

LEAGUE OF OREGON CITIES

OREGON MUNICIPAL POLICY

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Oregon Municipal Policy

Home Rule

City home rule, which has a long (more than 100 years) and respected tradition in Oregon, must be preserved and strengthened to ensure that residents of Oregon cities enjoy the advantages of self-determination. Democracy functions best when decisions are made as close to the people as possible.

Cities must accept responsibility for solving problems locally, and should refrain from burdening the Legislature with legislative requests that merely declare the existence of authority that cities have under home rule. At the same time, the Legislature must resist pressure to interfere in local decisions that arise when individuals or groups are dissatisfied with local decision-making. This makes it incumbent upon Oregon cities to rely upon an effective citizen notification and involvement process, tailored to the needs of the community.

On behalf of its members, the League of Oregon Cities will vigorously oppose direct or indirect attempts to limit home rule authority as granted by the Oregon Constitution and will resist unwarranted interference in local affairs by other levels of government. Recognizing that local decisions can also have statewide impacts, however, cities must exercise their home rule authority in the spirit of cooperation with other levels of government.

Community Development

Cities are responsible for maintaining communities where people can live, work, enjoy recreational activities and access services. Affordable housing, comprehensive community development, and well planned and coordinated land use practices foster cities that are vibrant, diverse and sustainable. Further, these are critical components to the economic vitality of cities and local economic regions for creating jobs, cultural diversity, quality of life, entrepreneurship and productive economic activity.

Economic Development

With the majority of the state's economic activity occurring within cities, it is important that cities have the tools, such as enterprise zones, urban renewal and local improvement districts, to effectively stimulate economic activity including local financing options, flexible permitting authority and funding for infrastructure investments.

Local governments and the state must partner to find solutions for needed revenues to provide infrastructure for areas that are rapidly urbanizing with new development and to replace deteriorating infrastructure for existing development.

As a partner in economic development, the state must adequately fund its budget to assist local economic development and hazardous clean-up efforts through state funded infrastructure programs such as the Special Public Works Fund, the Water/Wastewater Fund, the Community Development Block Grants, the Brownfield Redevelopment Fund, the Safe Drinking Water Loan Fund and the Clean Water

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Act Revolving Loan Fund. State infrastructure programs should be sufficiently capitalized to be self-sufficient and self-revolving over time and should fully leverage federal matching funds.

State agencies must work with local governments on flexible and timely issuance of regulatory permits to implement economic development priorities. State agency revenue from fines should be dedicated to state regulatory programs.

Cities reap economic development benefits from state and local partnerships that are coordinated through the governor's Economic Revitalization Team (ERT). The ERT coordinates state policies and procedures among community development agencies, and focuses on regulatory efficiencies and local economic development activities—including near-term industrial or traded sector development.

The use of eminent domain or condemnation can help revitalize local economies, create jobs and generate revenue for state and local benefit. Cities must retain condemnation authority as an important tool for economic development and redevelopment purposes.

Housing

An adequate supply of affordable housing is an essential component to ensure community vitality and economic stability within cities – for low-income residents, and for working families who fill critical positions in the labor market, such as teachers, firefighters, policemen and company employees. An adequate supply of work force housing assists cities in attracting employees for key industries in Oregon, which in turn provides state government with substantial income tax revenues. Moreover, state laws require cities to plan and accommodate a variety of needed housing types and to provide certainty in the development process in order to help reduce housing development costs.

Cities use many different affordable housing “tools” that can respond to changing market factors, including: first-time buyer programs, buying and underwriting the cost of land, underwriting fees and SDCs for affordable housing projects, local development corporations, federal Community Development Block Grants, HOME, voucher programs, Habitat for Humanity programs, housing rehabilitation programs, allowing accessory dwelling units in residential zones, mixed-use projects, public/private partnerships and urban renewal districts. Cities need to maintain discretion as to which tools benefit their community to provide housing options, as well as utilizing existing state and federal housing programs.

Urban Development

City government is the traditional agency for providing urban services – public safety, water and sewer service, recreation and cultural facilities, library services, and meeting local transportation needs for various modes, including public transit and bike and pedestrian facilities. Adequate infrastructure, including but not limited to roads, transit, water, wastewater, parks and open space, is essential to planning and building viable communities and enhancing economic development opportunities.

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In accommodating future growth and development in Oregon, state policy should be directed toward continuation of cities traditional role as the primary unit for providing urban services rather than toward fostering creation of new local government entities.

Federal, state and local governments must expand their efforts to assure conservation of existing housing supplies; provide for renewal and redevelopment of existing downtown areas and neighborhoods; preserve historic communities and sites; and better use lands already serviced by public facilities.

Successful urban development must recognize the authority of cities to locally determine livability policies relating to land use planning and zoning, while accommodating appropriate statewide and regional planning and coordination.

Flexible, local decision making authority must allow for individual community and regional differences within the land use system for the provision of land use planning and zoning. The state must allow cities the flexibility to determine what works best in their community, while allowing for regional differences, a diversity of solutions and greater local flexibility within the planning system.

As the available land supply within urban growth boundaries is urbanized, cities must have an orderly and efficient process for expanding urban growth boundaries and annexing land to effectively deliver essential services. Urban reserve designation and urban growth boundary expansion should occur in a manner that anticipates timely annexation into city limits or municipal incorporation.

Cities must have broad powers of annexation in order to establish and maintain urban order, provide for the effective delivery of services and foster efficient government. Sound economic development, enhancement of property values and high service levels at minimum costs result from comprehensive planning that includes municipal annexation authority as a tool.

Environmentally-friendly, sustainable communities are important to the quality of life of urban residents. Cities must have authority to secure funding for essential amenities such as arts, cultural activities, parks, recreation programs, community design and open space.

Compact, efficient urbanization is also an important feature of a sustainable community. Cities must have the opportunity to expand municipal boundaries through annexation; balance urban development needs with natural feature protection goals, such as flexible wetland mitigation ratios; and have a range of tools or incentives, such as brownfield redevelopment, to promote cost effective and efficient growth patterns within the urban growth boundary.

Municipal general fund resources that support planning and community development are declining. For many cities, especially small cities, meeting new or additional requirements promulgated by the state is difficult. State and local government must work together to avoid costly new statutory or rulemaking requirements without new funding or increased levels of funding. State funding assistance to enable cities in meeting statewide planning goals and regulations is essential.

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Permitting Processes

The state should provide financial assistance and coordination of the state's e-permitting building code program with local land use permitting processes for efficiency.

Energy

City governments serve as stewards of their local environments and economy while being major consumers of electricity, natural gas, transportation fuels and alternative energy. As such, cities require all levels of government to develop comprehensive energy policies that provide secure, reliable and affordable access to energy products in a way that reduces the environmental impact of energy usage through the pursuit of conservation and clean energy sources. Additionally, cities play an integral role in the energy supply chain by managing public rights-of-way so that utilities may offer their services safely and dependably. Further, they deserve compensation for providing that service.

PRINCIPLES

Compensation for rights-of-way use — cities must receive compensation for their management of the public's rights-of-way from all electricity and gas suppliers and providers that access rights-of-way to deliver utility services.

Public process participation — cities, and their citizens, as ratepayers, should retain their right to meaningfully participate in the on-going public process and efforts to integrate and diversify Oregon's energy portfolio.

Transportation fuel efficiency — the federal government should increase fuel efficiency requirements for all modes of motorized transportation in order to reduce pressure on energy markets, lower consumption and improve environmental quality.

Global warming — cities recognize the important role local government plays in reducing emissions of gases that contribute to global warming. Cities support the State of Oregon's actions to reduce greenhouse gas emissions and will work to meet Oregon's adopted greenhouse gas emissions targets.

Energy efficiency — state and federal programs, such as the Business Energy Tax Credit, energy loan programs, the Federal Energy Efficiency, and the Conservation Block Grant program, should continue to offer financial resources for cities across Oregon to be able to achieve their maximum efficiency and conservation potential.

Transportation and land use policy — cities support state and local transportation and land use policies that will reduce harmful air emissions in and around our communities, improve the health of those who live, work and play in our communities, and provide affordable and convenient mobility for our residents and businesses.

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Local economy — cities support federal, state and local energy policies that prioritize energy efficiency and conservation and the development of local renewable energy sources in order to create employment opportunities for Oregonians, attract investment to our state, and establish an economically stable and diverse energy portfolio for Oregon.

Energy facilities siting — the siting of an energy facility in or near a city may have severe impacts on a community's safety and economy, and therefore it is appropriate for a city to participate meaningfully in any energy facility siting process. Additionally, cities should not have to remediate environmental damage from defunct energy facilities.

Nuclear facility clean-up — conditions at the Hanford Nuclear Reservation continue to pose a threat to communities along the Columbia River; therefore the Federal Government must implement a safe cleanup of this facility in a timely manner.

Finance and Taxation

Cities are the hub of economic development, providing water and sewer facilities, a good transportation network, as well as dependable police and fire protection that enable businesses and citizens to thrive. To ensure that Oregon's cities are desirable places to live and to work, local governments must have the financial resources to provide sustainable, quality public services, and each city must find a mix of revenues that support these services.

PRINCIPLES

Taxation authority — the use of property taxes at the local level properly recognizes the nexus between the imposition of the tax and the provision of local services to property owners.

Cities must have the authority to establish a broad revenue base that includes taxes, assessments, fees, and other charges, in order to support the array of services desired and demanded by residents and businesses.

Tax restrictions — limitations on revenue authority and special exemptions from property taxes, whether enacted by the state or federal governments, or created by voter-enacted initiatives, undermine the ability of cities to maintain a healthy mix of revenues and support a broad array of services.

Policies aimed at controlling the level of property taxes and assessment of property value should be constructed in a way that recognizes the differences between various communities' desired levels of service and ability to finance those services.

Tax exemptions — to the extent that the Legislature considers property tax exemptions, clear criteria defining the policy goal of the exemption and the rules for granting the exemption should be developed, and such exemptions should be granted only at the option of local governments. If exemptions are

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granted by the Legislature and are not at the option of local governments, the state should fund the costs of the exemption.

Financing tools — cities should have broad authority to use a variety of creative financing tools to support the development of infrastructure and urban redevelopment, the creation of incentives to attract private investment and public-private partnerships, and to further economic development, including tax increment financing, systems development charges, and targeted tax abatements or exemptions.

Provision of services — cities are the most logical and most effective providers of urban level municipal services, and tax policies should promote rather than hamper annexation and incorporation procedures and avoid duplication of city services by other local governments. City taxpayers should not subsidize, through taxes or services, those living in unincorporated areas.

Preemption of local revenue-raising authority — financial stability for cities depends upon proper deference by the state and federal governments for local decision-making authority. Preemption of local revenue-raising authority unnecessarily removes decision making from those who provide the most direct services to their community. Since a city's ability to raise sufficient property tax revenue is restricted, statutory revenue raising preemptions such as the real estate transfer tax, transient occupancy taxes, liquor tax and the construction excise tax, should be minimized as to allow cities a range of revenue raising options.

Mandates — as required by the Oregon Constitution, the Legislature must fund at least 95 percent of the cost of any new program or increased level of service if not passed by a three-fifths majority vote in each house of the Legislature or implemented by the passage of a ballot initiative. If enacted, by the state or by voter initiative, policies that mandate city actions or expenditures outside the constitutional funding provisions must allow cities to determine the means by which they will fulfill new expectations. Such new mandates should be accompanied by funding to meet any costs created by the mandate.

State shared revenue — where economies of scale and convenience dictate that locally-utilized tax revenues be collected at the state or federal level, the allocation of these tax revenues back to local governments should be made through long standing shared-revenue agreements or block grant programs without restrictions on the use of the revenues.

The state should maintain promised state shared revenue payments from liquor sales and fuel, cigarette, and emergency communications taxes.

State partnership — if cities are to provide the fuel for Oregon's economic engine— thereby increasing jobs, wages and state personal income tax revenues – and accommodate population growth, cities need the state's financial support to develop and maintain the critical infrastructure that underpins economic development.

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While user payments can recover the costs of infrastructure investments, local revenues sources are often not adequate to fund the required, significant upfront investments that state grant or loan funding can provide.

General Government

What the League of Oregon Cities refers to as “General Government” are the basic and essential services cities must provide to protect the public to maintain the quality life in a municipal environment and the legal and regulatory context those services must be provided in. Because each city in Oregon is unique, The League of Oregon Cities believes that each city government should set their own priorities and polices to address public safety, public improvements and public contracting. Likewise, state ethics requirements, standards for judicial review, requirements on public improvement projects and tort limits should protect the public but allow cities the flexibility to meet these requirements in ways that work best for their communities and in a financially responsible manner.

PRINCIPLES

Ethics — state ethics policies must be just, easily understood and safeguard the public so as to not jeopardize the willingness or ability of private citizens to serve and effectively participate on city councils or as volunteers on boards and commissions.

Tort limits — cities support a tort limit that allows fair compensation for victims of negligence, but does not jeopardize the ability of a municipal government to meet its obligations to its citizens.

Judicial review — cities believe that in order to maintain local decision making autonomy, legal standing to request the judicial review of a city action should be reserved for those with a clear and direct stake in a conflict.

Building codes — cities with the resources and the local will should be able to adopt programs to administer any and all of the uniform state building code. Certified local building inspection programs must be fully autonomous to administer inspections within the constraints of the uniform state building code.

Public contracting — public contracting laws should not restrict the ability of local contracting agencies to construct public improvements or enter into public contracts at the least cost to taxpayers.

Prevailing wage — prevailing wage laws should reflect the local economic climate and local situation where possible, and provide sufficient contract terms of application so that the provisions do not become counterproductive to the public interest in accomplishing cost-effective construction or discourage public/private partnerships.

Public safety — providing for the safety of the public is a top priority for a city government. In order to provide protection, cities must have intergovernmental cooperation to suppress multi-jurisdictional public safety threats. That cooperation should include: a state police service that can support both rural

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and urban police departments; a state fire marshal's office that has the resources to combat multi-agency fire incidents and provide training opportunities; and a fully interoperable emergency communication system.

9-1-1 communication system — maintaining efficient and effective emergency call-in systems that allow citizens to report emergencies promptly is a priority for cities and requires the continued flow of state shared revenue to fund the expansion and upgrading of Oregon's 9-1-1 network.

Emergency communication — it is a matter of public and officer safety that Oregon's emergency workers are able to reliably communicate with each other. As such, state and federal resources and policies should ensure that every police officer, firefighter, emergency medical worker, and all other emergency responders have efficient and dependable communication services.

Municipal courts — municipal courts play an integral role in the judicial system by providing a prompt means to dispose of municipal code violations and misdemeanor offenses that would otherwise burden state circuit courts. In order for municipal courts to continue in this role, they must receive an adequate share of revenue, generated from fines, to maintain financial viability.

Libraries — libraries are an essential service that directly influences the quality of life in both urban and rural areas. As such, local needs and priorities should be reflected in national and state plans for library services and funding.

Human Resources

Cities must have the ability to establish employment policies that are constructive and beneficial to the collective and individual interests of the city's employees while allowing the city to meet the needs of its citizens. Cities believe that when federal and state policies compel municipal governments to adhere to certain standards, cities must retain flexibility to design policies that allow them to meet these standards in ways that preserves the mutual confidence and accountability that exists between cities and the public they serve.

PRINCIPLES

Local personnel policies — cities believe that it should be the responsibility of local elected leaders to establish hiring and retention standards for employees, set salary and benefit levels for workers and formulate work requirements that align with local conditions and needs.

Labor organizations — cities accept that it is the right of employees to form and join labor organizations in order to bargain collectively over wages, hours, and terms and conditions of employment.

Collective bargaining — state and federal collective bargaining requirements should provide equally for employee and public employer rights as a means of ensuring a just and equitable resolution to contract negotiations and labor disputes.

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Binding arbitration — Oregon’s binding arbitration law gives labor arbitrators the authority to make decisions regarding a city’s workforce and employment policies that should be left to the purview of an elected city council and is therefore not an appropriate means of resolving bargaining impasses.

Interest and welfare of the public — cities believe that it is appropriate for a labor arbitrator to consider the “interest and welfare of the public” when resolving a dispute, but that it should be left to locally elected leaders to determine what constitutes that interest and welfare.

Public Employee Retirement System — Cities support a public retirement system that offers sufficient benefits to employees as a vital tool to the recruitment and retention of municipal employees, but that system must be financially sustainable and not be an undue administrative burden on employers.

Telecommunications, Cable and Broadband

Modern communications technology encompasses a range of delivery mechanisms which include telecommunications, cable and broadband. Business and citizens alike consider access to communications technology services as an essential window to the world. These services are critical in nature, from 9-1-1 public safety services to education and healthcare. Without the concentration of economic strength and population in cities, none of these services would be financially feasible. Cities play a vital role in the availability of these services and aggregating demand. As consumers, providers and facilitators of communications services, cities also have a vested interest in promoting effective competition and the development of new technologies. Cities play an integral role in ensuring that communications infrastructure is economically placed to serve their communities by allowing carefully managed access to a critical public resource—the rights-of-way that all cities hold in trust for their citizens.

FUNDAMENTAL PRINCIPLE

Policies at the federal, state and local levels must preserve city authority to:

- Manage the public rights-of-way and receive compensation for their use;
- Tax communications technology providers; and
- Provide communications technology services.

GENERAL PRINCIPLES

- Cities should support the goal of effective competition among communications technology service providers and the provision of new services to ensure that communities have choices for technologies and service providers at reasonable rates.
- Municipal revenue mechanisms should not be dependent upon whether providers of communications technology services have facilities within the rights-of-way. All providers of communications technology services should participate on the same basis.

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- Tax policies should strive to be neutral regarding technology.
- Funding and channel capacity for public access to communications technology services should be protected. All citizens should have an opportunity to produce, distribute and view non-commercial community-specific news, information, education, events and entertainment.
- The deployment of the most current communications technologies is essential so that Oregonians may effectively participate in a dynamic global economy. Cities should be able to advocate as well as lead in that deployment.
- To support the economic vitality of their communities, cities should facilitate the provision of communications technology infrastructure to meet current and future technology demands of their citizens and businesses. Cities must also retain the option to offer communications technology services to their citizens.

Transportation

A comprehensive, integrated system of surface transportation, primarily dependent upon the capability of streets and highways and the supplementary capability of public transit, rail, marine, and pedestrian and bike alternatives, is an essential ingredient of a balanced transportation system. As the engine of economic development, cities play an essential role in ensuring the state's economic health. The system of local roads represents a critical asset underpinning municipal economies.

PRINCIPLES

- The first priority for transportation funding should be ensuring adequate funding exists to maintain and preserve the state's system of highways and local roads.
- The cost of road maintenance, repair, preservation, and construction should be borne by users, and financed from revenues collected from users.
- Methods of financing street and highway systems within the state need to be continually evaluated and updated to assure an adequate source of revenue, and a fair distribution of costs among users of the system. State requirements for matching funds must be flexible and proportional.
- Cities must be able to levy taxes and fees on motor vehicles and on the use of roadways to ensure the ability to fund maintenance and improvements.
- As new technologies to create greater fuel efficiency are introduced to the market, the collection of use-based revenues must be adjusted to ensure equitable distribution of use charges, and to ensure that users continue to pay for use of the highway and road systems.
- The fuel tax must be viewed as both a revenue source and also a tool to create financial incentives which accelerate the adoption and use of more efficient transportation technologies.

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- Federal, state and county project funding priorities for road systems that cross jurisdictional lines should be cooperatively developed by the state, cities and counties.
- The state should continue its policy of cooperatively sharing the non-federal share of federal-aid highway projects with cities and counties.
- Opportunities to enhance partnerships with ODOT regarding project delivery should be leveraged.
- Federal traffic safety guidelines and priorities should remain flexible in order to maximize opportunities for innovation and experimentation by state and local governments in designing projects aimed at increasing traffic safety.
- A strong multi-modal system of transportation in Oregon, including rail, transit, air and marine, and bike and pedestrian components, supplements the road and highway network by providing alternative options, reducing congestion and creating efficiencies. It also helps to achieve other goals, such as reducing air pollution, increasing access and service to disabled individuals, and bringing millions of dollars of federal funds to the state.
- An adequate system of rail, transit, air, and marine transport for freight and for people is essential to the state's economic health and community well-being. Because rail transport and transit systems, airports and marine ports are regional economic assets, the state and federal governments should be significant financial participants in the establishment and maintenance of these facilities.

Water

Providing water for domestic use, fire protection, recreation, commercial use, and industrial use as well as treating wastewater and stormwater to clean and healthy standards is an essential service to the health and well-being of city residents, the environment and the economic health of our communities. Providing these services can be very expensive and is highly regulated under the Clean Water Act (CWA), Safe Drinking Water Act (SDWA), Endangered Species Act (ESA) and Oregon's Water Law. Flexibility in funding and providing these services is critical to protecting the public health and supporting the state's economy.

Global and regional climate patterns are projected to change significantly in the coming decades. Climate change and natural variability have relevance to the water and wastewater utilities in Oregon because they will affect the quantity, availability, and quality of the water resources upon which they depend.

PRINCIPLES

- Consistent with their Home Rule authority, cities must have flexibility in setting local utility rates, fees, development charges, and other local financing methods to ensure all water services are adequately funded.

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- When the state implements water related fees to pay for regulatory programs, those fees should be applied equitably to all affected parties, dedicated to those programs that regulate the fee payers, and not collected through local utility fees.
- Federal and state governments must provide resources and/or financing tools for cities to meet federal and state water related mandates.
- State and federal regulators should design regulations based on the contribution of pollution to rivers and streams from various sources, including point and non-point. In creating these regulations, state and federal regulators must work with affected local governments. These regulations should also be implemented through approaches that integrate all efforts within a water basin.
- Cities must have great flexibility in the use of their water rights, along with the certainty to grow into those rights over long periods of time to meet constant fluctuations and wide variances in water uses, provide for the public safety, and to meet future needs.
- Federal and state agencies should integrate their regulatory approach to the CWA, SDWA, ESA and the state's water law so they do not conflict with each other when cities are required to implement them.
- The water within federally-operated reservoirs in Oregon should be authorized for municipal uses including drinking water, fire suppression, pollution abatement and other purposes.
- It is beneficial to cities and their citizens for Oregon to continue to administer portions of the SDWA and the CWA and adequately fund state agencies to effectively implement these federal laws.
- Conserving, managing, monitoring, and science based forecasting of water supplies are critical to meeting future water supply needs, water quality needs, and ensuring water is available for adequate stream flows.
- Cost effective, objective criteria used to determine environmental impacts resulting from a city activity caused by treating drinking water, wastewater, or stormwater, must be based on best management practices and current federal and state regulations.
- Future decisions related to the development of rights, priorities, research, regulations, and funding for water resources in the state must include projected climate change impacts.