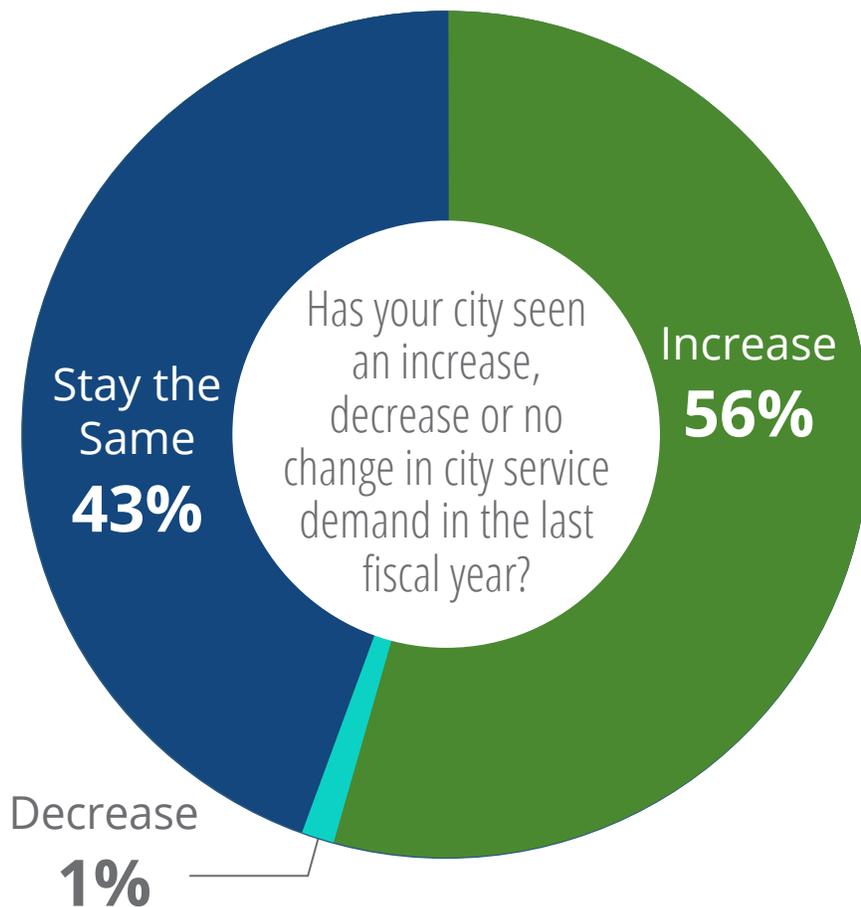


“Not knowing how the pandemic would affect our sources of revenue, we have been very careful in our spending. Luckily our revenue sources held steady.”

– *City of Adams*

**18%**

of responding cities added new revenue sources in FY2021, most of which were from miscellaneous fees, including ARPA funds.



Respondent cities reduced staffing, services, and or hours of operation in the following areas:

- City Hall (17% of cities, previously 46%)
- Libraries (17%, previously 75%)
- Senior Services (9%, previously 4%)
- Planning/Permitting (10%, previously 9%)
- Public events/arts/etc. (28%, previously 9%)
- Police (5%, consistent with 2019)
- Fire Services (1%, consistent with 2019)
- Social Services (1%, consistent with 2019)
- Transit/transportation services (3%, consistent with 2019)
- Recreational facilities and/or activities (19%, previously 8%)
- Parks/green spaces/natural areas (9%, previously 8%)

The fiscal health of cities statewide is also reflected in their end-of-year general fund balances. Fifty-eight percent of cities saw an increase in their general fund balance in FY2021. Consistent with the previous survey, 20% of cities also saw a decrease. Cities with a population greater than 3,275, as well as cities in the Metro, South Willamette Valley, and Central Oregon regions were most likely to have increasing fund balances.

The fiscal health of cities is also determined by the demand for services. In the last year, the majority of cities (56%) saw increases in service demand, particularly those in the Willamette Valley, Metro, and Central Oregon regions, as well as those with a population of more than 1,325 people. This is consistent with results from the LOC’s previous two State of the Cities Surveys. However, differing from what was seen in that prior survey, a near identical proportion of cities (57%) expect future demand to increase. Only one city reported a decrease in demands for city services, indicating the steadily increasing need for city revenues to accommodate.

When asked to rank the most important factors in their city’s financial health, LOC members listed wages, pensions, and healthcare as the highest cost drivers. This is consistent across the majority of surveys since 2015. Infrastructure spending remains in fourth place, as was the case in 2019. In fact, the most notable feedback concerning cost drivers is the lack of change in these priorities from two years ago. This supports the theory that city behavior has remained frozen in place since 2019, despite growing concern for future revenue and increasing demands from residents.

Finally, cities were asked about several timely special subjects: the federal COVID relief efforts, housing, and homelessness. When asked if federal Coronavirus Relief Fund and ARPA money had been sufficient to effectively respond to the COVID-19 pandemic, 72% of cities responded in the

*(continued on page 24)*

affirmative. When asked about the impacts from Oregon's housing shortage, the overwhelming majority of respondent cities pointed to an increase in cost of living as well as a heavy burden on the rental properties within the area and the increase in rent. When asked about homelessness, cities are divided amongst those that have seen a significant increase in the last few years and those that have had little impact by the issue. This appears to be dependent on size of the city as well as region.

### CONCLUSION

The spending behaviors of cities have remained relatively consistent since the LOC's 2019 State of the Cities survey. This is true despite increasing demands for city services and increasing pessimism about the future of city revenue sources. Cities continue to grapple with growing issues of housing and homelessness, though the impact of these two issues varies regionally and by city size. Ninety percent of cities were able to meet or exceed their financial needs in FY2021, though to what extent this is directly related to federal aid received during the pandemic is unclear and likely differs from city to city. With federal pandemic related assistance winding down, and widespread concerns around inflation increasing, cities are becoming more and more concerned that revenues will not keep up with residents' demand for city services. ■

<sup>1</sup> To provide a more accurate comparison, cities are divided into population quintiles, or groups of cities representing roughly one-fifth of the 241 total cities. If the LOC randomly selected cities from each quintile, we would expect 20% to come from each of the five quintiles. See the quintile population chart [here](#).



## CITY COST DRIVERS

1. Wages/Salary Cost
2. PERS Contributions
3. Employee Healthcare
4. City Infrastructure
5. Law Enforcement
6. Fire/Ambulance Services
7. Debt Service
8. City Insurance
9. Other
10. Marijuana Legalization

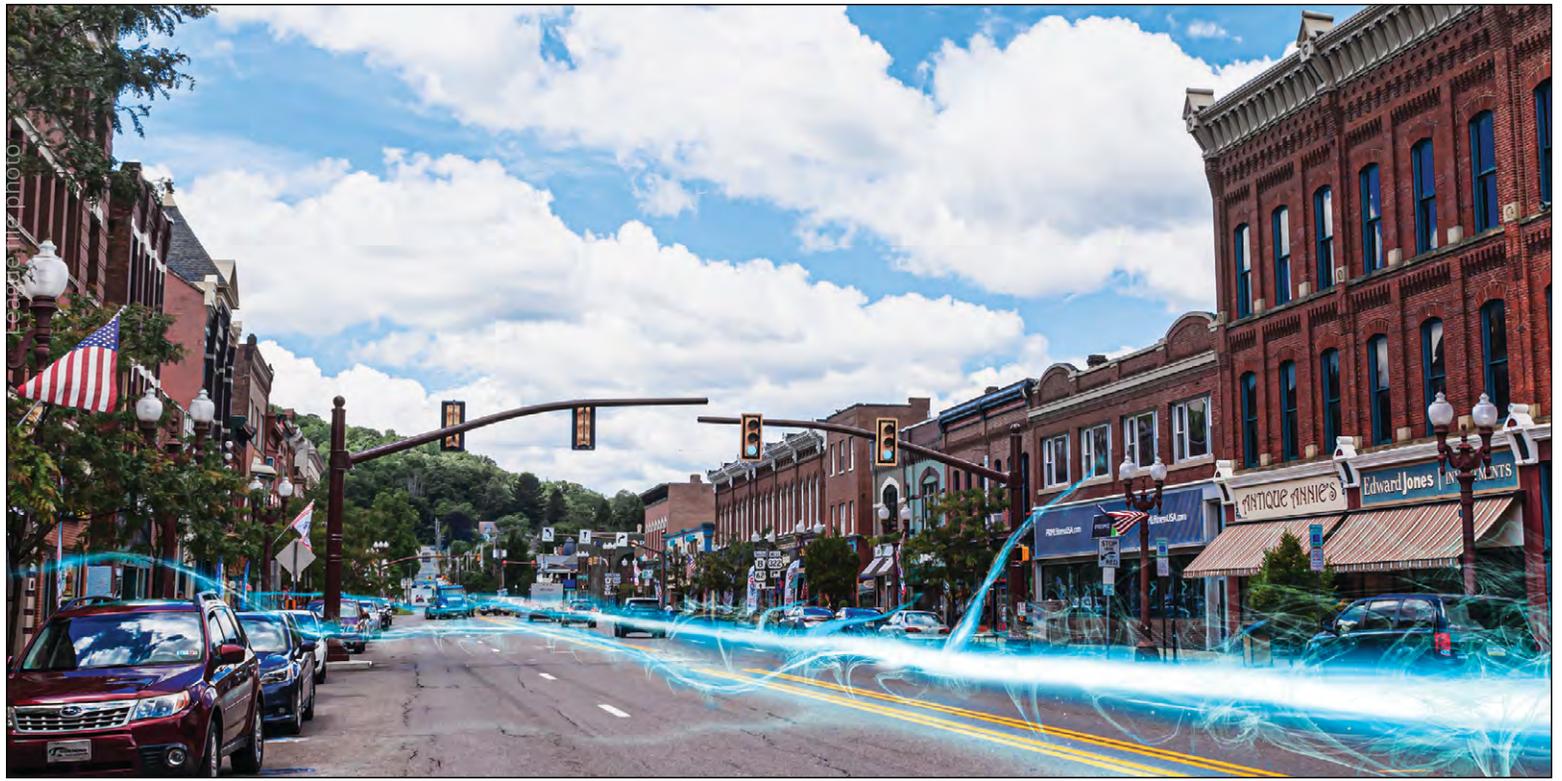
## Interim City Staff Registry



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# 2022 Legislative Short Session Underway as Uncertainty Abounds

By Jim McCauley, LOC Legislative Director

**C**ontent and outcomes for a 35-day “short session” of the Legislature have proven hard to predict since the session became part of Oregon’s legislative cycle more than a decade ago. At the time, the selling point for adding short sessions was they would be confined to emergency needs and budget adjustments. It’s safe to say that the initial promise did not last beyond the first short session, as significant policy discussions have become the norm during the short session cycle.

The 2022 session will be unpredictable, and it will be virtual. A combination of the high COVID numbers and the ongoing construction at the Capitol prevent an in-person session from taking place. The factors that will influence the session will largely be driven by the politics of the race to determine our next governor. It’s a loaded election, with several contenders who were recently members of the Legislature. The most notable may be Senator Betsy Johnson, who since 2018 was the co-chair of the Joint Ways and Means Committee. Senator Johnson declared her run for governor this past fall, and in December resigned her Senate seat to focus on the run for the governor’s office as an unaffiliated candidate. In addition, former House Speaker Tina Kotek and former Minority Leader Christine Drazan also announced their run for governor last year, and subsequently resigned from the House of Representatives in January.

Meanwhile, longtime Senate President Peter Courtney announced in January he will not seek reelection in 2022. Senator Courtney has been in office for more than two decades and has served as Senate President since 2003. Speaker Kotek has also been a long-standing member of the Legislature, serving since 2006 and becoming Speaker of the House in 2013, and Oregon’s longest-serving speaker. For many lobbyists, Representative Kotek and Senator Courtney are the only caucus leaders they have worked with. For the 2022 session, Rep. Dan Rayfield has been voted in as Oregon’s next House Speaker. Add in redistricting of legislative seats and a full slate of new faces in the Legislature, Oregon will indeed face a very unpredictable future for setting legislative policy. To start her final year in office, Governor Brown has initiated

a workforce training focus for 2022 with a funding request of \$200 million. Any infusion of funding into training programs will be a welcomed investment from the state. It’s also something that can have a high return on investment. Programs that provide skilled training can typically pay for the costs in less than 12-18 months with just the income tax generated from the higher paying jobs.

## Pursuing Priority Issues for Cities

The League of Oregon Cities enters 2022 session as partners with several organizations to advance support for core city services. Part of our focus will be on a local coordinated homeless response pilot program from Rep. Jason Kropf of Bend. We will also be advancing legislation with the Association of Oregon Counties (AOC) to provide authority to cities so the local marijuana tax can be raised from 3% to 10% with voter approval. In addition, we’ll be supporting efforts for additional funding and services to deal with the illegal cannabis grow operations in Oregon. These items and others are highlighted below from the LOC’s advocacy team.

## Land Use and Housing

On the land use front, the LOC is tracking several bills under development for the short session, including two proposals that will be familiar to cities from previous sessions. The LOC opposed HB 3072 in the 2021 session, which would have required a local government to amend its urban growth boundary upon a petition from a landowner to include land if it is designated as an urban reserve, and amend its comprehensive plan to allow the land to be used for workforce housing. The new vehicle for 2022 is HB 4118. While the LOC would welcome a legislative workgroup to reexamine the UGB expansion process, this bill: lacks important connections to provision of urban services; would create extra work for cities to update land use planning; and does not include any guarantees that the bill would create more affordable housing.

A second bill aims to revisit HB 2306 with HB 4063 in 2022. HB 2306 was enacted in the 2019 legislative session and prevents a city from denying a building permit on the basis that the supporting infrastructure is not completed in a subdivision. If a residential subdivision is built, the city must have a process to allow the builder to seek building permits upon “substantial completion” of the infrastructure required as a condition of development. Substantial completion is defined as a completed water system, fire hydrant system, sewer system, storm water drainage (but not including the landscaping that might be included), curbs, demarcation of streets so emergency responders can navigate, and roads to the condition they can be accessible to emergency vehicles. The Oregon Homebuilders Association has raised concerns that some jurisdictions are not meeting the requirements of the 2019 law and is seeking additional clarification in statute. The LOC is working with our local government partners to ensure any proposed language would effectively improve development timelines without posing unintended consequences for public safety, stormwater management and underlying infrastructure, and protect future homebuyers from risk. This bill is expected to be introduced in the House as a Housing Committee bill.

The LOC is also providing feedback on another expected House Housing Committee bill that aims to remove barriers to developing manufactured housing and manufactured housing

parks. Two technical fix bills are expected as well, including a technical fix to SB 8, the affordable housing development bill that passed in 2021, and a bill to extend the reporting deadline for the system development charge (SDC) study bill that passed in 2021.

The LOC is partnering with the AOC to develop a bill to pilot local capacity funding to support city-county coordinated homeless response efforts. Representative Jason Kropf is sponsoring HB 4123 that establishes locally led, regional housing coordination through eight pilot communities across the state. Each pilot would receive \$1 million in state funding over two years to operationalize coordinated offices to strengthen their communities’ homeless response by: providing high-level coordination, centralized communication, and strategic visioning; identifying opportunities to more effectively leverage existing funds and access new resources; and creating a more equitable, accessible and responsive system for their residents experiencing homelessness. The LOC is excited to support this effort that will bring much-needed capacity to the following communities:

- Benton County/City of Corvallis
- Coos County/City of Coos Bay/City of North Bend
- Deschutes County/City of Bend/City of Redmond

*(continued on page 28)*

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- Umatilla County/City of Hermiston/City of Stanfield/City of Echo/City of Umatilla

### Marijuana Taxation – Making Up the \$50 Million Gap

For the 2022 legislative session, the LOC's position on marijuana taxation generally remains the same as it was in 2021. First, the LOC and the AOC are requesting the state backfill the \$50 million local governments are projected to lose over the current biennium due to Measure 110 changes in distribution of state marijuana tax revenues. We are open to other ideas, but feel the most straightforward way this could be accomplished would be to distribute a greater percentage of the capped quarterly amount of \$11.25 million to cities and counties and allow the cap to increase with inflation, and SB 1506 is this vehicle. This could be a long-term solution to put local government funding back to the level seen before Measure 110.

Second, consistent with our position even before the passage of Measure 110, the AOC and LOC are requesting that local residents be provided the opportunity to vote to increase their local marijuana taxes up to a new cap of 10%. We feel that local taxes are less likely to be diverted in the future to other legislative priorities, and local residents are best positioned to understand the needs of their specific communities.

We are sensitive to the concerns of the marijuana industry but remind them that this tax on consumers is passed through by the retailer. Industry numbers on total tax rates speak to an issue with federal income tax regulations, not local sales taxes. The LOC will continue to lobby for changes at the federal level to allow income tax deductions by marijuana businesses of ordinary business expenses. Washington provides the best empirical example of a state increasing its retail marijuana tax, and unbiased academic research papers by the University of Oregon and UCLA/Yale do not support the bill opponents' projections around a rush to the black market. Even with a local tax of 10% and a state tax of 17%, Oregon's tax would still be well below Washington or California's.

### Public Safety – Illegal Cannabis Grows

The LOC is anticipating several bills in 2022 to address ongoing criminal and public health concerns with the increase in illicit cannabis production. Illegal marijuana production and

### Contact Us

Reach out to the LOC Intergovernmental Relations team if you have questions or need more information on legislative bills and priorities:

#### Jim McCauley, Legislative Director –

Transportation, building codes, land use & housing  
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#### Scott Winkels – Ethics, public safety, community corrections, courts, personnel, PERS, collective bargaining & public contracting

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distribution continues to create human, environmental and economic damage to the state and its residents. Large scale growing operations have disrupted the legal cannabis market while relying on forced labor and water theft. Legislators are poised to pass legislation that will provide additional tools and resources for state and local governments to combat the problem. While some bills are in response to the ongoing crisis in Southern Oregon, enforcement tools and some requirements will be applicable statewide. Thus far, the LOC is aware of draft legislation that will do the following:

- HB 4016 – Expands the existing lien statute that will allow properties where criminal activity is taking place to be sold to pay for criminal fines and cleanup costs; requires cannabis laboratory workers to have worker permits;
- HB 4061 – Increase the criminal and civil penalties for water theft or illegal water usage; clarifies that the Oregon Liquor and Cannabis Commission (OLCC) and the Oregon Department of Agriculture have the authority to revoke production licenses for violations of water law; require applications for cannabis grows to verify they have legal access to water and verification from the Water Resource Division (WRD) and increase staffing for WRD to research water

rights; and

- HB 4074 – Requires reporting of human trafficking activities by cannabis licensees and permit holders; expands an existing taskforce to address illicit cannabis activity to include a focus on human trafficking and forced labor.

## Reach Code Local Option

Under current state law, cities are preempted from adopting local building codes. In 2009, legislation was passed to implement a new, optional code, a Reach Code, that would allow developers to exceed statewide codes and streamline the construction of energy efficient building. The Reach Code is optional for builders, but a local government can't mandate a builder to use it. SB 1518 would allow a city to adopt the Reach Code within their jurisdiction to promote additional energy efficiency for new structures. If a city does not wish to adopt the Reach Code, the statewide code would remain in place. This was a priority of the LOC Energy Environment Committee that was on the 2021 LOC legislative priority ballot, so the LOC will support this bill in 2022 session.

## Broadband Omnibus

This legislation would ensure that a system of robust, sustainable, and statewide broadband services connect Oregonians into the future. It prepares the Oregon Broadband Office (OBO) for the work ahead. HB 4092 does the following:

- Updates membership of the Oregon Broadband Advisory Council (OBAC) and gives new authority for them to work more directly with OBO;
- Sets a strategic framework for state and federal broadband investment; creates criteria for Oregon to work with providers to collect appropriate information and develop accurate statewide maps for identifying gaps and implementing broadband goals;
- Creates a State E-rate fund for libraries similar to the School E-rate fund; and
- Creates a PUC study on modernizing the Oregon Telecommunication Assistance Program.

## Cybersecurity Center of Excellence

The LOC has been working with many stakeholders and Rep. Nathanson on a cybersecurity bill that has been adopted as a Joint Information Management and Technology committee bill. LC 261 would:

- Create a Cybersecurity Center of Excellence (CCOE) that is jointly housed and hosted by universities and/or public bodies. The CCOE would be staffed with 3 FTE to get it off the ground. This concept was first floated in the introduced version of SB 90 (2017);
- Revise the Oregon Cybersecurity Advisory Council (OCAC) membership and mission, and provide that the new iteration of the OCAC be a governing body for the CCOE;
- Create a Workforce Development Fund; and

- Create a Cybersecurity Grant Fund for public bodies. The LOC and other local government stakeholders will request \$5 million for this fund biennially. However, the creation of this fund is important because it could be supplemented with federal dollars. In the next few years, Oregon is set to receive around \$15 million total from the State and Local Cybersecurity Improvement Act that was adopted in the larger Infrastructure Investment and Jobs Act. ■

## LOC Weekly Conference Calls for City Leaders



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The call-in information is posted on the [LOC website](#) and the audio of each call is posted Friday afternoons.



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# Infrastructure Investment and Jobs Act

## The latest on the \$1.2 trillion legislation

By Jim McCauley, LOC Legislative Director

**W**ith the passage in November of the federal Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Legislation (BIL), Oregon is projected to receive more than \$5 billion of federal infrastructure investment over five years. There are three principal focus areas of the funding: transportation system investment, water-related project investments, and broadband infrastructure. There will also be federal funding available for wildfire mitigation.

At the state level, leaders will likely rely on existing programs when providing funds to local governments. For example, Oregon’s Drinking Water State Revolving Fund (DWSRF) will more than double its annual allocation as federal funding increases annually over the next five years.

Governor Brown recently named Leah Horner to take on the role of State Infrastructure Czar. Horner will remain in her primary role for the governor’s office, directing the Regional Solutions program and serving as the contact for local governments. This is a good sign, because the state recognizes the importance of making sure there is coordination of investments. LOC President Tanea Browning has been chosen to serve on

### Infrastructure Investment and Jobs Act (IIJA)

#### Transportation

- \$3.45 billion for roads and highways
- \$268 million bridges
- \$52 million EV charging stations
- \$747 million public transportation

#### Water Infrastructure

- \$529 million

#### Broadband

- \$100 million

#### Wildfire Mitigation

- \$39 million

a state infrastructure cabinet that will help with communication and coordination to make sure critical projects are funded. A combination of Leah Horner as Infrastructure Czar and the formation of this cabinet should help with coordination of funding and improve the process.



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## NEW! Guidebook Released

The Biden administration released a guidebook on February 1 to help local governments with the application process for more than 40 new grant programs related to infrastructure. This guidebook is intended to assist with the application process, which is only 12 pages long, and is a more detailed account of the grant programs and how to navigate the process. The guidebook is focused on the funds available at the federal level and not the revenue being distributed to the states and run through the mix of Oregon's state agencies and existing financial infrastructure. The guidebook is 465 pages and may seem like a daunting read, but keep in mind it's a detailed account of the grant options to help cities identify how their local project may qualify under several grant programs. For example, the Safe Streets for All (page 123) provides a funding base for local governments to fund planning needs. Download the guidebook at: [bit.ly/3B2HKgu](https://bit.ly/3B2HKgu).

## Three Main Funding Areas – A Deeper Dive

The following is a more detailed overview of the three main areas of investment for the Infrastructure Investment and Jobs Act—transportation system investment, water-related project investments, and broadband infrastructure.

### Transportation Infrastructure:

LOC Contact: Jim McCauley – [jmccauley@orcities.org](mailto:jmccauley@orcities.org)

More than \$1 billion of additional federal funding will be allocated to the Oregon Department of Transportation (ODOT) for investment in highways and special programs. ODOT has developed a website specifically for its allocation of federal money, and will use existing financial programs to improve the efficiency of the process. These funds will be allocated into several existing programs, including:

- Reauthorization of the base surface transportation programs in the FAST Act. The fund distribution will be completed by existing formulas used within the FAST Act;
- New formula programs and funding for resilience and climate;
- Special one-time infrastructure package funding for bridges and EV charging;
- Significant opportunities to apply to the U.S. Department of Transportation for discretionary grants; and
- An additional reauthorization of surface transportation programs.

Roughly \$250-\$300 million will be funneled to local governments from a variety of existing programs. In addition, the Oregon Transportation Commission (OTC) will evaluate the options for spending approximately \$400 million in more flexible funds. The OTC will also be evaluating a spending plan that ODOT presented at the January OTC meeting. The majority of this funding will go to the state's Fix-It program; highway enhancement; the Great Streets program; Safe Routes to School; local climate planning; operations and maintenance; and business and workforce development.

In addition, ODOT will use the All-Roads Transportation Safety (ARTS) program to improve road safety for all users. The agency

anticipates an additional annual infusion of \$45 million to ARTS, which relies on a data-driven approach to identify the most cost-effective ways of directing funding to reduce fatalities and serious injuries for all users on all roads, whether owned by ODOT, a county, or a city.

For bridge investments, ODOT will use the State Funded Local Program (SFLP), which will see its funding more than double over the next five years in an effort to reduce the backlog of bridges in need of repair.

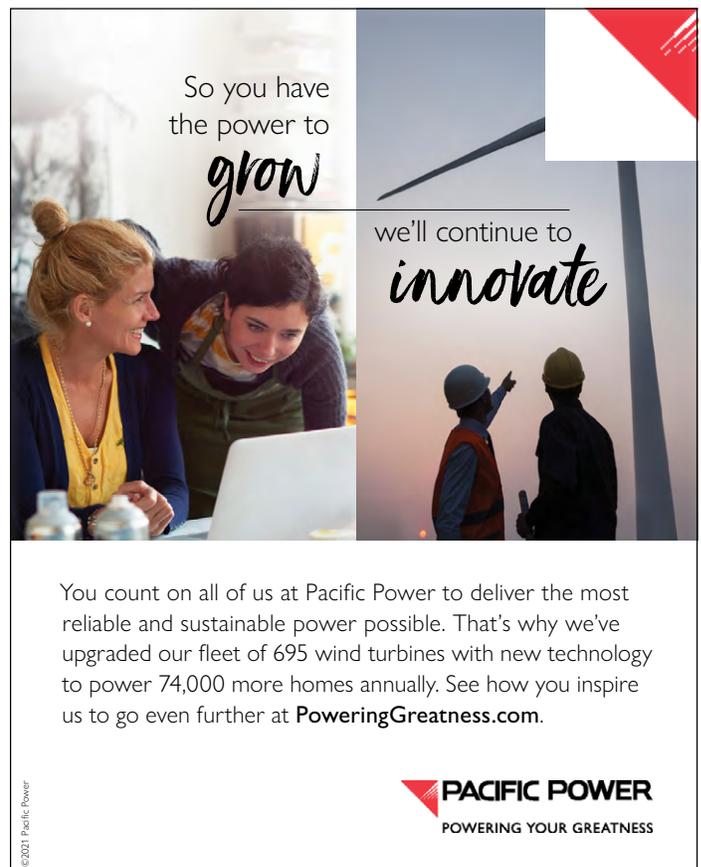
Finally, an additional \$35 million over five years will be added to the Surface Transportation Block Grant (STBG) Fund Exchange Program. This program provides local governments flexibility to use federal funds without the federal layers of process.

### Water-Related Infrastructure:

LOC Contact: Michael Martin – [mmartin@orcities.org](mailto:mmartin@orcities.org)

More than \$500 million is expected to be invested in Oregon's water-related infrastructure over the next five years from the IJA. When combined with the 2021 state budget allocation of \$550 million, Oregon will have more than \$1 billion dollars going to water supply and water treatment projects. This truly will be a generational investment for communities throughout the state. The funding plans or process for water projects is a bit more complex, with these four state agencies receiving allocations: the Oregon Water Resources Department, the Department of Environmental Quality, the Oregon Health Authority, and Business Oregon. In addition, the Environmental Protection

*(continued on page 32)*



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Agency (EPA) is not expected to have guidance available until May of 2022, when the IIJA goes live.

The core programs for the federal funding will be the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF). Both funding programs have multiple sub-programs for specific water-related projects. For example, within the DWSRF program there are six separate programs that range from Sustainable Infrastructure

Planning Projects (SIPP) to the Water Infrastructure Finance and Innovation Act (WIFIA).

To get started on possible funding requests, the state agencies are suggesting applicants provide a non-committal letter of interest. The form is available on [Business Oregon's SIPP webpage](#) and would effectively get an applicant in the queue for consideration. It won't obligate or commit a community to funding, but it will trigger a series of steps for cities and the state agencies to consider for funding options.



## What Cities Should Consider and NLC Resources

The Bipartisan Infrastructure Law (BIL) is a \$1.2 trillion bill and was the result of years of local leaders calling for action with the National League of Cities (NLC), with the League of Oregon Cities as well as business and industry leaders. It means transformative investments in transportation, broadband and water are heading to Oregon, which can be used to create safer transportation, ensure equitable infrastructure among neighborhoods, build resilient structures and strengthen our economy.

Oregon municipal leaders should begin to plan and prepare now to make the most of these new opportunities coming from the BIL. Municipal officials should consider the following to maximize program opportunities:

- 1. Consider the existing programs as well as the new programs:** BIL includes \$550 billion in additional new programs. Many allow communities and their partners to specifically apply for and take advantage of the federal resources, but it also renews many existing programs that will be just as valuable to Oregon's municipalities. In the discussion of what's new, don't miss those existing programs which will be just as helpful to your city!
- 2. Think about working at both the state and federal levels:** The number of program funds that cities can access directly from the federal government are substantial, but most will not come to Virginia's communities without taking the effort to ask for them through applications—either at the state or federal level. Get ready to compete and shape your city's story for all the funds that will be available.
- 3. Prepare to support the project and show commitment:** The majority of federal grants come with some expectations that a local match will be provided which is often around 20% for transportation but some programs can be less especially for smaller and disadvantaged communities. Take care to understand what your contribution may be and consider how to organize the funding.

As we celebrate this huge legislative win, NLC also wants to make sure cities are beginning to plan and prepare to

make the most of these opportunities from the bipartisan infrastructure law in 2022. Here are just a few ways to start getting your city ready to rebuild:

- 1. Identify your local priorities and how they match up to federal grants** using NLC's new Infrastructure Bill Insights Tool for members. This tool provides a searchable list of programs for local leaders included in the IIJA. NLC will continue to add to this live resource with application links and deadlines as they become available. Access the tool at [bit.ly/3IRlmKq](https://bit.ly/3IRlmKq).
- 2. Plan to attend NLC's federal training sessions** on new and renewed infrastructure programs that cities can access. The NLC will have federal officials and cities that were successful in these programs share their insights so you can familiarize your city with the programs and get advice. For news about upcoming information sessions, please sign up for the Federal Advocacy Update Newsletter at [nlc.org/newsletters](https://nlc.org/newsletters).
- 3. Save the date for the 2022 Congressional City Conference, March 14-16**, in Washington, D.C., where we'll sit down with key administration leaders who will be administering the programs. We'll talk about what's coming and start to advance your city priorities with the administration and Congress. For more information, go to <https://ccc.nlc.org>.

We know all of Oregon's municipalities are ready to rebuild, and NLC is excited to deliver for you to make the most of this historic opportunity in 2022. Cities, towns and villages can do more than survive; we can thrive.

*Authors:*

Brittney Kohler, NLC Legislative Director, Transportation and Infrastructure Services

Carolyn Berndt, NLC Legislative Director, Sustainability  
Angelina Panettieri, NLC Legislative Director, Information Technology & Communications

## Broadband Infrastructure:

LOC Contact: Jenna Jones – [jjones@orcities.org](mailto:jjones@orcities.org)

For broadband infrastructure the details and planning will take some additional time to develop. The state started a broadband office in 2018, but it was not adequately staffed. Necessary funding for additional staff arrived during the 2021 legislative session, and the broadband office is developing a plan to reduce the digital divide in Oregon in consultation with local governments and other partners. The Broadband Equity, Access & Deployment Program (BEAD) state infrastructure grant program will receive \$42 billion under the IIJA, and Oregon will receive at least \$100 million of the BEAD funds over the next five years.

Once the state receives the federal funds, they will have 180 days to advertise a funding program. The focus will be on underserved areas without 25/3 service, underserved areas without 100/20 service, and anchor institutions without gig speed. Oregon will also need to prioritize subgrants for areas with persistent or high poverty, as well as the speed of the proposed network project, build time, and a demonstrated record in compliance with federal labor and employment laws.

In addition to the direct funding there are additional programs for broadband investment in Oregon. These include:

- \$1.3 billion for the Digital Equity Act, split between state formula grants and competitive grants. This will include: \$60

million for planning grants to states for the development of state Digital Equity Plans; \$650 million for grants to states to implement those plans; and \$650 million for grants to a variety of public-sector and not-for-profit entities to support digital inclusion and broadband adoption.

- \$1 billion in competitive middle-mile infrastructure grant funding for “construction, improvement or acquisition of middle mile infrastructure” that will “reduce the cost of connecting unserved and underserved areas to the backbone of the internet” and promote network resiliency. This will be funding offered and administered by the National Telecommunications and Information Administration.

Guidance for these programs is not expected until May 2022 at the earliest. At that time Oregon’s broadband office will have a better sense of how to proceed with a broadband infrastructure investment plan.

Patience will really be a key factor going forward. Past experience with Coronavirus Relief Funds and the American Rescue Plan Act has certainly taught cities that it takes time for the funds to move and it takes time for guidance to emerge from the process. The best advice the LOC can offer member cities at this time is to approach the funding strategically and consider projects that truly present generational investments. ■



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# Collaborative Effort Results in Comprehensive Police Reforms

By Melody Finnemore

**A** unified effort to pass police reform legislation during the 2021 legislative session resulted in a comprehensive package that has elevated Oregon as a national model.

The bills passed include:

- HB 2162: Police Accreditation
- HB 2204: Justice Reinvestment
- HB 2417: Crisis Intervention and Peer Respite Care
- HB 2513: CPR Training
- HB 2930: Arbitration Reform
- HB 2932: Police Use of Force Reporting
- HB 2936: Racism Prevention in Policing
- HB 3145: Police Discipline Reporting
- HB 3355: Crowd Control Identification

During a recent LOC online training workshop, Sen. Lew Frederick, Portland; Rep. Ron Noble, McMinnville; and Jerry Granderson, director of the Oregon Department of Public Safety Standards and Training (DPSST), discussed the collaborative effort to pass the bills, how they will impact cities and what steps were taken to implement the bills even before they took effect Jan. 1.

Frederick and Granderson, who are both Black, shared how their personal experiences impacted their involvement in advocating for the legislation. Frederick described how police pulled him over while he was driving slowly through the Northeast Portland neighborhood where he lives. The officer was surprised that he lived there due to the neighborhood's gentrification.

"I also had a gun pulled on me by a police officer in King City when I was a television reporter back in the 1990s," Frederick said. "It's not completely a racial situation or an economic situation, but it is 'Let's make sure that people are feeling safe.' A number of us came into this effort because of personal encounters that were not pleasant."

Granderson, who became DPSST's director in March 2021, recalled a citizen calling the police to report him for casing a neighborhood while he was smoking a cigar on a street corner. The officer who responded was professional and initiated de-escalation techniques. The two struck up an hour-long conversation during which Granderson introduced himself and praised the officer's response.

## Mandatory Evaluations Among New Laws

Frederick said the Legislature's goal was to ensure that police officers truly want to protect and serve and be more connected with communities.

"We tried to make it clear that what we wanted to see in public safety was an issue of people being guardians and not warriors. There is a philosophical difference between the two and that is something we're continuing to work on," he said. "If something is done poorly or wrong, people would like to see that made clear and that there are consequences that are clear and that we can track those things."

Noble, who previously served as chief of police for the city of McMinnville and was a police officer in Corvallis, pointed to the need for ongoing wellness training to help first responders dealing with trauma. "I've watched good men and women get



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hired on and then, through the job, no longer really are suitable for the job, and it's difficult to encourage them to move along.”

Noble said he was surprised to learn after nearly 30 years in law enforcement that all agencies were not required to conduct background checks and psychological evaluations on applicants. HB 2936 requires that police background checks meet best practices as established by DPSST and police psychological exams review an applicant's views toward diverse cultures and ethnicities. In addition, applicants' social media posts are investigated as well as memberships in racist, militant or hate-based organizations.

Having served on both sides of the bargaining table as a teamster and a police chief, Noble said he was gratified to see the passage of HB 2930, which the LOC, police and sheriffs' departments advocated heavily for. The bill makes significant changes to police arbitration reform by creating a unified “just cause” standard for police discipline that is not bargainable, and requires that an arbitrator take into account the interest of the public when overturning a disciplinary order.

“I absolutely believe this is a minority of police officers that this will impact. Most men and women I worked with in my career are very capable, very honorable and they make the best decisions they can,” he said. “I do believe there are some police officers out there who should no longer be police officers, and maybe never should have been police officers.”

### Advocates Play Key Role in Reforms

Granderson noted a recent analysis that showed that, since George Floyd's death on May 25, 2020, the number of incidents involving police violence in Oregon has decreased. He praised the advocates who pushed for police reform and the

Legislature's collaborative process in passing the comprehensive package of bills.

“It was really interesting and wonderful to see young people involved in the discussion and the presentation in terms of how these events affect them not only socially, but also with respect to their emotions,” he said.

During the October LOC workshop, Granderson referred to the police officers who stood by during Floyd's death and said police have “a duty to intervene and a duty to report.” DPSST already has addressed new requirements related to police use of force and police discipline reporting with a form that can be filled out on its website.

“I know that is good movement in the right direction, and we acted on that very quickly because that's a powerful thing for us,” he said.

Granderson added that one of his first orders of business in becoming director of DPSST was to take a group of staff off campus to update the department's strategic plan, which hadn't been revised in over a decade. In an update of core values, promoting diversity took top priority.

“Diversity solves a lot of issues and it addresses issues that need to be addressed. There were some levels of pushback and that's OK. That's the purpose of having debate and conversation so that we can say why this is a good thing,” he said.

For additional information on the police reform bills and guidance on their implementation, please contact Scott Winkels, LOC's lobbyist, at [swinkels@orcities.org](mailto:swinkels@orcities.org). ■

*This LOC Virtual Annual Conference session took place Oct. 22, 2021. View a recording of the session on the LOC's YouTube channel: <https://youtu.be/bhadNPWTu-8>.*



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# Attorneys Provide Guidance on Vaccination Requirements & COVID Protocols

By Melody Finnemore

Laura Salerno Owens, firm president, shareholder and co-chair of the firm's employment practices group at Markowitz Herbold PC, and Kyle Busse, shareholder and co-chair of the firm's employment practices group, recently led a Q&A session with LOC member cities that addressed which COVID vaccine mandates apply to city governments.

Their presentation answered frequently asked questions and provided practical tools to help employers handle vaccine-related matters fairly and efficiently while respecting employees' concerns about receiving the vaccine.

Among the FAQs Salerno Owens and Busse discussed were employee exemption requests because of religious, medical and disability reasons. Falsified exemption requests, available accommodations and pay issues related to vaccines also were center stage.

To begin the discussion, Salerno Owens outlined which mandates apply to city governments. The state's mandate, for example, does not apply because city employees are not state Executive Branch employees. Below are a few Q&As addressing topics covered at the presentation<sup>1</sup>:

**Q: Does the federal OSHA mandate apply to cities that employ more than 100 people?**

**A:** The U.S. Supreme Court issued a ruling on January 13, 2021, that the federal OSHA mandate was illegal and forbade OSHA from requiring large employers to impose vaccine or testing mandates. As a result, there will not be an OSHA mandate from the federal government, and it is unlikely that the Oregon state OSHA will impose its own, as it typically follows the federal OSHA guidelines very closely.

**Q: What if your city is not covered by the state mandate?**

**A:** You can impose your own vaccine mandate, but you have certain limitations.

ORS 433.416(3) prohibits an employer from making immunizations a condition of employment for certain workers, as defined in ORS 433.307(3). This includes healthcare workers, police officers, firefighters, and probation and corrections officers.

Healthcare workers are subject to vaccine mandates because of the state's Executive Order. Salerno Owens referred employers to an opinion issued Oct. 7, 2021, by retired Oregon Supreme Court Justice Jack Landau.

"While I don't normally advise employers to read Supreme Court opinions, I think this one is useful because it provides some

helpful language if you need to have these conversations with employees," she said.

Salerno Owens noted that "essential workers" are not a separate category for vaccine mandates. Requiring employees to be vaccinated does not present a discrimination problem. And there are no HIPAA concerns with requiring vaccination records or proof of testing because HIPAA applies only to healthcare providers and not employers.

## Religious Exemption Requests

In determining whether an employee has a legitimate religious exemption request, Busse offered this recommendation: "The best approach in any situation is to begin at the same starting point, which is to determine whether this is actually a religious objection as opposed to a political, scientific or other personal objection."

Some examples of religious objections include moral discomfort with the use of stem cells in vaccine research; a belief that receiving the vaccine constitutes the "mark of the beast;" and adherence to a religion that prohibits all vaccinations.

However, it is not a religious objection if someone believes that the vaccine was developed too quickly or that vaccine mandates are government overreach. Disagreement with the science of vaccines does not constitute a religious exemption. On the face of it, a preference for relying on natural immunity also is not a religious exemption, although some religions do adhere to natural immunity so employers should be cautious in this regard.

**Q: Medical and disability exemptions come with some evidence. How do employees demonstrate a religious exemption?**

**A:** The Oregon Health Authority has provided a form that can be filled out online and printed. It asks the employee for a brief written description of their religious objection to the vaccine and asks them to sign it.

"I really like this form. What I like about it is that it kind of takes the employer out of the equation," Busse said. "Civil rights issues are often very emotional. These are highly personal beliefs that don't always mix well with office (policies), so the less involved the individuals who represent the employer the better because there's less chance that someone will be perceived by the employee of holding some kind of bias, or being 'judgy' to use a technical term, about all this."

In addition to providing a clear explanation and taking that onus off the employer, the form also helps depersonalize the issue, he added.

<sup>1</sup> The information in this article has been updated with new developments that occurred since the presentation date.



Laura Salerno Owens, President,  
Markowitz Herbold PC



Kyle Busse, Shareholder,  
Markowitz Herbold PC

**Q: Can employers require employees to fill out that form?**

**A:** Yes, it is permissible and appropriate to ask employees for a written narrative of their religious objection. An employer may use the form for this purpose or ask for additional narrative.

**Q: Can an employer ask follow-up questions?**

**A:** Yes. The employer may engage in a conversation about an employee’s religious beliefs and questions. Keep it confidential, keep a written record, and do not use it as an opportunity to delve into an employee’s deepest spiritual beliefs.

**Q: What if employer does not believe the employee is sincere?**

**A:** Give them the benefit of the doubt. Err on the side of granting the exemption but deny it only if there is some objective

evidence that the employee is fabricating the objection or if the objection is not grounded in a religious belief. (As an example, the employee claims not to believe in vaccines but gets a flu shot.)

**Medical Exemption Requests**

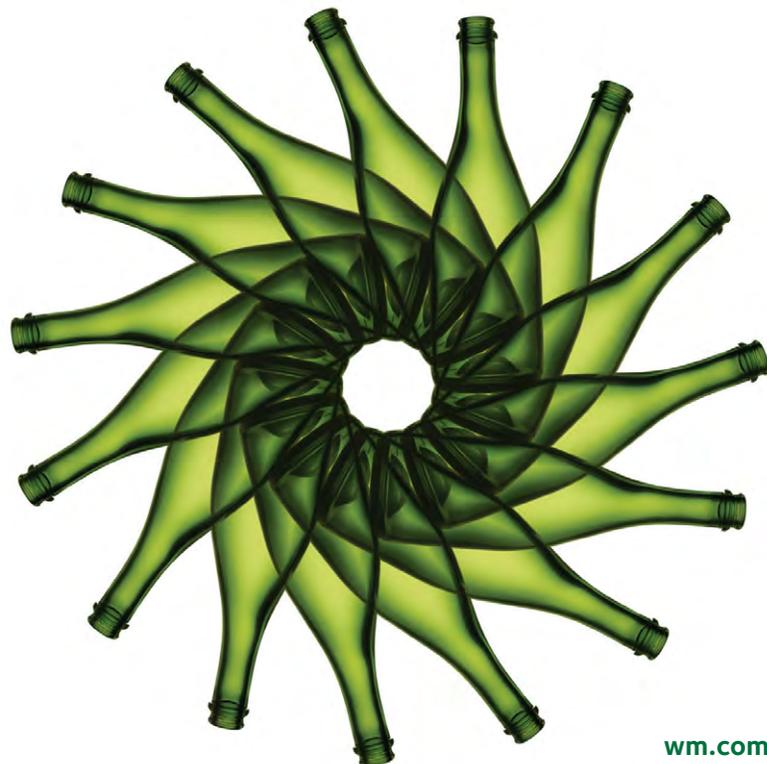
**Q: Which medical conditions prevent a person from getting the vaccine?**

**Salerno Owens:** Just one—a severe allergic reaction to one of the ingredients of the vaccine, resulting in anaphylaxis. Even immunocompromised and pregnant women can receive it. The COVID-19 vaccines don’t contain a live virus and, therefore, do not present some of the medical risk other vaccines present.

*(continued on page 38)*

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**Q: What information should I ask for if an employee wants to request a medical exemption?**

**A:** Ask for the following information, which is the same information schools require from students seeking a medical exemption from vaccines:

- Employee’s name
- Birth date
- Medical condition that contraindicates vaccine
- List of vaccines contraindicated
- Approximate time until the condition resolves, if applicable
- Physician’s signature
- Physician’s contact info, including phone number

**Q: Can an employer request medical records from an employee?**

**A:** Yes. HIPAA does not apply to employer-employee interactions. You can ask the employee for medical documentation, records of COVID-19 vaccinations, and past vaccination records. You will need a medical release signed by the employee if you want to request records directly from a physician or hospital, as they are covered by HIPAA.

## Disability Exemption Requests

**Q: How do employers handle a request for a disability exemption?**

**A:** Exactly as they would for any other request for accommodation under the Americans with Disabilities Act. Talk to the employee, keep it confidential, and offer whatever reasonable accommodation is possible.

**Q: Which disabilities would prevent a person from receiving the COVID vaccine?**

**A:** Technically, none. Less technically, the Equal Employment Opportunity Commission encourages employers to treat pregnancy as if it were a disability in this context, even though it is not for purposes of the ADA. Many people feel strongly that they do not want the COVID vaccine while pregnant or breastfeeding. Employers should accommodate those requests as much as possible, as pregnancy discrimination is a form of sex discrimination.

**Q: Is pregnancy the only relevant disability?**

**A:** No. First, some employees may have a true phobia of needles or doctor’s offices. If this is your employee, work with them confidentially to find a solution. Second, some disabilities may make it difficult for an employee to access the vaccine. These employees should be accommodated as well, to the extent possible.

## Falsified Exemption Requests

**Q: What should an employer do if they believe an employee has provided false medical information to gain an exemption?**

**Busse:** Ask the employee for medical records or a phone call with the employee’s primary care provider. (The provider doesn’t have to offer the information under HIPAA.) If the employee will not comply with that request, deny the exemption. Document everything in writing. This goes for any exemption you deny. Keep a written file in as much detail as possible, including what information the employer asked for that wasn’t provided.

**Q: Can an employer choose the physician the employee sees?**

**A:** Yes. Just as in the context of a Family and Medical Leave Act claim, an employer can require the employee to see a physician of the employer’s choice if the employer suspects the employee’s physician is not providing accurate information. Busse reminded employers to document the reasons clearly.

## Available Accommodations

**Q: How do employers accommodate employees who qualify for exemptions?**

**A:** Full remote work is an accommodation that gets around the mandate completely. Unpaid leave is also an option for employees who cannot be fully remote or where testing is not an option. Finally, OHA suggests that remote work, masking requirements, and altered work sites or schedules could be accommodations. It is unclear if testing is an accommodation; there is no indication that the governor intends it to be.

**Q: Does an employer still have to pay for employee benefits with the unpaid leave option?**

**A:** Generally, yes.

**Q: Can an employee be fired for refusing to get vaccinated?**

**A:** Yes and no. Employers are required to accommodate them if possible. However, if accommodation is not possible or it presents an “undue hardship,” the employer may fire the employee. Religious exemptions, in particular, only need be accommodated at de minimis cost to the employer.

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## Pay Issues Related to Testing and Vaccines

**Q: Who pays for COVID testing?**

**A:** If the testing is an ADA or religious accommodation, the city pays.

If the city is not subject to the state mandate and decides to require testing by ordinance, the employee pays.

If the city is not subject to the state mandate and decides to require testing by policy, the city pays.

**Q: Can employers use incentives to encourage employees to get vaccinated?**

**Salerno Owens:** Yes, but keep in mind that incentives count as a “wellness program” and must comply with HIPAA wellness program requirements. Most importantly, the total cost cannot exceed 30 percent of the total employee-only cost of health insurance.

**Q: In that case, how else can employers encourage vaccines?**

**A:** There are many possible approaches, and it is worth having a conversation with employees. One approach is a fine. Delta Air Lines, for example, is fining pilots and flight attendants \$200 per month if they do not get vaccinated rather than requiring them to do so. Other employers, such as Nike and Columbia, have announced they will be terminating employees who do not receive the vaccine. Before you consider any such punitive policies, be sure to consult with counsel.

**Q: What else can employers do if they don't want to fine their employees?**

**A:** One possibility would be to increase PTO with the creation of something like a floating “COVID-19 Holiday” that employees could use to get vaccinated or just to take a day off as a mental health day due to the stress of the pandemic.

**Q: Can an employer be sued if their employees don't get vaccinated?**

**A:** Unclear. No Oregon employer has been sued for having unvaccinated employees (to their knowledge), but it would be a possibility if an employer made no attempt to enforce the mandate in their workplace.

Salerno Owens and Busse had this final piece of advice for employers:

Be kind. While employers are under pressure to comply with the mandates, employees are also facing pressure to receive a medical treatment that is fraught for some of them. They may be facing pressure from family, friends or faith communities. They may be afraid. They may be misinformed. Treat them as kindly as possible. It will pay off for employers and employees in the long run. ■

*This LOC Virtual Annual Conference session took place Oct. 22, 2021. View a recording of the session on the LOC's YouTube channel: <https://youtu.be/3bAcJDAXpws>.*

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# 2022 State Shared Revenues

Information and forecast estimates in this report are based on the best information available as of late January. 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.

	<b>Highway Trust Fund Revenues</b> (Gas Tax)	<b>Liquor Revenues</b> (20% of Total Share)	<b>Marijuana Tax Revenues</b> (75% of City's Share)	<b>Cigarette Tax Revenues</b>	<b>9-1-1 Tax Revenues</b>
<b>2019-20 Actuals</b>	\$66.81	\$17.94	\$2.38	\$1.10	\$6.09
<b>2020-21 Actuals</b>	\$73.47	\$19.25	\$1.29	\$0.96	\$8.05
<b>2021-22 Estimates</b>	\$77.91	\$17.56	\$1.26	\$0.78	\$11.39
<b>2022-23 Estimates</b>	\$76.42	\$18.30	\$1.25	\$0.75	\$11.67
<b>2023-24 Estimates</b>	\$76.11	\$19.12	\$1.23	\$0.73	\$12.03

## Non-Per Capita Based State Shared Revenues for Cities

State marijuana tax and liquor revenue distributions are not exclusively based on population. The 14% 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% 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 all certified cities. The estimates for the total share for all cities are provided to allow cities to see trends that will assist cities in their individual computations.

	<b>Liquor Revenues</b> (Based on Formula, 14% of Total Share)	<b>Marijuana Tax Revenues</b> (Based on Licenses, 25% of City's Share)
<b>2019-2020 Actuals</b>	\$36,638,000	\$2,054,400
<b>2020-2021 Actuals</b>	\$39,771,000	\$1,125,000
<b>2021-2022 Estimates</b>	\$37,180,000	\$1,125,000
<b>2022-2023 Estimates</b>	\$39,149,000	\$1,125,000
<b>2023-2024 Estimates</b>	\$41,353,000	\$1,125,001

# 2022 State Shared Revenues

## City Budgeting Basics for the Five State Shared Revenues

By Mark Gharst, LOC Tax and Finance Lobbyist

Cities are expected to again receive payment from five different state shared revenue programs during the new fiscal year. Most shared revenues are distributed to cities based on population, but some use more complex distribution mechanisms. The five revenue sources are summarized below and include descriptions of each revenue source, forecast projection trends, and key legislative updates that may impact the revenue. The LOC encourages cities to join its advocacy efforts to protect and improve each of these vital revenue sources.

Using state projections, the LOC has produced estimates of state shared revenues for cities to utilize when formulating their budgets. Projections for distributions to cities may be revised throughout the year as revenues come in or as laws change. For more detailed estimates and explanations of each shared revenue, see the LOC's State Shared Revenue Report, which will soon be available [online](#). Cities are reminded that they must take necessary steps, including completing various required certifications and reports, to receive the revenues. Those requirements are detailed in the online report.

### 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 on the same item in exchange for a specified portion of the revenues collected by the state. Thus, these revenues should not be viewed as “shared revenues,” but rather 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 through decreased shares for local governments as a tactic to help balance the state budget. In addition, when the state increases its tax rate, it often does not include the increased revenues in the share provided to local governments.

2020-21 Total City Share	
Highway Trust Fund	\$216,900,000
Liquor Revenues	\$96,586,000
Marijuana Tax	\$4,500,000
Cigarette Tax	\$2,833,333
9-1-1 Tax	\$23,351,262

### The Five State Shared Revenues

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



In 2017, the Legislature approved a comprehensive transportation funding package (HB 2017) that significantly increased cities' per capita funding, and the results will be seen more fully in the coming years as rates continue to phase in. The package included a 10-cent gas and use fuel tax increase, a 53% increase in the weight-mile tax, registration fee increases, and title fee increases—all graduated increases occur over a seven-year period, with the last increase in 2024. For all tax and fee revenues, distribution occurs two months after the revenue is collected.

From the total allocation for cities (which is about 16% of the fund), \$2.5 million is directed annually off the top to the special city allotment fund (the \$2.5 million allotment began in 2018 and had previously been \$500,000). The allocation is matched and administered by the Oregon Department of Transportation (ODOT) to provide competitive grants to small cities (populations less than 5,000) in addition to their per capita allocation.

The COVID-19 pandemic affected driving behavior, but initial predictions of a sharp decline and a slow recovery have proven to be incorrect. There was a significant drop in gas taxes in 2020, but it was followed by a much quicker recovery than anticipated, and revenues are now just a few points below 2019 highs. Revenues tied to trucking activity are above 2019 levels, likely due to increased online shopping. Long term growth in this revenue source will be tied to external factors like how the pandemic plays out, teleworking trends, population growth, and moves toward more fuel efficient and electric vehicles. This revenue source is expected to remain more or less flat for 2022-23, with estimates coming in just 2% below 2021-22 levels.

#### 2. Liquor Revenues



Cities' share of this state shared revenue is 34%, of which 20% is distributed per capita and 14% is distributed using a formula that factors in property taxes, population and income. 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 more than 95% of this revenue source. The state maintains the exclusive right to sell packaged distilled spirits and sets the mark-up on products using a wholesale price formula. This means that the bulk of this state shared revenue source technically is based on profits, and not taxes.

At approximately 8 cents per gallon, or about 4 cents on a six-pack, Oregon's beer and cider tax is one of the lowest in the country. In fact, Oregon's beer tax rate has remained unchanged since 1978. Meanwhile, the state wine tax is in the middle compared to other states and is 67 cents per gallon. The wine tax has not been increased since 1983. With tax rates presently so low, it would take large tax increases to generate any significant revenue.

Changes made in the 2021 legislative session to increase compensation to liquor store agents and distillery tasting room owners will reduce net distributions from this revenue source. The OLCC warehouse is reaching capacity, and the Legislature approved construction of a new facility using bonds that will also be paid for out of gross revenues. These costs will likely be compounded by an anticipated dip in demand as we come out of the pandemic and residents spend more time away from their homes. Cities' share of this revenue source is projected to continue trending upward over the long term, but it may be some time before we return to the historic distributions seen in 2020-21.

### 3. Marijuana Tax Revenues

 The state imposes a 17% tax on recreational marijuana products. Until the end of 2020, cities received 10% of the state's total tax revenues (minus expenses) on recreational marijuana products. With the passage of Measure 110 in November 2020, which decriminalized possession of small amounts of street drugs, there was a massive shift in the

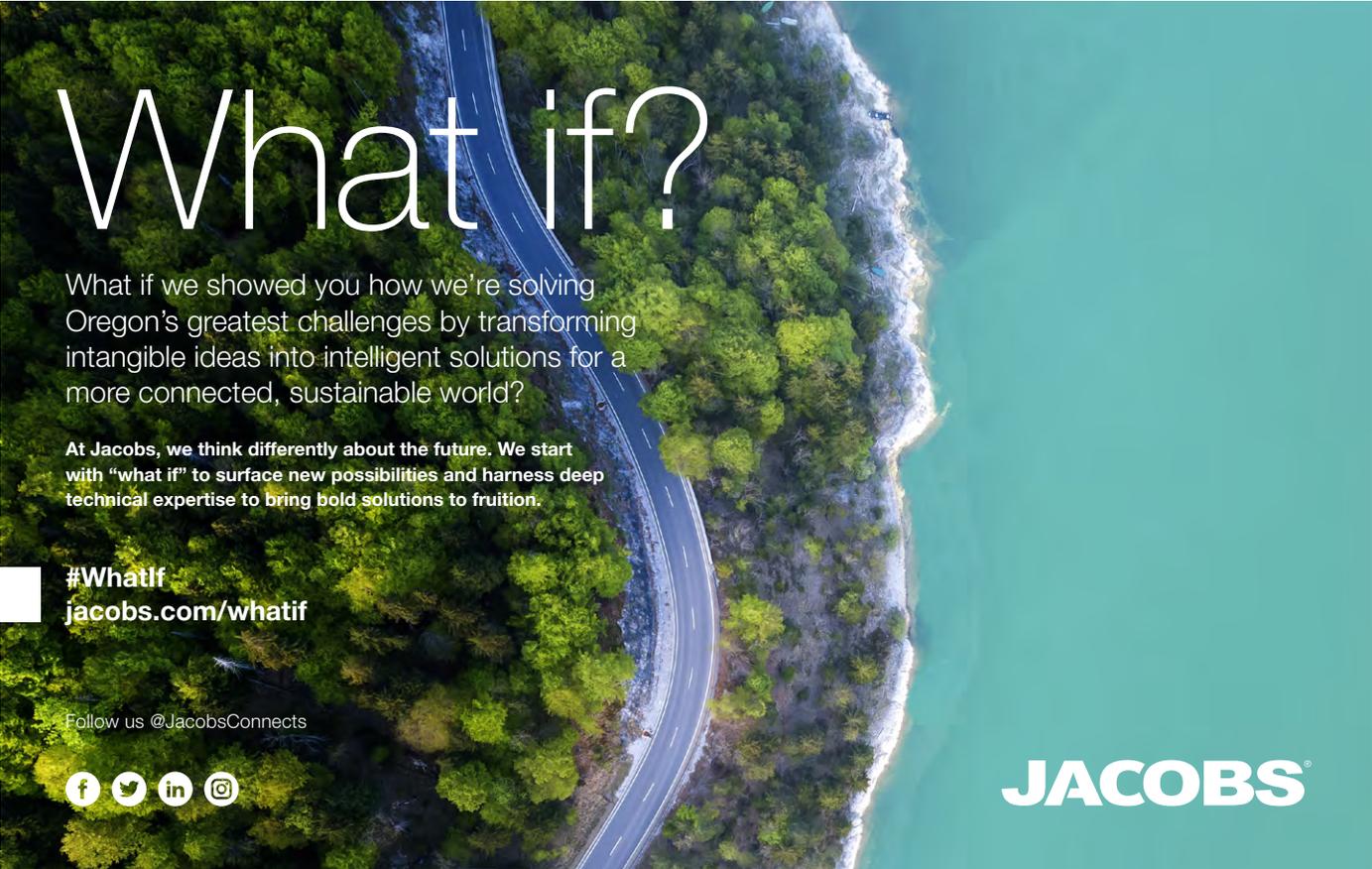
allocation of state marijuana revenue distributions. Starting in March of 2021, quarterly revenue distributions to cities from state marijuana taxes saw roughly a 74% decrease from the fourth quarter 2020 distribution (the final distribution under the old formula). Going forward, under Measure 110, cities will share \$1,125,000 quarterly, or \$4,500,000 annually, which is not indexed and will not grow with the market.

Revenue distributions to cities are made quarterly, however only individual cities that certify will receive a distribution. This certification had been required quarterly with the OLCC, but in 2020 was moved to an annual certification with the Oregon Department of Administrative Services (DAS), similar to other shared revenue certifications. Since 2017, 75% of the shared revenue is distributed to eligible cities on a per capita basis, and 25% is distributed based on the number of licensed recreational and medical premises in the city (grower, processor, wholesaler, and retailer). Note that the license portion (25%) of the distribution is particularly hard to forecast as shops are frequently opening and closing.

Cities may impose up to an additional 3% local tax on recreational marijuana products. Most cities have an agreement with the Oregon Department of Revenue to have the state collect their local tax at the same time the state tax is collected. However, that local tax revenue is not considered a state shared revenue.

The LOC will advocate on behalf of cities for additional marijuana revenues in the 2022 legislative session, but the numbers

*(continued on page 43)*



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reflected in this report assume no change from the Measure 110 formula. Since the 2021 session, there have been interim conversations around legislation to increase the 3% cap on local taxes or backfill Measure 110 losses, and the LOC continues to lobby for both concepts.

#### 4. Cigarette Tax Revenues

 This revenue source is projected to continue trending downward—as it has for more than 10 years—as smoking decreases. In November 2020 voters passed Measure 108, which increased cigarette taxes by \$2.00 per pack effective January 1, 2021, increased the cap on the cigar tax from 50 cents to \$1.00, created a tax on vape products at 65% of the retail price, and preempted cities from taxing vape products. After the increase, cigarette taxes are at \$3.33 per pack, and cities’ share of that revenue is a meager 0.6% of the tax, or about 2 cents per pack. It’s important to note that while cities receive a share of tax revenues for cigarettes, no shared revenue is distributed for taxes on other tobacco products, including cigars, moist snuff, chewing tobacco, pipe tobacco, and now vape.

Measure 108 was expected to have the effect of decreasing revenues to cities; cities did not get a share of the \$2.00 increase, and as prices increased by 33% on average, demand was anticipated to decrease. During discussions at the Legislature, reductions in sales as high as 25% to 35% were discussed due to reduced smoking rates in Oregon and a reduction of cross border sales into Washington and California. When the latest estimates for the

2021-22 biennium are compared to the 2019-20 biennium (the last full biennium before the tax increase), there is an almost 27% decrease in this revenue source. Some of this decrease is likely due to longstanding trends, but it seems clear that Measure 108 has achieved the intended result of reducing smoking.

#### 5. 9-1-1 Tax Revenues

 Oregon’s 9-1-1 tax was increased to \$1.00 per line or pre-paid transaction effective January 1, 2020, and further increased to \$1.25 effective January 1, 2021. Before this change in 2019’s HB 2449, the rate had been 75 cents since 1995. 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 network. Less than 20 of the 45 PSAPs in Oregon are operated by cities; most are managed by counties or a regional entity.

The PSAPs are only partially funded through the state’s Emergency Communications Tax, with the balance of operating costs coming primarily from property taxes. Local governments receive approximately 60% of 9-1-1 taxes, but the taxes generally covered less than 25% of the costs of total PSAP operations before the recent rate increases. Ratios of individual PSAP costs to taxes received vary. The local government share of the state tax is distributed 1% to each county, with the remainder distributed per capita.

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# Budgeting Basics

## A look at the budget process, common elements and current law

A city's adopted budget is one of the most important and informative documents city officials will use. In simple terms, the city's budget is a financial plan that is prepared for one fiscal year or a two-year (biennial) cycle. Cities in Oregon operate within a fiscal year that begins July 1 and concludes the following June 30, or some cities will use a biennial budget, which covers a 24-month period beginning July 1 of the first fiscal year and ending on June 30 of the second fiscal year.

The adopted budget is a legal document that establishes the authorization to receive and spend money, and limits how much money can be spent for a specific activity or program. It presents the estimated costs of expenditures (goods or services the city plans to purchase in the coming fiscal year) and other budget requirements (contingency for unanticipated expenses) that must be planned for, but may not actually be spent. It also presents the anticipated and actual revenues that will be available to pay for those expenditures.

Budgeting is actually a cycle, which takes 12 months to complete. The budgeting process in Oregon has nine required steps, composed of four phases in which the budget is: prepared, approved, adopted and executed. After adopting the budget, the governing body makes the necessary appropriations and certifies to the county assessor the tax to be imposed. In order to levy taxes through a county assessor, cities must prepare a budget following the specific process as set out in state law.

### OREGON'S LOCAL BUDGET LAWS

In Oregon, cities are required to adhere to the state's local budget law, a group of statutes that requires local governments to prepare and adopt annual or biennial budgets following a very specific process. Budget laws have been written to accomplish very specific objectives, including:

- Setting standard procedures for preparing, presenting and using budgets for most of Oregon's local governments;
- Encouraging citizen involvement in the preparation and deliberations of the budget before it's formally adopted;
- Providing a method for estimating expenditures, resources and proposed taxes; and
- Offering a way of outlining the programs and services provided by the local governments, and the fiscal policy used to carry them out.

Preparing a budget allows a city to look at its needs in light of the funds available to meet those needs. In Oregon, all local governments must plan a balanced budget, meaning that the resources and requirements are equal. A city cannot plan to purchase more items or services than it has money to pay for them.

### A CITY'S BUDGET PROCESS

#### Phase 1: The Budget Officer Prepares a Proposed Budget

The first step in the budget process is to appoint a budget officer, who may be appointed by the governing body (the city council) or designated in the city's charter. The budget officer reports to the executive officer or the governing body and is responsible for preparing the proposed budget or supervising its preparation. The budget officer must prepare the proposed budget in a format that meets the requirements set out in state statutes.

The budget officer develops the budget calendar, which maps out all the steps that must be followed for the legal adoption of the city budget. A budget calendar is not required by law, but is highly recommended. By scheduling the steps of budget preparation, a city can be more certain that it is allowing sufficient time to complete the entire budget process before

June 30, as required by state law. After the budget calendar is set, the budget officer begins to develop the estimates of resources and requirements for the coming year or biennial cycle. A sample budget calendar, including all of the required steps, is shown on page 18 in the [Department of Revenue's Local Budgeting Manual](#).

Every city budget will have at least one fund, the general fund, which accounts for the daily operations of the city. In practice, a city budget will have a number of funds, each designed to account for a specific purpose. A budget should include enough different types of funds to clearly show what services and programs a local government is doing and how it is paying for expenditures. However, it is advisable to not have too many funds, as this makes the budget harder to read and understand.

There are seven types of funds used in most city budgets:

**General Fund** – records expenditures needed to run the daily operations of the local government and the money that is estimated to be available to pay for these general needs.

**Special Revenue Fund** – accounts for money that must be used for a specific purpose and the expenditures that are made for that purpose.

**Capital Project Fund** – records the money and expenditures used to build or acquire capital facilities, such as land, buildings or infrastructure. This is a type of special purpose fund and is only used while a project is being completed.

**Debt Service Fund** – records the repayment of general obligation and revenue bonds and other financing obligations. The expenditures in the fund are the principal and interest payments. Money dedicated to repay these obligations cannot be used for any other purpose.

**Trust and Agency Fund** – accounts for money that is held in trust for a specific purpose as defined in a trust agreement or when the government is acting as a custodian for the benefit of a group. *Example:* gifts of investments or securities given to the city with provisions that the income be used to aid the library or park system.

**Reserve Fund** – accumulates money to pay for any service, project, property or equipment that the city can legally perform or acquire. It functions as a savings account. A special resolution or ordinance of the governing body is needed to set up a reserve fund. *Example:* money set aside to pay for the future replacement of city vehicles at the end of their useful lives.

**Enterprise Fund** – records the resources and expenditures of acquiring, operating and maintaining a self-supporting facility or service—such as a city water or wastewater utility.

Oregon budget law requires that each year a city's budget provides a brief financial history of each fund. To meet this requirement, the annual budget will include detailed information on: the actual revenues and expenditures for the prior two years; the budgeted revenues and expenditures for the current year; the estimated balanced budget as proposed by the budget officer for the coming year which includes columns for the budget approved by the budget committee; and the final

budget adopted by the governing body. The budget also includes a column for the descriptions of expenditures and resources. The box on page 33 in the [Local Budgeting Manual](#) illustrates typical resources and expenditures found in a city budget.

## Phase 2: The Budget Committee Approves the Budget

As defined by statute, a budget committee is an advisory group comprised of the city council and an equal number of appointed members. If the city council cannot identify enough citizens willing to serve on the budget committee, then the committee is made up of the citizens who have volunteered to serve along with the entire city council.

The appointed members of the budget committee must be electors of the city, meaning they must be qualified voters who have the right to vote on the adoption of any measure. The members of the budget committee are appointed for staggered three-year terms, and cannot be employees, officers or agents of the city. No member of the budget committee can receive compensation for serving on the committee except reimbursement of expenses incurred while serving.

Among its many functions, the budget committee conducts public meetings to hear the budget message and review the budget proposed by the budget officer. One of its most important functions is to listen to comments and questions from interested citizens and consider their input while deliberating on the budget. The budget committee can revise the proposed budget to reflect changes it wants to make in the local government's fiscal policy provided that the revisions still produce a balanced budget. When the committee is satisfied, it approves the budget. (Note: the budget committee does not have the authority to negotiate employee salaries.)

## THE BUDGET MESSAGE

The budget message gives the public and the budget committee information that will help them understand the proposed budget. It is required by statute to contain a brief description of the financial policies reflected in a proposed budget and, in connection with the financial policies, explain the important features of the budget. The budget message must also explain proposed changes from the prior year's budget and any major changes in financial policies.

The budget message is prepared in writing so it can become part of the budget committee's records. It is delivered at the first meeting of the budget committee by the budget officer, the chief executive officer or the governing body chair.

## BUDGET COMMITTEE MEETINGS

A quorum, or more than one-half of the committee's membership, must be present in order for a budget committee to conduct an official meeting. Any action taken by the committee first requires the affirmative vote of the majority of the membership. In the event that only a quorum is present at a meeting, all members must then vote in the affirmative for an action to be taken. Local budget law requires that a budget committee hold at least

## Common Resources & Expenditures in a City Budget

### Resources:

**Net Working Capital** – fund balance from previous year

**Taxes** – estimated collections from property taxes or voter-approved special levies to be received during year

**Franchise Fees** – user fees charged to utility and refuse companies by the city for use of public rights-of-way

**Fines and Forfeitures** – payments imposed by the city for traffic, criminal and code violations and offenses

**Charges for Services** – charges for services provided to individuals by the city such as water and wastewater charges

**Interest Income** – interest earned by investing city funds

**Intergovernmental** – revenues received from other governments such as grants, shared revenues and gas taxes

**Transfers In and Inter-fund Loans** – the receipt of money or loan proceeds made between city funds that is authorized by a resolution or ordinance

**Licenses, Fees and Permits** – revenues from the sale of municipal licenses such as business licenses, fees for services such as planning fees and park user fees, and permits issued by the city

**Miscellaneous Revenue** – revenues that do not fit within one of the other major categories

### Expenditures:

**Personnel Services** – employee wages, employer taxes, health insurance, workers' compensation, retirement and other employment benefits

**Materials and Services** – includes a wide range of operating expenditures such as property and liability insurance, utilities, building maintenance, supplies, vehicle maintenance, fuel, training and professional services contracts

**Capital Outlay** – purchase of items that are considered to be capital assets. Capital assets are defined either by a set amount in financial policies or based on the useful life of the item. Capital outlay can include furniture, vehicles, buildings, land, software systems and other types of equipment.

**Debt Service** – annual principal and interest payments made on city loans and bonds

**Transfers Out** – cash transfers to another city fund to pay for expenditures or to repay an inter-fund loan that is authorized by resolution or ordinance

**Contingency** – money that is appropriated for use during the year to deal with unanticipated operating expenditures. Use of contingency funds must be authorized by a resolution or ordinance.

**Unappropriated Ending Fund Balance** – money that is not budgeted and purposely remains in the fund at the end of the current fiscal year to be used as a cash carryover to the next year's budget. The purpose is to ensure that the city begins the following year with enough net working capital to operate until tax revenues are received. It cannot be spent during the year it is unappropriated except in qualifying emergency situations as defined by state statute such as a natural disaster or civil disturbance.

one meeting for the purpose of receiving the budget message and the budget document, and to provide the public with an opportunity to ask questions about and comment on the budget. The city must give public notice for the meeting(s) held for these two purposes, either by printing notice two times in a newspaper of general circulation, or once in the newspaper and posting it on the city's website. If the budget committee does not invite the public to comment during the first meeting, the committee must provide the opportunity in at least one subsequent meeting. The notice of the meeting(s) must tell the public at which meeting comments and questions will be taken.

When approving the budget, the budget committee must also approve a property tax rate or the tax amounts that will be

submitted to the county assessor. The budget committee should make a motion to approve the property tax so that the action is documented in the committee meeting minutes.

Upon approval of the budget by the budget committee, the budget officer completes the budget column labeled "approved by budget committee," noting any changes from the original proposed budget. A summary of the approved budget, which includes a narrative description of prominent changes to the budget from year to year, is published in the newspaper with the notice of a public hearing to adopt the budget five to 30 days before the hearing date.

*(continued on page 48)*

Sample Budget Calendar	Sample Dates	Your Dates
1. Appoint budget officer	December 8	
2. Appoint budget committee members	January 30	
3. Prepare proposed budget	February 28	
4. Publish first notice of budget committee meeting (not more than 30 days before the meeting)	March 10	
5. Publish second notice of budget committee meeting (not less than 5 days before the meeting)	March 20	
6. Budget committee meets	March 30	
7. Budget committee meets again, if needed	April 6	
8. Publish notice of budget hearing (5 to 30 days before the hearing)	April 19	
9. Hold budget hearing (governing body)	May 4	
10. Enact resolutions to: adopt budget, make appropriations, impose and categorize taxes ( <i>can be done at the same meeting as the public hearing</i> )	June 15	
11. Submit tax certification documents to the assessor by July 15	July 12	
12. Submit copy of complete budget document to county clerk	September 30	

### Phase 3: The Budget is Adopted and Property Taxes are Certified (when appropriate)

The city council must conduct a budget hearing by June 30 to receive the budget committee’s approved budget, conduct deliberations and consider any additional public comments. The council can make any adjustments that it deems necessary (with some restrictions) to the approved budget before it is adopted prior to July 1. The budget hearing and the resolutions or ordinances necessary to adopt the budget and impose taxes can be conducted at the same public meeting. The types of changes the governing body can make are:

- Increasing expenditures in any fund in the annual budget up to \$5,000 (\$10,000 in a biennial) or 10 percent, whichever is greater. If the increase needs to be greater than these limits, the council must republish the budget summary and hold a second public hearing (before July 1);
- Reducing expenditures of any fund—does not require republishing;

- Increasing the amount or rate of taxes to be imposed above what the budget committee approved. This can only be done if the budget is republished and a second budget hearing is held. However, the council cannot raise taxes above legal limits—the city’s permanent rate limit, a voter-approved local option tax rate or dollar amount, and bond principal and interest requirements;
- Reducing the tax rate or amount approved by the budget committee—does not require republishing; and
- Adjusting the other resources in each fund—does not require republishing.

### ADOPTION OF THE BUDGET

Interestingly, it is not a requirement that the budget be adopted at the hearing. The council has the option to wait until closer to the end of the fiscal year to formally adopt the budget. By waiting, the budget can include a better estimate of resources. However, the budget must be adopted by June 30.

To adopt the budget, the city council enacts a resolution or ordinance which provides the legal authority to: establish or dissolve funds; make appropriations for expenditures; adopt a budget; impose and categorize taxes; and perform all other legal actions pertaining to budgeting and authorizing tax levies. To accomplish this, cities do not have to pass multiple resolutions (or ordinances). All the enactment statements can be combined into one resolution (or ordinance), which must be signed by the mayor before submission to the county assessor's office.

By July 15 of each year, a city must submit two copies of the resolution (or ordinance) adopting the budget, making appropriations, and imposing and categorizing the tax to the county tax assessor. In addition, the notice of property tax certification (form LB-50) and successful ballot measures for local option taxes or permanent rate limits must be submitted.

In addition to the county tax assessor's copies, a copy of the resolutions required by Oregon Revised Statutes 221.760 and 221.770 must be submitted to the Oregon Department of Administrative Services by July 31. Finally, a copy of the published adopted budget document, including the publication and tax certification forms, must be submitted to the county clerk's office by September 30.

## Phase 4: Changing the Adopted Budget

On July 1, cities begin operating within the appropriation authority that was adopted by the council for the budget. While it is possible for changes to be made to an adopted budget once the fiscal year begins, this can only happen under specific circumstances. Two such examples are council-approved resolution transfers of funds and supplemental budgets that make changes to adopted expenditure appropriations and estimated resources. These are actions that must be taken before more money is spent beyond what is appropriated in the adopted budget. Any changes made to the adopted budget require that the budget remain in balance after the change.

It is unlawful to spend public money in excess of the amounts budgeted. Public officials can be sued for such actions if the expenditure is found to be malfeasance in office or willful or wanton neglect of duty. Creating a supplemental budget or a resolution transfer after the expenditure is made does not protect the governing body members from a lawsuit. ■

## ADDITIONAL RESOURCES FOR CITIES

City officials interested in learning more about the Local Budget Law should consult with the Oregon Department of Revenue's [Local Budgeting in Oregon Manual](#) and its [Local Budgeting Manual](#) (more in-depth and comprehensive manual).

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# What is Critical Race Theory?

*By National League of Cities Race, Equity & Leadership (REAL) Team*

**T**he term Critical Race Theory (CRT) has recently received significant media attention as communities across the country continue to advance conversations on race and racial equity. As of July 15, 2021, 26 states have introduced legislation or action to limit conversations on critical race theory, often as it relates to what can be taught in classrooms or the types of trainings that government organizations can offer. Many municipalities are eager to provide robust diversity, equity and inclusion trainings to staff and elected officials, but this onslaught of new restrictions poses a challenge.

For its opponents, CRT has been framed as a catch-all phrase for anything related to multiculturalism, anti-racism, and racial equity. However, the purpose of the legal and academic scholarship of CRT—primarily introduced to students at the graduate level and rarely taught in elementary and secondary schools—is to explain and investigate the root causes of how structural racism and racial disparities continue to exist in the U.S.

## What is Critical Race Theory?

At its core, Critical Race Theory interrogates the role race and racism have in society, with the principal idea that race is a social construct, and that racism is not merely the product of individual bias or prejudice, but something that is deeply embedded in legal systems, organizational structures and policies. Critical Race Theory emerged out of the Critical Legal Studies movement of the 1970s to better examine the law and how its interpretation

affects Indigenous, Black, Latinx/Hispanic, Asian and Pacific Islander people in the United States, led by scholars like Derrick Bell, Kimberlé Crenshaw, and Richard Delgado. This body of work examines how institutionalized racism and other systemic barriers to equity disproportionately affect people of color and indicates that racism is central to the social, economic and political structures of the U.S. as opposed to a mere aberration.

CRT has mainly been an academic framework over the last four decades, with ties to the work of sociologists and literary theorists who studied links between political power, social organization and language. It is important to note that CRT is not a catch-all for anti-racism work, but rather a high-level type of legal theory studied by academic scholars and students primarily in post-graduate coursework. While many of the frameworks from Critical Race Theory—like analyzing power structures and elevating personal storytelling—are used in anti-racism work, the two terms are not interchangeable.

Critical Race Theory invites academics and laypeople alike to critically analyze how historical contexts and present systems uphold racism, which is applicable across a wide variety of scholarly fields and real-life situations. It is less of a rigid ideology and more so a lens with which to assess the world around us. Black, Latinx, Indigenous, and Asian and Pacific Islander experiences have often been excluded from historical perspectives. Without a collective memory of racism's impact on communities of color, disparities will continue to worsen as the same systems continue

to underserve and burden certain communities while benefiting others. In order to begin the journey of racial healing, a shared understanding of history and context is crucial.

## How does Critical Race Theory connect to the work that local governments are doing?

The racial divisions we see in cities today are not the result of random decision making, but explicit policies, processes and procedures utilized by local governments. In his book *The Color of Law*, Richard Rothstein documents how all levels of government instituted or adopted policies to separate racial groups. This included zoning laws, redlining, restrictive covenants and unequal policing.

Private housing developments built after World War II were required to include racial restrictions because of the underwriting policies at the Federal Housing Administration, [with maps that were drawn by local interest groups](#). Hazardous industrial sites were zoned near Black and Brown neighborhoods, wreaking havoc on these communities to this day. When Black and Brown families did try to move into white neighborhoods, police often stood by as violent mobs drove them from their homes and away from the community. Municipalities across the country have played an active role in creating the racial divisions we see in communities today, and can be just as instrumental in building thriving communities that address this history and offer opportunities and resources to all its residents.

Recent attacks on Critical Race Theory are concerning, as critics have incorrectly stretched the definition of the term to attack conversations on race and racism. Opponents of CRT have used the term to include anything that resembles multiculturalism, anti-racism, identity politics and racial justice education. The purpose of these attacks is to hinder or even ban conversations about race and racism in classrooms, workplaces and government for the sake of protecting the feelings of white people. School board and city council meetings around the country have become contentious and often violent, with local elected officials reporting increased on-the-job trauma.

## Moving Forward

History shows that when we work together across our differences, we accomplish great things for ourselves, our loved ones, and our neighbors. Having honest conversations on how past and present systems uphold racism and continue racial disparities is necessary to achieve a more just and equitable world.

Critical Race Theory, and anti-racism work more broadly, invites us to acknowledge these historical harms, listen to those that have been most acutely impacted, and work together to move forward. As writer James Baldwin once noted, “Not everything that is faced can be changed, but nothing can be changed until it is faced.”

*(continued on page 52)*

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Local leaders can continue to push forward in their commitment to racial equity by:

1. Analyzing how historical and present policies, practices and procedures uphold racism and contribute to racial disparities;
2. Collecting disaggregated data to be able to pinpoint root causes of such racial disparities; and
3. Centering conversations to focus on the role that race and racism play in local communities.

The following cities have made commitments to working on racial equity within their organizations and have engaged the community in this important work:

**Baltimore, Maryland** has had an Equity in Planning Committee since 2015, and in 2018 passed additional pieces of legislation. The first requires city agencies to assess existing and proposed policies and practices for disparate outcomes based on race, gender, or income and to proactively develop policies, practices, and investments to prevent and redress those disparate outcomes. The second authorizes the establishment of a continuing, non-lapsing Equity Assistance Fund, to be used exclusively to assist efforts that reduce inequity based on race, gender, or economic status in Baltimore; authorizing the mayor and city council to dedicate revenue to the Equity Assistance Fund by ordinance.

### Resource Links:

[www.nlc.org/article/2019/01/21/how-baltimore-is-advancing-racial-equity-policy-practice-procedure](http://www.nlc.org/article/2019/01/21/how-baltimore-is-advancing-racial-equity-policy-practice-procedure)

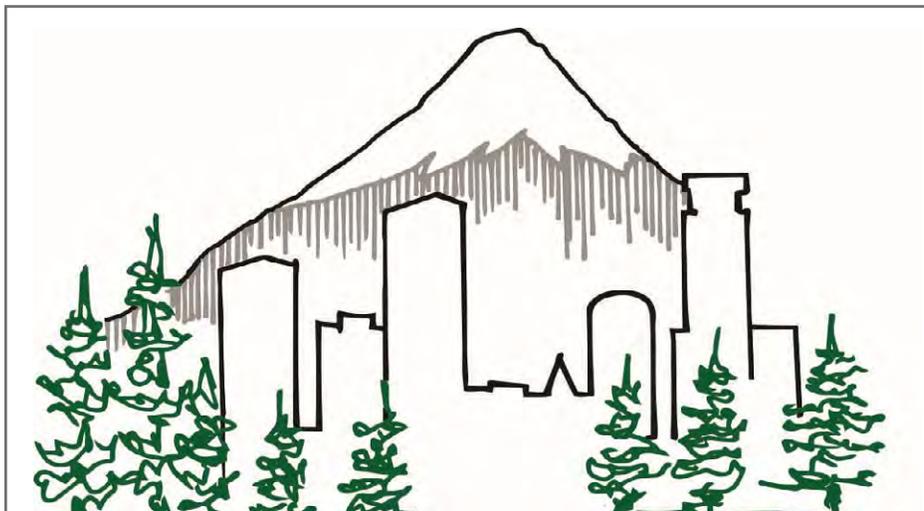
<https://planning.baltimorecity.gov/equity>

**Durham, North Carolina's** Racial Equity and Inclusion Division closely examines policy, practices, budget allocations, and programs that may perpetuate institutional racism and system inequities; develops and implements an Equity Plan for the city, as well as equity and inclusion trainings for city staff; assesses and monitors equity efforts; and reports on outcomes of the Equity Plan. The city also formed its first Racial Equity Task Force, which spent 21 months developing open and honest relationships within city departments and organized a detailed report and call to action.

### Resource Link:

<https://durhamnc.gov/4092/Racial-Equity-Inclusion-Division>

**Evanston, Illinois** in 2019 committed to end structural racism and achieve racial equity by passing a resolution which acknowledged its own history of racially motivated policies and practices; apologized for the damage this history caused, and declared that the city stands against white supremacy. The resolution also included language about land theft and genocide, and pledged to participate in Racial Equity training and join the Government Alliance for Racial Equity.



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**Resource Link:**

[www.cityofevanston.org/government/equity-empowerment](http://www.cityofevanston.org/government/equity-empowerment)

Portland, Oregon’s Office of Equity and Human Rights, formed in 2012, developed Racial Equity Plans for all 26 city bureaus. Each 5-year Plan is meant to operationalize the city-wide Racial Equity Goals and Strategies unanimously adopted by the city council in 2015 as binding city policy. Each bureau had a dedicated and diverse team, which started by conducted research and collected data, conducted trainings, and engaged with communities of color in Portland. All plans include mechanisms for accountability.

**Resource Link:**

[www.portland.gov/officeofequity/racial-equity-plans](http://www.portland.gov/officeofequity/racial-equity-plans)

Rochester, New York recently began a Race, Equity and Leadership (REAL) Initiative, with steps ranging from Define and Understand the Problem and Identify Different Solutions, to Develop and Put Plans into Action and finally Check the Work to ensure accountability. Each of these steps originated from the initial REAL Charter. Rochester has also begun to host racial healing circles, which have specifically included Indigenous residents who have been historically underserved.

**Resource Link:**

[www.cityofrochester.gov/REAL](http://www.cityofrochester.gov/REAL)

Tacoma, Washington created an Equity Empowerment Framework, a push for racial equity urged on by community members. The framework lays out five explicit principles:

1. The City of Tacoma Workforce Reflects the Community It Serves
2. Purposeful Community Outreach and Engagement
3. Equitable Service Delivery to Residents and Visitors
4. Commitment to Equity in Local Government Decision Making and
5. Support Human Rights and Opportunities for Everyone to Achieve their Full Potential.

Tacoma’s community engagement and outreach program committee, called Project PEACE (Partnering for Equity and Community Engagement) has members with unique identities, ranging from leaders of the Puyallup Tribal Council, Rainbow Center, and the Asian Pacific Cultural Center.

**Resource Link:**

[www.nlc.org/wp-content/uploads/2017/10/Tacoma20City20Profile20Racial20Equity20.pdf](http://www.nlc.org/wp-content/uploads/2017/10/Tacoma20City20Profile20Racial20Equity20.pdf)

The National League of Cities is committed to ensuring that leaders have the tools necessary to center racial equity through policies, practices, norms and values. The NLC’s REAL program has developed a robust portfolio that includes training, technical assistance, and capacity building for city leaders. From training to action guides and case studies, the NLC REAL team offers multiple resources to strengthen local leaders’ ability to advance this important work.

Learn more about NLC REAL: <https://nlc.org/REAL> ■

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Doreen Garlid, Councilmember,  
City of Tempe, Arizona

# A Local Leader's Reflection on Indigenous History & Racial Reconciliation

**A**s a member of the Navajo Nation, I am the first Native American elected to the city council in Tempe, Arizona. It's a tremendous honor for which I'm very thankful. I won my election in March of 2020, but didn't take office until July. That gave me four months to absorb as much as I could about current issues so I could dive right into to my new job on day one.

## Land Acknowledgement

As part of my council representation, I felt it was important to honor Native heritage within the historical context of our city. News of reparations and acknowledgments for Native nations were becoming more prevalent in cities around the country, so I thought this might be a good time to go back to a very important Native American history book that I found too heartbreaking to finish years earlier: *Bury My Heart at Wounded Knee*. I decided to pick up where I left off on audiobook, and listening to it was even harder. The narrator's voice seemed to place me in that moment in time and it moved me deeply. I could only manage to read a chapter at a time, because I needed a few hours, or days, to digest what I heard. In between chapters, I would follow along on a map showing the original locations of our Native nations, then I would research some of the names that I heard in that chapter. When I finished the book, it made much more sense to me why it was important to talk about reparations, not just in terms of Native American history, but for all ethnicities.

In July 2020, I was sworn into office. Soon after, I was approached by a fellow council member who wanted to work on a land acknowledgment resolution. Together we worked with staff members and our local Native nations to come up with the language for our resolution. Six months later, in January 2021, the [resolution was on our council agenda](#). Our mayor, Corey Woods, asked if I would do the honor of reading the resolution into the record. The gravity of the words I spoke that night will always remain with me. My mother and grandmother were both born

and raised on the Navajo reservation in Ganado, Arizona, and I pictured them as I read the resolution, pinching myself on the leg to keep from crying. I'm proud to say that our council unanimously passed the Land Acknowledgement Resolution. The last line of the resolution says, "We accept the responsibility of stewarding those places and solemnly pledge to consider this commitment in every action." With that statement, we created a living document honoring our heritage that we can reference as we look to the future.

## Indigenous Peoples Day

I am excited to say that in September 2021, the Tempe City Council voted unanimously to permanently replace Columbus Day with [Indigenous Peoples Day](#). I am so thankful that Tempe chose to shift the focus of a recognition day that so many associated with sorrow and suffering to a day we can now celebrate with pride. It is meaningful beyond words to me and to our local Native nations.

I know that our Land Acknowledgement Resolution and our vote to change Columbus Day to Indigenous Peoples Day just scratch the surface as far as reparation to our Native communities, but they are important first steps. They allow the current residents of Tempe to honor the first people who also lived their lives and loved their families here—and nurtured this land that we now call home. ■

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*About the Author: Doreen Garlid is a Councilmember for the City of Tempe, Arizona. In 2021, Councilmember Garlid served on a national advisory group for NLC's Race, Equity & Leadership (REAL) department in the development of a forthcoming Municipal Action Guide: Roadmap to Repair – A Guide to How Cities Can Acknowledge and Address the History of Harm to Indigenous Peoples.*

# Both Millennials and Boomers See Challenges in Home Maintenance

By Dennis Lyon

**W**hile some Millennials are expressing regrets around becoming homeowners, some Baby Boomers are concerned about their ability to continue to maintain their homes.

A red-hot housing market, with more than half of new mortgage applications coming from Millennials, combined with 90% of those over 50 wanting to remain in their homes, or “age in place,” means that many homeowners are either experiencing repairs for the first time or need help keeping their homes in good repair.

## Millennials Surprised by Cost of Maintenance

In a [survey](#), 43% of Millennial homeowners were surprised by the costs of home maintenance and 51% express at least occasional regret at buying their home, primarily citing mortgage (41%) and maintenance (33%) costs.

Homeowners spend, on average, more than \$2,600 annually on home maintenance and repairs. Given these costs, it’s understandable that nearly 30% of Millennial homeowners professed stress over the problems inherent in homeownership.

Adding to the financial strain, Millennials are also more likely to purchase a “fixer-upper,” with 67% stating that they would make an offer on a home in need of major repairs. These fixer-uppers are popular because the shortage in the housing market means these homes more frequently fall into their price range, but they may need more extensive infrastructure repairs.

Since many Millennials are new to homeownership, they don’t have a lot of handyman experience. More than 40% of Millennials expressed embarrassment over their lack of home maintenance knowledge. One-third were uncomfortable with the prospect of changing a light bulb, and nearly half are not confident they could reset a tripped circuit breaker, while one-third don’t think they could unclog a toilet or sink, and more than 60% couldn’t restart a stopped furnace.

More than 60% of Millennials point to a desire for more family time as a reason for less investment in DIY prowess and acknowledged that home systems are becoming more complex, requiring expert, trained contractors to repair. This lack of knowledge may also be because Millennials simply aren’t interested—more than 40% said they would rather spend the day at the dentist than do home maintenance projects.

## Boomers Want to Age in Place, Need Support

On the other side of the spectrum, more and more Baby Boomers are facing retirement and expressing a desire to age in place, a

less expensive option than an elder care facility. Aging in place allows them to continue to depend on the social and support networks they spent a lifetime building, along with remaining in familiar surroundings.

There are 10,000 Baby Boomers turning 65 every day, with an estimated one-in-five of the population expected to be 65 or older within the next ten years. Many older adults are on fixed incomes. One in six Baby Boomers live in poverty; half preparing to retire have less than \$10,000 in savings; and only one-third have a retirement plan.

Home maintenance is one of the things that older adults struggle with the most, and, as the home ages along with the owners, many of the whole-home systems, such as the plumbing, electrical or HVAC, need some TLC.

Georgia Institute of Technology researchers studied how aging affects home maintenance. The most difficult home maintenance

*(continued on page 56)*



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activities included cleaning, outdoor work, home upkeep and repair, and remodeling. Home upkeep accounted for 16% of difficult tasks.

Maintenance is where safety and finances intersect for older adults. Unexpected home repairs can be costly. More than half of Americans have had a home repair in the past year, while 13% don't have any savings set aside for home repairs, and 28% have \$500 or less set aside. However, the number of those with \$500 or less set aside jumps to 60% among households with an income of \$50,000 or less.

**NLC Program Can Address Both Group's Needs**

As a municipal official, how do you help your residents address the potential financial shock and either the lack of repair knowledge or inability to do home maintenance tasks? It may seem like an insurmountable problem since there is such a wide array of residents with differing needs. There is no “one-size-fits-all” solution.

However, you can educate your residents about their responsibilities as homeowners and how they can protect themselves from the financial shock of an unexpected home repair through a partnership with the National League of Cities (NLC) Service Line Warranty Program.

The program provides educational materials, developed together with partner cities, that are mailed to your residents at no cost to your community. It also provides an optional home repair warranty that is a one-call solution to their home repair problems.

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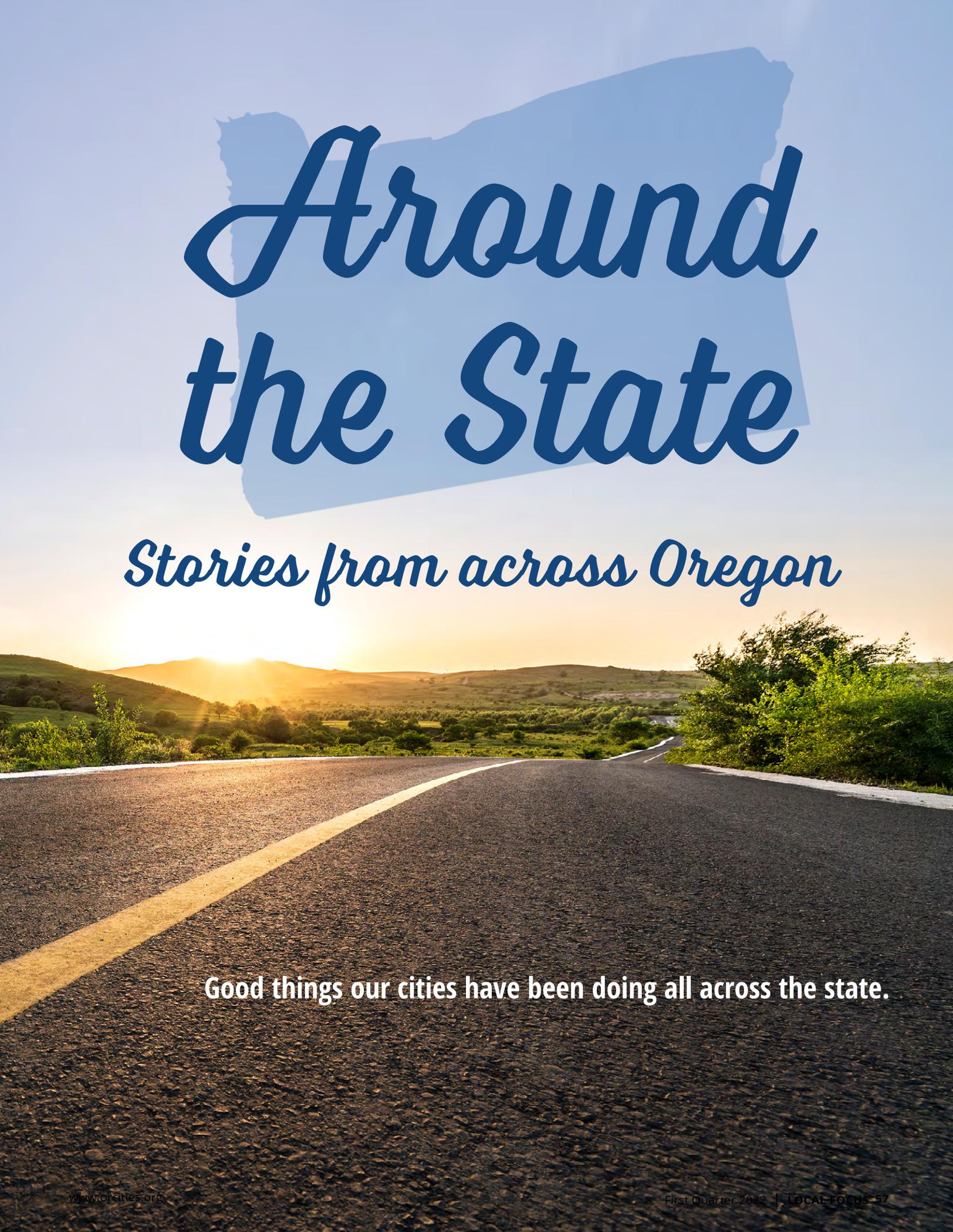
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# *Around the State*

*Stories from across Oregon*

Good things our cities have been doing all across the state.

# GREENHORN

## Tiny Town Receives Big Grant

Greenhorn has no year-round residents, but it does have almost \$86,000 to fix its streets. Although those streets, about one mile in total, are buried under feet of snow about half the year. And they are gravel streets, with Highway 7 several miles to the east representing the nearest stretch of pavement to Greenhorn, according to the *Baker City Herald*.

Wintry impediments aside, the sudden influx of dollars for this unique incorporated city in Baker County is welcome, said Dennis Koellermeier, one of Greenhorn's five appointed city councilors and its mayor pro tem.

"No one else will volunteer," said Koellermeier, who has owned property in Greenhorn for about 20 years. Koellermeier and his wife, who are retired, have a home in West Linn and spend six to eight months per year in Greenhorn. He said they're considering moving full time into the cabin they've been working on for the past 15 years.

Although \$85,900 wouldn't make a massive difference in the street budget for even a city of modest size such as Baker City, for Greenhorn it's an unprecedented sum, Koellermeier said.

"We're kind of excited about it," he told the *Baker City Herald*. "This is a big thing for us."

Greenhorn collects no money from property taxes, although Baker County does get a share of the taxes its 30 or so property owners pay. The city's main revenue source is the yearly dues assessed to property owners, said Dale McLouth, a longtime Greenhorn property owner whose eight-year tenure as the city's mayor ended Dec. 31, 2020.

Owners who have a cabin or other structure on their property pay \$100 per year, and those without pay \$50, McLouth said. The dues, which were just \$20 per year for all property owners as recently as 2008 or so, bring in about \$2,500 per year.

With almost \$86,000 now in its coffers, Greenhorn can make real progress. "We have a lot of mud holes in our road system," said McLouth, who lives in Molalla.

Koellermeier said the city's main goal is to spread gravel on the streets, replace old culverts and install new ones to reduce erosion. The dozen streets are already marked with signs that wouldn't look out of place in a medium-sized city.

Koellermeier said he and other city officials have been talking with the Baker County Road Department about an intergovernmental agreement in which Greenhorn would hire the county, using the state grant, to do the street work.



The \$85,900 was allocated to Greenhorn from the state's Small City Allotment program, part of the Keep Oregon Moving transportation bill the Legislature approved in 2017.

Oregon officials announced the latest round of 53 small city grants, totaling \$5.1 million, in late October. The state received 92 applications totaling a little over \$9 million, said Kris Strickler, director of the Oregon Department of Transportation (ODOT).

Other recipients in Northeastern Oregon:

- Halfway, \$100,000
- Richland, \$100,000
- Sumpter, \$100,000
- Elgin, \$100,000
- North Powder, \$75,000

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# FOREST GROVE Outdoor Concert Series Launches

A new concert venue is coming to Forest Grove, with McMenamins announcing a stage with lawn space for 3,000 people. The stage will host a concert series at the McMenamins Grand Lodge starting in June.

“It’s an indication that McMenamins is making an investment in Forest Grove as well as regional artists and talent. I think both of those are important,” Forest Grove Mayor Pete Truax told the *News-Times*. “It will give people an opportunity to visit and develop an interest in Forest Grove, which is never a bad thing.”

In a news release, McMenamins called the new concert space an intimate alternative to its 7,000-capacity venue at McMenamins Edgefield in Troutdale. The concert series will run from June to October. The Grand Lodge also has 90 hotel rooms.



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PSU’s Mark O. Hatfield Center for Cybersecurity, an NSA/DHS National Center of Academic Excellence in Cyber Research, is launching a new 12-week non-credit professional certificate in Building Cyber Resilience. The program is designed to help public leaders, managers, and IT professionals gain foundational knowledge to better manage cyber risk through policy and planning. Sessions will be delivered in a virtual format with live instructors and student interaction alongside weekly online lessons. Learn more at: [www.pdx.edu/center-for-public-service/professional-certificate-building-cyber-resilience](http://www.pdx.edu/center-for-public-service/professional-certificate-building-cyber-resilience)



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# PILOT ROCK

## In Memoriam: Pilot Rock Mayor Virginia Carnes

Virginia Carnes, the stalwart mayor of Pilot Rock, died January 8 at the age of 77. Those who worked with her said the small Eastern Oregon city may not have had a stronger advocate.

She moved to Pilot Rock in 1966, and retired as a teacher after 34 years, according to the *East Oregonian*. Carnes began serving on the city council in 1992 and first ran for mayor in 2004. She held the position until her death.

Carnes dealt with health issues later in life, but she remained a vibrant political and civic force in the community. She helped oversee significant improvements in the city, including the installation of new sewer lagoons in 2019.

“The city of Pilot Rock has lost an exemplary public servant,” said City Recorder Teri Bacus. “Virginia Carnes was a great woman and touched many lives. She was highly respected and beloved by everyone. She took the position of mayor personally and always looked out for the best interest of the city of Pilot Rock. She dedicated her life to this city, and I was honored to have had the opportunity to work with her.”

Umatilla County Commissioner George Murdock called Carnes “special” and, in his weekly address to public officials and others, eulogized her.

“When we began publishing the Weekly Update 87 issues ago, it was primarily read by mayors, city managers, school superintendents, and other community leaders. While circulation has expanded dramatically, one of the most ardent consumers from Day One was Pilot Rock Mayor Virginia Carnes.

“That was typical of almost everything the tireless and dedicated cheerleader for that community brought to the table. If she thought a subject might impact her community, she was in the front row. In the days to come, we will see a long list of her accomplishments as we pause to honor her memory and pay tribute for her service.”

Murdock said when the east side mayors and managers met to discuss issues of mutual concern, Carnes was the first to arrive and her friendly greeting and enthusiasm for the task always put a positive spin on the meetings.

Public service is too often a thankless task, according to Murdock, and it seems to be getting more and more difficult to find individuals who are willing to serve. But Carnes was “the epitome of dedication and service, and I’m confident the citizens of Pilot Rock are both mourning her loss and very likely wondering who is going to be willing to fill her shoes,” Murdock stated.



In addition to her work on the council, Carnes was on the Pilot Rock Fire District Board, involved in the local chamber of commerce and the nonprofit group The Pilot Rock Downtown Association.

 An advertisement for Regence. The background is a photograph of a family walking away from the camera on a dirt path in a park. A man in a plaid shirt carries a young child on his shoulders. A woman in a dark jacket walks beside them. The text is overlaid on the right side of the image.
 

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# NORTH BEND

## Bus Jam Trophy Captured

Coos Bay Mayor Joe Benetti reluctantly conceded the Bus Jam trophy to North Bend Mayor Jessica Engelke during a mid-December North Bend City Council meeting, when tallies for the 20th annual Bus Jam Toy and Food Drive were announced.

The *Coos Bay World* reported that North Benders stuffed the bus with 4,395 toys compared to Coos Bay’s 2,753. North Bend also ruled in food donations, which tallied 8,503 pounds to Coos Bay’s 5,396.

“A huge shout out to the citizens of North Bend and the council and all those who had participated in giving this season,” Engelke said while accepting the trophy. “And just so we know, this trophy goes to the citizens of North Bend for their effort and the fact that they really did come to the table and make sure people have food during the holiday and families have gifts they can give their children.”

In all, more than 7,500 toys and 17,346 pounds of food were collected during the Dec. 4 event, which is held annually in cooperation with the Coos Bay-North Bend Rotary. Cash donations go



toward additional food, which broke a record of 105,000 pounds collected in just five hours.

Bus Jam occurs the first Saturday in December, with the annual giveaway the following weekend.

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# CANBY

## Arch Welcomes Residents, Visitors

Thanks to COVID-induced delays and other bumps along the way, the Canby Arch project took a little while longer to reach its final stages than originally anticipated. But in mid-December, the arch officially rose over Grant Street just off Highway 99E, a sign to welcome visitors and locals alike into Canby's downtown.

"The Gateway Arch installation this week is an exciting achievement for Canby," City Administrator Scott Archer told the *Canby Herald*. "Once installed and totally finished over the next few months, the arch will be a landmark, announcing to residents and visitors that you have arrived in Canby and, in particular, to our downtown.

"The Gateway Arch is going to create a lasting impact and will be a focal point to be highlighted when people are talking about Canby. I believe the arch will become an iconic symbol for the city of Canby," Archer said.

The arch is equipped with color-changing LED lighting designed to illuminate the pillars, arch and Canby sign while shining twin beacons skyward. Designed by Scott|Edwards Architecture, the custom steel archway will serve as a place for local event signage and holiday display lighting.



Rendering by Scott|Edwards Architecture

The stone columns will feature historical plaques sharing the curated history of Canby and have wrap-around bench seating to help activate the streetscape. There was also a plan to include a time capsule in the original plans, according to the *Canby Herald*.

The project, which was tied in with a quiet zone project, was funded by the Canby Urban Renewal Agency.

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# PENDLETON

## Drone Mobile Command Center

The Pendleton City Council in December gave the Unmanned Aerial Systems Range the green light to spend \$500,000 to purchase a mobile command center from Skyward, a subsidiary of telecom giant Verizon.

According to a staff report, the command center was custom-built for Verizon but would have been much more expensive if bought new by the city. Drone range customers have used mobile command centers in the past to give them an operational base while working in remote areas, the *East Oregonian* reported.

During the Jan. 4 Pendleton City Council meeting, Darryl Abling, the range manager, said there was high demand for these types of vehicles on the range. The airport already rents out two command centers to Insitu, a subsidiary of Boeing that runs testing operations in Pendleton.

In the staff report, Pendleton Economic Development Director Steve Chrisman wrote that Verizon's vehicle will enhance safety at the airport because it could use the company's cellular network to increase awareness of other aircraft in the sky.

While \$500,000 is a fairly big line item for many city budgets, Chrisman assured the council that this would pay for itself.

"This is not a CARES Act eligible purchase," he wrote, referring to a previous round of federal COVID-19 aid. "However, acquisition of the (mobile command center) will bring with it new range contracts that will generate new revenue in excess of the (vehicle's) purchase price within the next 12 months. The (vehicle) will more than pay for itself in 12 months, and should continue to generate airport revenue for many years."

While the equipment was custom-built in Montana for use by Verizon in its own drone testing, Abling said the vehicle is easily adaptable and is a "turnkey" asset for the range to offer to its customers, according to the *East Oregonian*.

Even as previous tenants such as Airbus and PAE have moved on in years past, the drone range continues to attract high-profile customers. Chrisman wrote that range staff anticipate Verizon will be a long-term customer at the range, and Amazon recently confirmed that it was doing some testing in Pendleton as well.

While Airbus has long moved on from Project Vahana, its attempt to prototype an unmanned passenger vehicle, a memento of its time in Pendleton has remained. Abling said Airbus recently donated its model of Project Vahana to the UAS range and the vehicle will go on display at the range.



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