## Local Focus The Magazine of the League of Oregon Cities



The Magazine of the League of Oregon Cities **FIRST QUARTER 2020** 

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## The Magazine of the League of Oregon Cities **FIRST QUARTER 2020**







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# **Local Focus**



Local Focus is published monthly by: League of Oregon Cities 1201 Court St. NE, #200 Salem, Oregon 97301 (503) 588-6550 • Fax: (503) 399-4863 www.orcities.org

## **2020 LOC BOARD OF DIRECTORS**

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Non-member subscription rate: \$96 per year

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## **A Message from the President** Jake Boone, Councilor, Cottage Grove

Well, now you're in for it! This year, I'm proud, honored, humbled, and eight or nine more emotions, to serve as your League of Oregon Cities President. As always, the LOC continues to stand for the protection of home rule, and for the benefit of cities across the state. Whether you represent a sleepy little hamlet like Portland, or a sprawling metropolis like Greenhorn, the LOC exists to make your life easier, and to help you make your city a better place.

I have the happy advantage of coming into this position following some fantastic municipal leaders, like Eugene's Greg Evans, North Bend's Timm Slater, and Beaverton's Denny Doyle (not to mention the impressive roster of men and women who preceded them). They've all helped to build the LOC into the effective and ground-breaking organization it is today, and so, due to their efforts and foresight, along with the herculean efforts of the phenomenal LOC staff, I get to inherit a highfunctioning and well-respected League and will thus get to ride their coattails to completely unearned glory.

But I'm okay with that.

We do need your help, though. This year is a short legislative session, and we'll have plenty of opportunities for you to help us lobby your members of the state Legislature and agency leaders to help ensure that we don't get trampled by the unintended consequences of any sloppy legislation. If that isn't your thing, you've got another way to help influence the direction of our state: the LOC Policy Committee process. We need as much representation as possible from all across the state on every one of our policy committees. You don't have to be a subject matter expert (or even a mayor!) to participate; you just need to fill out a form and be willing to show up to a few meetings in the spring. Easy-peasy!

If you'd like to become a better mayor, councilor, city manager, or whatever you are (well, if you're a county commissioner, you might be reading the wrong magazine), there are opportunities to get new skills and knowledge through the LOC as well. We've got a Spring Conference April 24 in Hermiston and Pendleton, and there's also the 95th Annual Conference in Salem October 15-17. These events are packed to the gills with opportunities to learn from



Jake Boone, 2020 LOC President

the best and brightest, and to network with your fellow municipal enthusiasts. And speaking of learning, the LOC will be starting Elected Essentials training near the end of the year; if you're a new elected (or an old elected who wants to see where the gaps are), this is a great way to boost your governance game.

I'm looking forward to seeing you at all of these upcoming LOC functions, and please feel free to reach out to us if you need assistance... it's what we're for, after all.

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## At the League

## **Meet the 2020 LOC Board of Directors**

## **OFFICERS**



**President** Jake Boone Councilor, Cottage Grove

Councilor Boone was elected to the Cottage Grove City Council in 2011, and to the position of council president in 2017. He has served on the boards of the Cottage Grove Community Foundation, the Lane Regional Air Protection Agency, the Cottage Grove Community Development Corporation, the Lane Area Commission on Transportation, and the League's General Government and Finance and Taxation policy committees.



Vice 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.



**Treasurer** Taneea 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 Involveand executive director for the

ment Recreation Teaching, and executive director for the Central Point Chamber of Commerce.



**Immediate Past President** Greg Evans Councilor, Eugene

Council President Evans has been a member of the Eugene City Council since 2013. In that time he has served on the city's Budget Committee, Human Rights Commission, Human Services Commission, Public Safety Coordinating Council, and Public Safety Coordinating Council-Youth Services Subcommittee. He also currently serves as the 2017-18 chair of the National League of Cities' Transportation and Infrastructure Committee and the University Cities Council. Greg is

an educator, civil/human rights activist and transportation policy advocate, and serves as the Interim Chief Diversity Officer for Lane Community College.



## DIRECTORS



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.



Paul Chalmers

Councilor Chalmers was appointed to a council vacancy in 2016 and elected to his first term in the same year. He currently serves as the Umatilla County Director of Assessment and Tax, and his service career with the county spans 28 years. He also serves as chair of the Pendleton Development Commission and is a member of the Pendle-Councilor, Pendleton ton Rotary. Previously, he has served as president of the Statewide

Assessors Association (2001-02) and past president of the

Statewide Tax Collectors Association.



Scott Derickson City Administrator, Woodburn

Mr. Derickson has more than 22 years of local and regional government experience in communities across Oregon. A graduate of the University of Oregon's Planning, Public Policy & Management's undergraduate and graduate programs, and an ICMA Credentialed Manager for 10 years, he has been recognized for his emphasis on integrity, community leadership and managerial accomplishments, particularly during times of crisis.



Drew Farmer Councilor, Coos Bay



Amanda Fritz Commissioner, Portland



Peter Hall Councilor, Haines

planning commission, and was recently appointed to the city council. He also ran for the Oregon House of Representatives in 2006 and again in 2014 to give people a choice of candidates and advance the conversation about the issues facing rural communities.

(continued on page 8)

Councilor Farmer has been a city councilor in Coos Bay since 2016. Prior to his time on the council, he served as the treasurer for the city's library board. He is the director of an employment-based non-profit for persons with disabilities and serves on multiple work groups in Coos County pertaining to homelessness and housing. He served in the United States Navy from 2005 to 2009, and holds a bachelor's degree in sociology.

Commissioner Fritz is currently serving her third term as commissioner and is in charge of Portland Parks and Recreation, and the Bureau of Emergency Communications. She is the co-founder of the Office of Equity and Human Rights, and led the council's unanimous support for the city's Paid Sick Time program that is now law statewide. Commissioner Fritz is a retired registered nurse, and the mother of three graduates of Portland public schools.

Peter Hall was born and raised in the Seattle area and worked as a chef at various resorts in the west, where he cooked for CEOs, celebrities and politicians as well as for travelers from around the world. In retirement, he moved to northeast Oregon because of its low housing costs and access to year-round mountain activities. He first got involved in his rural community of Haines as a member of the city's budget committee and

## AT THE LEAGUE

## 2020 LOC BOARD OF DIRECTORS



Christine Lundberg Mayor, Springfield

Born and raised in Springfield, Mayor Lundberg is the city's 37th mayor, an office she has held since 2010. Prior to public office, Mayor Lundberg volunteered to help pass bond measures in the city that resulted in the construction of two new elementary schools and a new fire station. She also helped pass a measure to restore the Mill Race, a key component of Springfield's timber industry. Mayor Lundberg was first elected to

the Springfield City Council in 1999 and served the Gateway area for more than a decade.



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.



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 to Marie and has 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.



Michael Sykes City Manager, Scappoose

Mr. Sykes began his career as a Transit Manager for a countywide bus service in 1980. He was elected to the Columbia County Board of Commissioners in 1985 where he served for 10 years. After that he was employed as the Asst. Manager of the Port of St. Helens for five years with a focus primarily on industrial recruitment. After that Michael was city manager of Vernonia for five years and Forest Grove for 10 years. The past three years he has served as city manager in his hometown of

Scappoose. He also served as president of Oregon City/County Management Association in 2017.



Steve Uffelman Mayor, Prineville

Mayor Uffelman has served four previous terms as mayor and has served on the Prineville City Council for more than 25 years since he was first appointed in 1985. He has also served on the Oregon Mayors Association Board of Directors. Mayor Uffelman was born and raised in Oregon and a graduate of Oregon State University. He is a retired pharmacist and real estate broker, and recently celebrated his 50th wedding anniversary.



## **Municipal Information at Your Fingertips**

The new and improved **Topics A-Z** (formerly A-Z Index) is now live on the LOC website. Easy to navigate and searchable, this resource is a collection of information categorized into fundamental city governance topics. Find resources, publications, samples and links to information on a range of topics from animal regulations to youth engagement. Check it out: <u>www.orcities.org/resources/reference/topics-z</u>.

## LOC STAFF

The LOC's dedicated staff are here to help cities run effectively. Reach out with questions, ideas or just to say hello!



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Lisa Trevino **Program Coordinator** ltrevino@orcities.org



## Register for the Local Government Spring Conference in Hermiston

The LOC is excited to host the second annual one-day conference, this year held in **Hermiston on April 24**. It will be a great opportunity for public officials from around the state to network and learn about issues impacting cities.

## **Keynote Speaker**



#### Senator Betsy Johnson

Senator Betsy Johnson (D-Scappoose) is serving her third term in the Oregon Senate. She joined the Senate after being appointed to fill the District 16 position formerly held by Senator Joan Dukes. The appointment came as Senator Johnson began her 3rd term in the Oregon House of Representatives. Senator Johnson has served on numerous local, regional and national boards and commissions, and was the recipient of the LOC's prestigious Mark O. Hatfield Statesmanship Award in 2013.

## **Preliminary Program**

7:00 a.m. – 8:00 a.m.	Registration & Continental Breakfast
8:00 a.m. – 8:15 a.m.	Welcome and Introductions
8:15 a.m. – 9:30 a.m.	Keynote Speaker - Senator Betsy Johnson
9:30 a.m. – 9:45 a.m.	Networking Break
9:45 a.m. – 11:15 a.m.	Breakout Sessions
	Homeless and Housing Resources; Technology and Cyber Security; Economic Development
11:15 a.m. – 12:45 p.m.	Lunch with Moderated Panel Session on Infrastructure and Grant Funding
12:45 p.m. – 1:15 p.m.	Networking Break
1:15 p.m. – 2:45 p.m.	Breakout Sessions
	Development and Workforce Housing; Urban Rural Collaboration; Managing Public Camping
2:45 p.m. – 3:00 p.m.	Networking Break
3:00 p.m. – 5:00 p.m.	Quick-Fire Sessions
	Legislative Update; 2020 Census; Community Engagement & Recruiting Volunteers; LOC Resources
5:00 p.m. – 7:00 p.m.	Networking Reception & Blue Mountain College Rodeo

## **Thursday Reception**

A fun networking reception is being planned for Thursday evening at the Slickfork in Pendleton.

## **Enjoy the Rodeo!**

Cap off the day enjoying a hosted reception and complimentary tickets to the Blue Mountain College 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 Group in order to obtain the group rate.

## **Register Now**

Register at **www.orcities.org**. The cost is \$150 for LOC members if registered before March 27. Space is limited so register now!

## AT THE LEAGUE

# Final 2019 Meeting of LOC Board Held in Salem

The LOC Board of Directors met on December 6 in Salem. Here is an overview of what they did:

- Found that the executive director's performance for calendar year 2019 met expectations and directed the Executive Committee to put forth performance measures for the executive director to meet in calendar year 2020;
- Directed the executive director to provide a business plan for maintaining LGPI services beyond June 30, 2020;
- Assessed a 3% dues increase for the 2020-2021 fiscal year;
- Identified Bend as the location to host the 2024 LOC Annual Conference, and Portland as the location to host the 2025 conference;
- Directed the executive director to provide additional financial details and a recommendation as to what actions the LOC should take regarding PERS and the state's contribution of certain matching funds;
- Recommended the reappointment of Independence Mayor John McArdle as president of the LOC Foundation;
- Directed LOC staff to put the issue of dues delinquency for the current fiscal year on the June 2020 board agenda; and
- Directed the executive director to include additional funds in his proposed 2020-2021 fiscal year budget to cover the cost of National League of Cities Associate Membership dues for all cities with a population less than 20,000.

For more information on the LOC Board of Directors please visit *www.orcities.org*.

## **2020 LOC Board of Directors Meetings**

- February 20 9 a.m. 3 p.m. (Board Retreat) Independence City Hall
- February 21 9 a.m. 4 p.m. Independence City Hall
- April 23 9 a.m. 4 p.m. Slickfork, Pendleton
- June 12 9 a.m. 4 p.m.
   U.S. Forest Service Conference Room, John Day
- October 14 9 a.m. 4 p.m. Salem Convention Center
- December 4 9 a.m. 4 p.m. Local Government Center, Salem



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## AT THE LEAGUE

## Welcome, Colton Totland



Colton Totland has joined LOC's Legal Research Department as an honors attorney. He is a graduate of Lewis & Clark Law School and most recently worked for the Coos County Office of Legal Counsel. Colton is pursuing a career in municipal law and welcomes the opportunity to work with city staff and officials on any issue, whether it is a contract, ordinance, or something more obscure. Colton can be reached at *ctotland@orcities.org*.



## State Launches Oregon 2020 Census Website

www.oregon2020census.gov

The Oregon 2020 Census website contains tools and resources to help individuals better understand how the census impacts them and how organizations can encourage participation in their communities.



# Annual Conference Session Ideas & Speakers Wanted!

The LOC is now accepting innovative, cutting-edge ideas for breakout sessions for its 95<sup>th</sup> Annual Conference, October 15-17 in Salem.

Breakout sessions:

- Are 60-90 minutes long;
- Must be educational and non-commercial;
- Provide ideas, experiences and/or resources attendees can take back to their communities; and
- Must be submitted on the form at <u>www.orcities.org/education/conferences/annual-conference</u> to be considered. The deadline to submit an idea is **5:00 p.m. on Friday, April 3, 2020.**

Questions? Contact: Lisa Trevino, Project Coordinator - Itrevino@orcities.org

## Budget Now to Attend the 95<sup>th</sup> Annual Conference in Salem

Don't miss out on LOC's premier training and networking event for city officials. The 95<sup>th</sup> Annual Conference will be held October 15-17 at the Salem Convention Center.

## For Your City's Budget

Here are estimates cities can use in their FY 2020-21 budget process to plan for registration and event costs.

Costs per attendee	lf registered July 13 – August 28	If registered after August 28
LOC Member full registration	\$375	\$425
Non-Member Government	\$475	\$525
Non-Member Corporate	\$1,000	\$1,050
Guest	\$150	\$150
Awards Dinner	\$50	\$50
Special Tours/Workshops/ Seminars (includes OMA, OCCMA, Councilors Workshop and Tours)	\$50-150	\$50-150

Note: Conference registration closes on October 2. After October 2 registration must be done on-site and will cost an additional \$50.

## For Your City's Calendar

**March** – The LOC Conference Planning Committee will be developing session ideas for the conference program (submit your ideas by contacting Lisa Trevino at *ltrevino@orcities.org*).

**April** – Award Nominations Open – watch the weekly *LOC Bulletin* every Friday for information on how to submit an entry for one of these prestigious awards.

**July** – Registration, hotel reservations and conference scholarships open by July 13. Watch the *LOC Bulletin* for information on how to register, reserve your hotel room and apply for financial assistance for registration fees as well as for other conference details.

October – See you at the conference!



## Small Cities **Meetings** Schedule

#### **Upcoming Meetings**

North Coast (Region 1) Astoria – February 7

Portland Metro (Region 2) TBD – March 19

North Willamette Valley (Region 3) Jefferson – February 13

South Willamette Valley (Region 4) Harrisburg – February 14 The Small Cities Network is a League program for cities with a population of 7,500 or less, with quarterly meetings to network and discuss common issues and solutions.

All meetings start at 11:00 a.m. RSVP to <u>dnanke@orcities.</u> org.

On the Web: <u>www.orcities.org/smallcities</u>

Central Coast (Region 5) Lincoln City – February 20

South Coast (Region 6) Bandon – February 19

Southern Valley (Region 7) Myrtle Creek – March 12

Columbia Gorge (Region 8) TBD – March 19 Central Oregon (Region 9) Madras – March 20

South Central Oregon (Region 10) Malin – March 13

Northeast Oregon (Region 11) Joseph – April 15

Eastern Oregon (Region 12) Huntington – April 16

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## **Upcoming** EVENTS

**LOC Board Meeting** February 21 – Independence

**2020 CIS Annual Conference** February 26-28 – Salem

**OGFOA 2020 Spring Conference** March 1-4 – Seaside

**NLC Congressional City Conference** March 8-11 – Washington, D.C.

**ICMA West Coast Regional Conference** March 18-20, Vancouver, Wash.

**OCCMA (City Managers) Board Meeting** March 20 – Vancouver, Wash.

**2020 OAMR Mid-Year Academy** April 3 – Eugene

OMA (Mayors) Board Meeting April 17 – Hillsboro

LOC Board Meeting April 23 – Pendleton

Local Government Spring Conference April 24 – Hermiston

**OCAA Spring Conference** May 15-16, Newport

LOC Board Meeting June 12 – John Day

OCCMA (City Managers) Summer Conference July 7-10 – Bend

OCCMA (City Managers) Board Meeting July 10 – Bend

OMA (Mayors) Board Meeting August 6 – North Bend



**OMA (Mayors) Summer Conference** August 6-8 – North Bend

OAMR Annual Conference September 16-18 – Eugene

ICMA Annual Conference October 23-26 – Toronto, Ontario

**LOC Board Meeting** October 14 – Salem

**OMA (Mayors) Board Meeting** October 14 – Salem

OCCMA (City Managers) Board Meeting October 14 – Salem

**LOC Annual Conference** October 15-17 – Salem

OCAA (Attorneys) Fall Workshop October 16 – Silverton

**OGFOA Conference** October 26-28 – Portland

NLC City Summit November 18-21 – Tampa, Fl.

**LOC Board Meeting** December 4 – Salem

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

# LOC as a Model Employer

s an organization representing the interests of all 241 cities in the state, it is critically important that we set the standard and model what all municipalities should aspire to be: an employer of choice.

This was our mission—guided by the vision of the board of directors—when I took the lead role here just two years ago. Pulling on experiences from the public and private sector, we set about redefining how this quasi-governmental organization would work more efficiently, and in a way that would be attractive to existing and future team members.

We knew that to achieve what we were after, the status quo and business as usual would not suffice.

Creating a workplace that allows prospective employees to consider your organization an "employer of choice" is not a onedimensional exercise. From the top down and the inside out, we began by developing a vision and goals, based largely upon input from all LOC staff. This listening exercise was critical in starting down the path of reinventing how our workplace should function and understanding how the LOC team defines success in achieving this goal.

Being an employer of choice is more that just making sure we are competitive with our compensation and benefits. That's a big part of it, don't get me wrong, but job satisfaction, feeling fulfilled and overall happiness rate just as important—if not more. Making the LOC competitive from a wage and benefit standpoint was the logical first place to start, and we addressed that in a structured, thoughtful way. In today's competitive job market, pay equity and attractive benefit packages matter though, at least when initially trying to attract talent.

Once that was addressed, creating and defining a new working culture—a place where people want to come—was a corresponding priority. It's also an evolutionary process. It was important, however, to build a workplace that is welcoming and fun while at the same time being highly effective with service delivery.

We started this by working to create an inclusive and open environment. For too many years this organization functioned the same as any governmental organization: in a siloed manner, without cross-collaboration between departments. To create the team mentality, we started by breaking down barriers between departments by encouraging an open communication approach. We designed our all-staff meetings in a way that would foster better working relationships. We worked—and continue to work—on refining our approach to work, always looking for those opportunities to create a better environment for all.

What does success and forward momentum look like? If you had the opportunity to attend "City Day at the Capitol" last January, our spring conference last April in Ashland, or our 94th Annual Conference in Bend this past September, it was on display through our execution and teamwork, resulting in three of the best LOC events in recent memory. Staff was excited to be involved in the delivery of excellence to attendees.

Creating a model state league is not something that just "happens," and then we claim success. It is something we as an employer must continue to work at to maintain. It is a process, and it needs consistent attention.



**Mike Cully** LOC Executive Director

Being a model employer is something we as an employer must continue to work at to maintain. It is a process, and it needs consistent attention. ??

Cities, as employers, have the same opportunity to model themselves as an employer of choice. As I mentioned, it isn't always about offering the financial resources to be competitive, but just as much about the internal culture and atmosphere an employer offers prospective talent.

At the LOC, we took a holistic look at how we could make positive strides to our goal, and our efforts have paid off in spades. We have a team that is competitively compensated, and who genuinely enjoy working and collaborating with each other to the benefit of our cities.

But...we won't be satisfied with where we are now. We are in a continual process of refinement and improvement, and keeping a strong focus on the satisfaction of all stakeholders will remain a priority for this administration.



City of Silverton Employees

# **EMPLOYERS OF CHOICE**

## Municipal leaders share strategies to attract, retain skilled employees

By Melody Finnemore

s co-president of HR Answers Inc., Laurie Grenya, SPHR, partners with many municipal leaders about ways to attract and retain talented employees. Grenya, who estimates that about 40% of her firm's business is the government sector, said that compensation packages for such jobs have traditionally been robust, and opinions vary about whether to promote that when seeking job candidates.

"We find people at polar ends of this spectrum," she said, adding some agencies are hesitant to publicize their compensation packages out of concern for public perception about how tax dollars are being spent. "I believe government agencies are doing a disservice when they don't publicize the full amount of compensation and benefits that are offered."

Grenya pointed to the multigenerational makeup of today's job market, and the cultural shift from job interviews being solely about employers evaluating candidates.

"It's now, 'You've got to tell me why you're a good place to work' instead of an employer saying, 'You're lucky to work here," she said. "Employers are saying, 'We're not only interested in the work you do and we want to pay you well for doing that work, and also so that you can take care of your family."" A focus on employee well being and the importance of work/ life balance, along with improved technology, have led more municipalities to offer flexible work schedules and more opportunities for employees to work from home on some days. Other health benefits that cost little to nothing include wellness programs that encourage employees to engage in more physical activity and teambuilding exercises.

"More agencies are taking a holistic approach that shows it's not just the words they say, it's the actions behind them," Grenya said.

Several municipal leaders shared how their cities have implemented strategies to attract and retain skilled employees, and ensure they fulfill their mission to be an employer of choice.

#### **Preparing the Next Generation in Silverton**

City Manager Christy Wurster said that, as a small community, Silverton doesn't offer some of the same, traditional benefits that are offered in other municipalities that would normally come to mind.

"We are a community of choice," she said. "Because of our size, the community is really engaged socially and politically and in support of our community nonprofits, and that carries over to our employees. What we do here is really create an environment for professional development at all levels of the organization."

(continued on page 18)

## EMPLOYERS OF CHOICE





City of McMinnville Employees

City of Tigard Employees

## We have a culture here that allows everybody to participate in the leadership of the organization. Adam Brown, Ontario City Manager

The city restructured to create two assistants to the city manager positions, which allows the assistants—Angela Speier and Elizabeth Gray—to build on their professional development and also have an opportunity to work on projects that are not part of their core responsibilities.

Wurster noted that Speier was nominated by the city to attend the NW Women's Leadership Academy, a nine-month professional development cohort for emerging local government leaders that includes opportunities for networking and career mentoring.

Gray, who serves as Silverton's human resources coordinator, recently completed her master's degree in public administration at Portland State University and has helped the city provide more transparency in its budgeting process. Gray also partnered with the University of Oregon's Sustainable City Year Program to get students involved in local improvement projects.

"Not only are we building our staff within the organization, but we're also building the skills of the students through the projects they are doing in our community," Wurster said, adding a Willamette University student is helping the city evaluate whether to implement a no-smoking policy downtown.

The city of Silverton's communications team includes a member of each department, which creates opportunities for crossdepartmental learning and consistency in internal and external communications.

"They're working as a team and take turns posting our messages, so to the outside community it looks like it's just one person doing it and we have uniform content," Wurster said.

The city's wellness program allows employees to take time during the workday to focus on health and fitness. Employees are encouraged to participate in fun runs, the city sponsors a golf team and a spelling bee team, and it hosts a chili cookoff each Halloween. "We're really just trying to prepare the next generation and enhance our employees' opportunities to develop professionally, and I think that's one of the huge attractions for us as a public employer of our size," Wurster said.

### Helping to Run the City of Ontario

City Manager Adam Brown said that among the factors that make a municipality an employer of choice, compensation is not necessarily high on the list. "I think people come because it's a highly desired place to work where they're going to make a difference. I think that's why people come and stay," he said.

To that end, Ontario's leadership philosophy guides its managers in leading with an open hand rather than an iron fist.

"Much of the research out there has shown that a leadership philosophy is one of the greatest, if not the greatest, motivator for people enjoying their job," Brown noted. "We have a culture here that allows everybody to participate in the leadership of the organization. In the years I've been here, I've had so many employees come to my office and say, 'You know, I bet we could save money if we do this."

Brown estimates employees' suggestions have saved the city about \$100,000 and helped to promote a family-friendly work environment that encourages a culture of autonomy and the ability to contribute.

"When I hire department heads I tell them, 'I don't want you to just run the department, I want you to help run the city," he said. "Their role is greater than their job."

Ontario's leadership team meets twice a month and is focused on long-term objectives such as ongoing improvements to customer service and the overall direction of the organization. The city implemented a residency policy that requires employees to live in Oregon and within the school boundary.



In addition, the city has taken a more cost-efficient approach to hiring for its police department. "We've had a lot of police officers retire so we've gone out for lateral hires more than new hires recently because it's such an investment in the employee to send them off for 16 to 18 weeks at the police academy," Brown said.

## Hillsboro's "Eureka Challenge"

City Manager Robby Hammond said attracting and retaining top talent is a challenge in a job market where unemployment is so low. About three years ago, city leaders undertook an effort to identify how to be an employer of choice, which led to the creation of the city's Eureka Challenge to encourage employees to share their ideas and foster innovation.

During the first challenge, a handful of employees were selected to brainstorm ideas. The result was a list of nearly 90 recommendations that ranged from changing policies to make municipal jobs more family-friendly to restructuring health benefits to be more accommodating.

"Some of them we've been able to accomplish and some others we probably won't because they were out there, and that's great because that's what we wanted. There are fiscal considerations, too," Hammond said.

The Eureka Challenge, held each October, also encouraged Hillsboro city employees to craft a mentorship program and learn from other cities about what works well and what doesn't. Last October, seven employees surveyed residents to identify ways to reduce barriers to city services.

"The Eureka Challenge has been very successful and the employees really appreciate that opportunity to participate,"

(continued on page 20)

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## EMPLOYERS OF CHOICE

he said. "Those are programs people really look forward to as employees and one of the things that helps us be an employer of choice."

### McMinnville's Values-Based Approach

City Manager Jeff Towery said that when McMinnville adopted its strategic plan, Mac-Town 2032, last year, it included a goal to strengthen the city's ability to prioritize and deliver municipal services with discipline and focus.

"Our priority actions in support of this goal include supporting a thriving workforce with a strong centralized HR program and to provide competitive and equitable compensation," he said.

Kylie Bayer-Fertterer, the city's human resources manager, said a key part of that strategy is taking a more values-based approach to its hiring process. While the city still has minimum qualifications and considers a candidate's technical skills, it has shifted its recruitment focus from education, certifications and experience to exploring candidates' values during the interview process and hiring people whose values align with the city's, which were identified in Mac-Town 2032.

The city also is developing a classification compensation study for all positions except for sworn police officers and firefighters. It is the first time it has conducted a comprehensive study of its job classification structure and salaries.

"Hopefully we'll find we're not too far off base from the market on our salaries. We want to remain a competitive employer," she said, adding the city offers hiring bonuses for qualified, lateral police officers, who receive about \$6,000 over the course of their training and probation period.

## **Tigard Makes it Happen**

Brandi Leos, IPMA-SCP, senior human resources business partner, said the city initiated a four-day workweek in which most employees work 10 hours a day, and it accommodates those employees who need a slightly different schedule.

"For someone like me who commutes, that's great. It reduces my commute time by 20% and puts less stress on my car. But, for someone with small children, 10 hours is a long time if you've got your children in daycare," she noted.

Leos said the city strives to be as transparent as possible and lets job candidates know about the schedule before the interview process begins.

"We definitely tout it as a benefit and we try to highlight the positives about working here and brag about them. If you'd like every weekend to be a three-day weekend, come work for Tigard," she said, adding police, library staff and a skeleton crew of public works employees continue to work on Fridays.

The city also promotes the fact that it offers a different retirement program than PERS, and the benefit of that is that the city puts 10% or more of employees' salaries into a 401k and employees don't have to wait five years to become vested in their accounts. In addition, the retirement account is based on the stock market and not on the Legislature, so employees have more control over their retirement funds.

Leos said the city's human resources staff consists of five employees, one of whom is part-time and another who is shared with risk management.

"We are small enough to be nimble but we're big enough that we're not barely scrapping by to get our work done," she said. "That has allowed us to deliver training and I have the chance to dig into new laws and explain what we're going to do about them. We're one of those organizations that figures things out first and then shares that information with others."

Tigard recently launched a new employee recognition program, and Leos said it's another benefit the city is proud to promote to job candidates.

"To make yourself more competitive it's important to be able to offer employees the chance to do something new and different and think outside of the box," she said. "The thing I've really come to appreciate about Tigard as an employer is that if there is something I really want to do, we can find a way to make it happen."

Ms. Finnemore is a Portland-area freelance writer. Contact her at precisionpdx@comcast.net.



## Pets in the Workplace



## What to Consider

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One perk many employers are offering is the ability for employees to bring pets to the workplace. Employers should consider and plan for the following logistical issues that arise with such an arrangement:

- (1) Consider whether your organization's various work environments are suitable for an animal in the workplace. An environment where wastewater treatment occurs, for example, will not likely be suitable; but an office environment may be. Consider, also, the amount of interaction the animal will have in its environment with nonemployees (which, for liability purposes, should be minimized).
- (2) Have employees apply to bring a pet into the workplace and sign an agreement regarding the pet if the application is granted. The application would require the employee to address, among other issues:
  - (a) Whether and to what extent the pet has received training;
  - (b) Proof of current vaccinations and any information about current medical ailments affecting the pet;
  - (c) A history of any complaints made against the pet with law enforcement (if any);
  - (d) A description of how the pet reacts to noise, visitors, and petting from strangers;
  - (e) A plan for attending to the pet's needs, such as taking the animal outside to relieve itself, feeding and watering;
  - (f) A plan for ensuring that the pet doesn't wander from the employee's workstation unattended; and
  - (g) A plan for addressing when the pet starts barking or growling (if the proposed pet is a dog).

The employee should also sign an agreement that acknowledges the opportunity to bring a pet into the workplace is not guaranteed, and may be revoked due to misstatements on the application, violations of employer policy, if the animal becomes a distraction or safety risk, if



the employee who owns the pet falls behind in work, or if the employer needs to accommodate an employee with a disability by implementing a policy that prohibits animals in the workplace.

(3) Once the animal is in the workplace, how will the employer account for employees who have allergies to animal dander or a fear of animals? For example, will workspaces need to be adjusted, or will schedules need to be changed (to minimize exposure)? Will employees with fears or allergies be allowed to work from home? Regardless of whether the issue is an allergy (which may have protection under federal and Oregon disability law), if the fear or illness can't be accommodated, or if contact can't be eliminated/minimized, it may not be a good idea to continue allowing an employee to bring a pet to the workplace.

Different rules apply whenever an employee with a "disability" seeks to bring a service or "comfort" animal into the workplace as a form of accommodation under federal and Oregon disability law.

Cities with General Liability coverage with CIS are encouraged to reach out to CIS' Pre-Loss team with any questions or to discuss these issues further. (*PreLoss@cisoregon.org* or 503-763-3848.)



## **Rehiring Retirees**

uring the 2019 session, the Oregon Legislature made changes to the Public Employees Retirement System (PERS) that led some public employees to retire early. In some cases, CIS members may consider rehiring those retirees. Before making that decision, below are some dos and don'ts for hiring back a retiree.

#### **Employment Law Considerations**

There are things to consider from an employment law perspective when looking to rehire a retiree.

• Equal Opportunity Option? Employers should determine in advance the criteria by which they'll decide if an employee is eligible for rehire after retirement. Is the option available to every retiring employee, or only those in positions that are difficult to replace? And how does the employer determine which positions are difficult to replace? By putting forethought into those criteria, the employer can avoid claims alleging that the rehire option is only available to members of a particular protected status.

- Open Recruitment Required? Before an employer hires back a retiree to fill a vacancy that the retiree created, the employer should review its charter, employment policies and applicable collective bargaining agreement (CBA) to ensure it is not obligated to open a public, competitive recruitment.
- Status Upon Rehire? Employers may be tempted to classify a rehired employee as an independent contractor, but should approach this issue with caution. Incorrectly classifying a W2 employee as a 1099 independent contractor could have negative tax, wage and hour, and benefits implications.
- Carefully Design the Employment Agreement. Employers who choose to outline the terms of an employee's return in a written agreement should carefully consider the agreement terms and include details not only about compensation, length of employment, and leave entitlements, but also that

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the employee is subject to all employment policies that apply to other employees and CBA provisions, if applicable. It should also address the means by which the agreement can be ended if the relationship isn't as successful as anticipated.

• Remember Pay Equity. Speaking of compensation, employers must keep Oregon's pay equity law in mind when determining the compensation of the returning employee. The law does not permit an employer to pay employees less simply because of their retirement status (read: age). Employers would do well to consult with legal counsel before settling on wages for a returning employee.

This list just scratches the surface of employment law issues that come into play when hiring back a retiring employee. CIS members should contact Pre-Loss or Hire-to-Retire staff for help in navigating this multi-factored proposition.

### **Employee Benefits Considerations**

As noted above, there are many employment law issues to consider when rehiring a retiree. However, there are benefits issues that come into play too.

Though the term "retiree" is used below, once rehired, the retiree is an employee and should be treated the same as any other similarly situated employee.

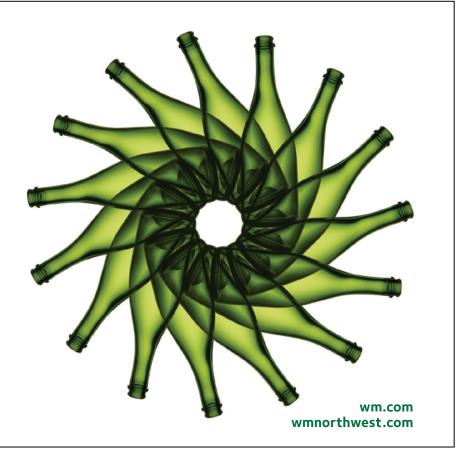
**CIS Benefits members please note:** Any time a city rehires a retiree or COBRA participant, they may already be covered by a CIS retiree or COBRA plan. If that's the case, and the rehired employee works enough hours to be eligible for benefits, the enrollment system does not allow the employee to be in both an active and retiree/COBRA status at the same time. Please contact the CIS Benefits staff to process the rehire.

(continued on page 24)

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## CIS: REHIRING RETIREES

If returning to the same employer, working the same hours as before retirement, the following guidelines apply:

- For retirees rehired within one month (whether the same month or the next), coverage is continuous and all coverage (i.e., medical/vision, dental, life/disability, FSA) must continue. No termination/retirement should be processed in the enrollment system.
- For retirees rehired after at least one month (break in coverage), a termination/retirement should be processed in the enrollment system. They need to receive COBRA/retiree continuation options.
- For retirees rehired after one month, but within six coverage months, coverage should be effective the first of the month following the date of return—no waiting period applies. All previous coverage must be reinstated.
- For those enrolled in a healthcare and/or dependent care FSA, previous per pay-period-amounts will automatically be reinstated. The employee will have 30 days to make a change to the elected amount.
- If rehired within six coverage months, but in a new plan year, all previous coverage, excluding a healthcare and/or dependent care FSAs, will be reinstated. If plan or carrier changes were made, the retiree will be returned to the closest comparable coverage. The retiree will have 30 days to make election changes.

• If rehired after six coverage months, the retiree is considered a new hire and new hire requirements apply.

If returning to the same employer, working fewer hours than before retirement, the following guidelines apply:

- If benefit-eligible, the above rules still apply.
- If the employer contribution is prorated for medical/vision/dental because the retiree is working fewer hours than before, he/she will have 30 days to make election changes.

For large employers only (50 or more full-time equivalent employees):

• If not benefit-eligible based on the employer's benefit eligibility threshold (as outlined on the Request for Coverage (RFC)), but still working at least 30 hours per week, the retiree is eligible for medical and vision benefits only based on the requirements of the Affordable Care Act. No other benefits can be offered.

If a retiree is hired by a different employer that participates in CIS Benefits, the following guidelines apply:

• The retiree is a new hire for the new employer and all new hire requirements apply.

Health Reimbursement Accounts (HRA) funded by a Voluntary Employees' Beneficiary Association (VEBA):

• For employers who contributed to an HRA/VEBA plan for a rehired retiree, there are plan limitations depending on the type of plan offered to the retiree while an active employee:



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If rehired by the same employer who previously contributed to the HRA/VEBA on behalf of the retiree, the retiree cannot be reimbursed for medical expenses during the period of re-employment. The retiree can still be reimbursed for limited/excepted benefits (dental/vision) during the period of re-employment.

• Standard HRA Plan

There are no restrictions on this plan. The majority of CIS Benefits' members offer this type of plan.

For CIS Benefits members that have more questions, please contact the Employee Benefits staff.

### Many Oregon Cities Excel at Employee Safety

CIS presented Safety Awards to 187 deserving cities at the recent LOC Conference. The award recognizes local governments' strong employee safety record during the 2018-2019 year. It also rewards local city governments with the fewest number of workdays lost due to on-the-job injuries. The Safety Award showcases employee safety, focusing on training (a proven track record in avoiding injuries), and management's commitment to a safe work environment. Each award is based on the number of time-loss injuries a city has, and their duration, compared to the number of hours worked in a year. Gold awards went to those with zero time-loss injuries. If no organization in a group had zero time-loss injuries, then the gold went to the one with the lowest injury ratio. To see which cities were recognized, visit *cisoregon.org/safetyawards*.

### **Cyber Phishing Grants Available**

Cyber issues are becoming a bigger and bigger issue every day! To address the issue, CIS has budgeted \$50,000 for cyber risk management. For members who've purchased excess cyber liability coverage, they can apply for grant funds to determine if their organization is prepared for a phishing attack. CIS has budgeted \$40,000 to work with cities to perform phishing tests. This is when a third-party firm "phishes" to catch city employees clicking on an inappropriate email. If a city employee does open a spoof email, they'll be required to take an on-line training course that helps educate them on what to look for in the future, so they don't get tricked again! CIS' grants are calculated based on employee count and will pay a percentage of the phishing exercise. The remaining \$10,000 of the \$50,000 total is earmarked for cyber-risk management consultants to provide a webinar and help answer member questions.

#### **CIS Unveils More Employment Law Podcasts**

After taking a little breather on producing her employment law podcasts, CIS' Pre-Loss Attorney Katie Kammer is back! Watch for her new HR & Employment Law Podcasts for 2020. Katie's popular podcast series called Kammersations features stories about what to do and what not to do when dealing with personnel matters. She also excels at making complex employment law issues easier to understand. Listen by visiting www.cisoregon.org/podcasts.

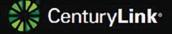
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## Are You Still Doing City Manager Performance Evaluations? And What to Do Instead

By Scott Lazenby, Ph.D., Adjunct Associate Professor, Portland State University

en Miller, author of *Extreme Government Makeover*, says to audiences he speaks to: "Raise your hand if you are the person you are today because of your annual performance review." Most of the time, there are no hands raised. But in one session, a woman did raise her hand. Surprised, he asked her, "You really are the person you are today because of your annual performance evaluation?" She said, "Yes. Of course, I'm cynical and jaded."

In his book, Miller makes the point that annual performance reviews do far more harm than good, and if you do nothing else, simply quit doing them.

Ken Miller isn't alone in this opinion. Samuel Culbert has a PhD in clinical psychology and is a professor at UCLA's Anderson School of Management. In his *Wall Street Journal* article titled "Get Rid of the Performance Review," Culbert outlines the damage caused by the traditional annual performance review.

In his book by the same name, the first line states, "It's time to finally put the performance review out of its misery," and he spends the next 150 pages in a thoughtful argument backing up his assertion. He drives home the point that if the intent is to improve the performance of the individual and the organization, the annual review process in fact does the exact opposite. Other management scholars and writers have come to the same conclusion. Tom Coens and Mary Jenkins, a labor attorney and personnel professional, wrote a book titled, "Abolishing Performance Appraisals." Many companies are following their advice, either intentionally or through benign neglect.

Both sets of experts suggest positive alternatives to the annual review, and I'll return to that in a moment. But first let's step back and talk about why performance reviews seem to find their way into many city manager employment agreements.

## The Role of the City Council

The city council's role is to set the overall policy direction for the city. But the council is also ultimately accountable to the voters for the effective operation of the city organization. In turn, the council hires a city manager to handle the day-today running of the city, and it is entirely appropriate for the council to hold her or him accountable for the performance of the organization. The first tenet of the ICMA Code of Ethics states, "Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective."

But what exactly does a council do to ensure that the city is running well?

First, the council decides who to hire as city manager. This is probably the most important step in the whole process. Continual self-improvement is important and something to strive for. But in reality, a person's ability to manage and lead is basically set on the day they are hired, and it's unreasonable to expect much change there. The skills, abilities and personality of the city manager will always be pretty much what they are when you hire them.

Second, the council does have control over when it's time for the city manager to leave the organization. It's not a decision to be taken lightly, and councils need to face the fact that city managers are just

human beings, with strength and weaknesses, so switching out city managers means trading one set of weaknesses for another. But as a profession, we do acknowledge that we serve at the will of the council.

This kind of irreconcilable difference is relatively rare. The default decision should be the same one a city manager has with their department heads, who are also at-will employees: the assumption is that it's a long term relationship, and we'll work together to keep it a healthy one. There is absolutely no need to revisit the issue on an annual basis. It doesn't make sense to treat the CEO as a temporary employee.

#### The Motivational Power of Council Goals

So how do you take a positive approach, and act as a city council to ensure the city manager's performance meets your expectations? Let's stipulate that the annual performance review isn't the way to do it. What do you do instead?

Samuel Culbert advocates what he calls a "performance preview." It's designed for a one-to-one conversation between an employee and supervisor, but the key elements apply just as well to a larger dialog between the members of the city council and the city manager and staff.

First, the discussion is forward looking, not backward looking. What are actions we will take going forward? What can we do in the future, not what have we done in the past.

Second, it's a two-way dialog, not a top down power play. The question is not only what can the city manager and staff do in the future to make the city operate more effectively, but also what can the city council do to improve the effectiveness of the organization?

Simply giving [a city manager] goals that are achievable but stretch the organization is the single most effective thing a city council can do to maximize the performance of their manager and staff. And this dialog has two components. The first focuses on specific actionable goals for the coming year. They should be grounded first in the council's overall vision for the community, such as"Help build a thriving downtown," or "Take care of our infrastructure." But to be useful in a performance management context, the focus should be on the tactical steps for moving toward these higher goals. Things like, "Create a downtown urban renewal district by September," or "Refer a park bond measure to the voters in November."

You may be thinking, "Wait—this is what we do already in our annual council retreat. There must be more to it than this."

My answer is, "no, there isn't." Because here's a secret I learned in 40 years of working with a lot of other city managers: all of us—well, at least most of us—are very powerfully motivated to please the city councils we work for, and to lead our staff in accomplishing the goals that are set before us. Some of us don't like to be told how to achieve the goals, and good governing boards focus on the ends rather than the means. But simply giving us goals that are achievable but stretch the organization is the *single most effective thing* a city council can do to maximize the performance of their manager and staff.

We're not alone in this. Daniel Pink, in his book *Drive*, summarizes decades of research on human motivation. He identifies the three most powerful motivators for all people: autonomy, mastery and purpose. As a city council, you can push every one of these buttons by saying, "Our common vision is to make our community a better place (purpose), and we can do this if you can help us achieve these goals (mastery), and we leave it up to you and your staff on how to get there (autonomy)."

In my experience, city councils can be pretty good at this. People often run for a city council position to make a difference in the community, and to get things done. It does involve some give and take to reach a consensus when there are competing goals, but it's much more fun to talk about concrete goals than to have endless conversations about nice but operationally useless generalities like transparency, sustainability and equity.

So bottom line, unless the city manager is a total screw-up, the city council can simply skip the performance review, and instead focus on setting clear, achievable and meaningful goals for the city manager and staff.

(continued on page 28)

## PERFORMANCE EVALUATIONS

## **Critical Conversations**

Samuel Culbert's "performance preview" does have a second component. This one is hard enough to implement in a one-to-one relationship between a supervisor and employee, and even more difficult in the context of the many-to-one relationship between the council and manager.

In a nutshell, it focuses on practical things that both parties can do to

make the council-staff team work better. Would the council like more reporting on projects or programs? Or is the council getting buried in details? For its part, is the council providing clear direction, and deciding on key policy issues rather than ignoring them? Is the council focusing on the policy and staying out of administration?

This is the most difficult part of the conversation, because it requires the council to not only come to a consensus on what it wants (not always easy), but then to also articulate this consensus as clearly and unambiguously as possible. The book, *Crucial Conversations*, can help here, because as humans, we all tend to be pretty bad at this kind of conversation. Generalities

## For the past six decades, researches have demonstrated over and over that pay is not a motivator.

like, "The city manager needs to be more assertive," or "The council needs to be more transparent," are useless and a waste of time. It's better to focus on specific actions to be taken. As an example, during my time with the city of Lake Oswego we experimented with a different method of notifying the council when staff members are contacted by the press.

This conversation can occur whenever and as often as needed, and

treated as simply a fairly routine aspect of communicating and working together. Things should not be allowed to fester until some arbitrary calendar date rolls around. Here, Patrick Lencioni's work on effective teams can be useful, and in rare cases, a facilitator trained in these concepts (building an environment of trust that leads to a healthy discussion of conflicting ideas) can help.

But returning to the issue of performance, I believe focusing on goals produces much greater results than a discussion on teambuilding, and I see no problem in skipping it altogether if there isn't a pressing need for it.

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#### **The Compensation Question**

This article would end here, except for one problem. I know that at least one reader might be thinking, "If we don't do an annual performance review, what do we base the city manager's compensation on?" I'll address that here, but it disturbs me that this far into the 21st century we even need to have this conversation.

For the past *six decades*, researches have demonstrated over and over that pay is not a motivator. Let me repeat that. Pay is not a motivator. Let's be more specific. There is no relationship between pay and performance. It's on the bottom of Maslow's triangle, and you won't get staff to come to work for you, or stay with the organization, if compensation is significantly below the market. But once that basic need is met, it just isn't a motivator.

Daniel Pink, in the Ted Talk that is listed in the references below, notes that since this seems counter-intuitive to many people, it is the most researched area in all of management theory. Back in 1968, Frederick Herzberg published an article titled, "One More Time: How Do You Motivate Employees?" and it remains to this day the most reprinted article from the *Harvard Business Review*. (The magazine published the article again recently, and the editor wryly noted, "Herzberg's conclusions don't seem to have fully penetrated the American workplace, if the extraordinary attention still paid to compensation and incentive packages is any indication.") By the way, the answer to Herzberg's question is the same intrinsic motivators that Daniel Pink identifies. Doing a good job is rewarding in and of itself.

So here's how a city council should handle the compensation for the city manager. Do it exactly the same way you do for all your staff: establish a pay range and steps based on where you want your city to be in the larger market. Adjust the range from time to time for changes in the cost of living, like you do for other staff. Occasionally survey the market to make sure you're still in the range you want to be. That's it. There may be some other details in a compensation package, like covering some of the cost of using a private cell phone and car for city business, or matching contributions to a deferred comp account. But these too should be based on the market, and not some kind of performance incentive, like dangling cheese in front of a rat.

Remember, doing a good job and achieving objectives is a very powerful motivator in and of itself. In other research cited below, interfering with this motivator by tying a pay bonus to performance was found to *actually decrease performance*.

#### Conclusion

First, *stop going through the motions of an annual city manager performance evaluation*. I suspect that many city councils may not be doing them anyway out of benign neglect. If that's the case, they should congratulate themselves for being a well-managed city. A consequence of not doing annual reviews is that the city manager's compensation would, and should, be based on market factors and the requirements of the job.

Second, do establish clear, achievable but stretching goals for the city manager and staff. Will all the goals be met? Of course not: as John Lennon said, "Life is what happens while we're making other plans." But this is the single most important thing a city council can do to make the organization as effective as it can be.

Third, when necessary, have an open two-way discussion on how the city council and staff can improve the team's effectiveness. This conversation should be forward-looking. And it should be a public discussion, since there will be no criticism if it instead focuses on positive steps people can take to work more effectively.

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Dr. Lazenby is the former city manager of Lake Oswego and Sandy. He has a PhD in public administration and policy from Portland State University (PSU) and is currently an adjunct associate professor in PSU's public administration program.



## **2020 Legislative Session:** Our Crystal Ball

By Jim McCauley, LOC Legislative Director

rying to predict the outcomes of a legislative session isn't so much about science. It's more like a Ouija board exercise. But, here goes...

The 2020 session convened on February 3 and must adjourn "sine die" no later than March 8. As compared to the "regular" sessions that occur during odd-numbered years, the short sessions are known for aggressive timelines for advancing legislation, and fierce competition for limited budget dollars.

The 2019 session was a difficult one, with added tension from two legislative shutdowns, which were the result of an impasse over a democratic majority, high-priority cap and trade bill HB 2020. A new version of this bill was released in January during the final legislative days before the short session. Republican leadership still believes the economic impacts are too much for Oregonians but is willing to allow a legislative referral for voters to make the choice in this year's November election. Some cap and trade advocates believe the new version of the bill has been watered down too much in an effort to reduce impacts on communities and manufacturers located in the more rural regions of Oregon.

The potential for a similarly contentious legislative environment has not lessened, and may well be adding to the current state of 2020 elections. During the interim, more than 20 legislators called it a career and have stepped away from public service. This turnover will impact institutional knowledge and may well influence the balance of policy decisions, as several of the soon-to-be vacant legislative seats are in swing districts.

For the LOC, the 2020 priorities are an extension of those we focused on during the 2019 session:

- Mental Health Investment;
- Housing/Homelessness and Development;
- Broadband Investment;
- General Government Public Records and Police Accountability;

- Water Infrastructure Investment;
- Tax and Finance Issues Related to Local Funding;
- Improved Transportation Safety;
- Wildland Fire Preparedness; and
- Third-Party Building Inspection.

This list also includes policy areas we are engaged in that are not likely to be addressed during this session, but remain important issues for the government relations team to address.

The LOC team enters 2020 with a strong group, including two new members, Mark Gharst and Ariel Nelson, as well as added expertise from Jenna Jones who will take on telecommunications and broadband.

The following is an overview of the LOC's positions and legislative activities in each of these priority issue areas:

#### **Mental Health Funding**

• It is clear from cities across the state that one of the critical factors driving homelessness is mental health, and without resources to match the mental health needs of Oregon's homeless population, communities will face continued stress and shortfalls with service delivery. The LOC remains committed to support additional funding resources for mental health programs and services. Specifically, we will advocate for additional funding of \$15-20 million for certified community mental health clinics.

The LOC will also be requesting the addition of \$9 million to the mandated case load formula. Due to the design of the formula, the resources for full case load get shorted. Currently, the funding is based on Oregon State Hospital case load, and with the transition of this population to community-based treatment homes, the overall revenue was reduced, yet the need still exists.

### **Housing and Development**

- System Development Charges: The LOC is supportive of state efforts to provide additional resources to local governments to increase the development of affordable housing, including reimbursement for communities that offer reduced SDCs for affordable housing.
- Housing Planning Implementation: The LOC will encourage and support continued state investment in technical assistance and infrastructure resources for cities to meet the new requirements of HB 2001 and HB 2003 to plan for needed housing.
- Affordable Housing Property Tax Exemption Update: The LOC supports updates to local property tax exemptions for affordable housing to better align with federal resources and increase flexibility for developers in tight real estate markets. The League supports an update to an existing local option property tax exemption (ORS 307.541) to align with new federal Low-Income Housing Tax Credit (LIHTC) rules. In addition, we support increasing flexibility in the Homebuyer Opportunity Limited Tax Exemption (HOLTE) to extend the construction period eligibility for up to two more years if progress is being made with construction.

#### **Telecommunications**

• Broadband Investment: The LOC is working with Rep. Pam Marsh (D-Ashland) and a diverse coalition to hopefully pass a reintroduced version of HB 2184 from 2019. The bill would help generate \$5 million annually to the state broadband office to leverage federal dollars for the expansion of high-speed internet access in Oregon's rural communities by subjecting cell phones to Oregon's Universal Service Fund (OUSF) charge.

#### Water

- Septic Loan Funding: The LOC continues to strongly support a program that provides low-interest loans to either repair or replace failing residential or small business septic systems, or to connect failing septic systems to an available municipal/public sewer system. Legislation to provide an additional \$2 million in funding for this program is needed in order to continue to provide loans to low-income Oregonians.
- OWRD Funding for Basin-Specific Needs: The LOC supported a budget package during the 2019 session that would have provided additional staff at the Oregon Water Resources Department (OWRD) to help specific water basins navigate immediate regional water supply challenges. The basins that the LOC is targeting for enhanced technical assistance through the OWRD are the Willamette and Deschutes.

#### **General Government**

• **Public Records:** Any changes made to existing public records legislation must keep to the intent and spirit of the consensus product from 2017. The state's Public Records Council should remain a balanced body to resolve public records issues between record requesters and agencies. Further, the advocate should be accountable to elected official(s).

# Follow the LOC at the Legislature

Information is power, someone once said. To stay informed on local government issues managed by the LOC lobby team during the 2020 session, and to be most effective in their own advocacy efforts, cities can avail themselves of the many tools offered by the LOC. These include the following:

- Legislative Webpage The legislative page at www.orcities.org is the go-to resource for all things related to the session.
- The LOC Bulletin Delivered electronically every Friday, this publication has the most up-to-date coverage of the status and policy developments relating to bills being tracked by the LOC. Email *loc@orcities. org* to subscribe.
- **Bill Tracker** Available on the legislative page of the LOC's website, this allows cities to keep tabs on individual pieces of legislation.
- Social Media Follow us on Twitter (@OregonCities), Facebook (@LeagueofOregonCities), and YouTube (@LeagueofOregonCities) to stay engaged and help us in our advocacy efforts by sharing and liking posts.
- *Inside the Capitol* Podcast 5-10 minute quick conversations with LOC lobbyists on what is happening at the Capitol every week.

Finally, member cities are invited to call or email the LOC office at any time to talk with a member of the lobby team about a bill. Of particular interest to the advocacy team is local feedback or intelligence that can be offered about a bill, especially perspectives that might be provided concerning a legislator's views on an issue.

• Police Accountability: The LOC is supportive of efforts to allow employers greater discretion in holding police officers accountable for acts that should result in termination. The League will support and advocate for legislation that was passed unanimously by the Senate in 2019.

#### Tax and Finance

• Lodging Tax: There were two lodging tax workgroups looking at this issue during the interim. Rep. Pam Marsh (D-Ashland) was exploring ways to enhance compliance, while Rep. Alissa Keny-Guyer (D-Portland) was studying how short-term rentals exacerbate housing issues and

(continued on page 32)

## 2020 SESSION

whether local governments should have more discretion to spend lodging tax on affordable housing. It's unlikely these workgroups will produce a bill for 2020, but the LOC will continue to be involved in any lodging tax legislation.

- Farm Machinery: Rep. Marsh and Sen. Lynn Findley (R-Vale) are leading a workgroup to "clarify" the property tax exemption for farm machinery. During the 2019 session, advocates brought forward a bill that was described as clarifying policy, but it was clear it would have expanded the exemption and reduced revenue to communities.
- Liquor: The LOC fully expects distillery advocates to propose an 83% reduction of the tax on the first 5,000 bottles at each tasting room. The League will weigh any benefits in terms of economic development with costs, including forgone revenue and likely public safety spending.
- **Property Tax Reform:** Property tax reform is not likely to be taken up in the short session, but if the Legislature plans to make it a priority in 2021 there will need to be some significant work in 2020 to lay the groundwork.

#### Transportation

• Public Safety: The LOC is supportive of efforts to bring back HB 2702 from 2019, which authorizes the Oregon Department of Transportation (ODOT) to delegate authority to a city or county to establish a designated speed on lowvolume or unpaved highways under ODOT's jurisdiction to all highways under the jurisdiction of the city or county.

#### **Building Codes**

- Third-Party Building Inspection: The Oregon Building Code Division (BCD) is moving forward with an advisory group to find an administrative process that would use a version of a third-party building inspection program for smaller, frontier communities in Oregon. Details will emerge once the work group starts up in early 2020.
- Wildland Fire Interface: The LOC will work with the BCD and others as proposals emerge in response to recommendations from the Governor's Council on Wildfire Response. These may be additional building design requirements, set back distances and possible development standards and a new role for local governments to implement neighborhood or home certifications.

#### **Contact Us**

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

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- Jim McCauley, Legislative Director Transportation & building codes (503) 540-6593 | jmccauley@orcities.org
- Ariel Nelson Land use & housing (503) 540-6585 | anelson@orcities.org

Mark Gharst – Tax, finance & economic development (503) 540-6574 | mgharst@orcities.org

Jenna Jones – Telecom, broadband & cable; legislative research & bill tracking (503) 540-6608 | jjones@orcities.org

Tracy Rutten – Water, wastewater, environment and natural resources, energy & public contracting (503) 540-6576 | trutten@orcities.org

Scott Winkels – PERS, ethics, human resources, collective bargaining, public safety, mental health & general government (503) 540-6568 | swinkels@orcities.org

# Are You Signed Up for the *LOC Bulletin*?

Designed to be easy to read and more mobilefriendly, the weekly *LOC Bulletin* is your source for staying current on legislative news, action alerts, breaking news, bill summaries and more. The *LOC Bulletin* is emailed every Friday. To be added to the email list, contact *loc@orcities.org*.

# 2020 Primary Election Season

## Local Control Requires Your Participation

By Jim McCauley, LOC Legislative Director

n 1925, local control was the founding principle of and motivation that led to the formation of the League of Oregon Cities. The founding cities sought to guarantee full local control of local affairs and to restrict the Legislature's interference with the home rule authority of cities. Today, that struggle continues.

In this edition of *Local Focus*, we are making our election year call to action. Every race is important, and one legislator can be the difference between the defeat or passage of legislation that could further diminish local control. I can't overstate the fact that elections have consequences, and I would suggest a lot is at stake in 2020, due, in part, to several retirements of legislators in key leadership roles. As I write this article there are some 20 open legislative races in the 2020 election, with potentially more to come.

Unless local elected officials engage in the legislative election process and bring city issues—including the importance of local control—into candidate forums and community discussions, those issues will not be part of the election and will be forgotten in the 2021 session. This issue of *Local Focus* provides information on some of the key issues and messages to bring into the legislative elections, starting with the primaries. Mayors and council members are often asked to endorse legislative candidates (incumbents or challengers). They are seeking to use the mayor or council member's stature in the community as a local elected official to enhance their credentials. Unless those seeking your endorsement know your local issues and understand, as well as support, local control, they won't understand or support those issues when they arrive at the Legislature. Why should someone receive a local elected official's endorsement if they are not going to respect the principle of local control and seek to have the state work in partnership with cities?

If the majority of legislators in Salem lack local government experience, do not understand local issues, and have limited support for local control, cities will face greater challenges in future legislative sessions. This is not a partisan issue. Legislators from both parties have been great partners with cities. Where bad ideas have been killed or helpful legislation proposed/enacted, the legislators working with and for cities have been a bi-partisan group.

Remember, the LOC's mantra with state legislators has been and will continue to be—we share constituencies, and we need to be full partners in government.



## 2020 Primary Election Season

## Candidate Forums: Help Your City: Participate in the Primary Process

S tate primary season is upon us. This is an opportunity for local elected officials to bring city priorities into the debate preceding the selection of candidates for the Oregon Senate and the House of Representatives. Simply stated, city issues often don't reach the consciousness of candidates and voters without a concerted effort from the people that know the issues best: elected city officials. This has been a post-session pitch from your government relations team at recent LOC meetings across the state and is of significant importance as we move into the coming election cycle. Your engagement as local officials can position your city to have a real impact on new potential legislators as well as those returning for additional legislative service.

Getting involved in the primary process to help shape the issues (not for purposes of siding with any one candidate or party) will accomplish the following for your city:

- It provides you an opportunity to establish a relationship before the successful candidate reaches the capitol in 2021.
- It informs others in the community about the issues facing their community's fiscal and social health that can be helped or hurt by potential state legislative action.
- The media will have an opportunity to learn more about what is happening in your city and the issues it faces.
- During candidate forums, asking specific and targeted questions will get candidates' positions on the record.
- Many groups use the primary election process to get precommitments to legislative positions.

Without your involvement to present the perspective of cities and the need for state legislators and local governments to partner together to solve shared problems, the LOC and cities statewide will face an uphill effort during the 2021 legislative session—specifically, the first time a legislator realizes that the commitment they made to "XYZ interest group" has a detrimental impact on cities.

Both prior to and during the 2021 session, we need to get commitments to protect cities and to seek information from city officials about impacts of bills on cities. The election may also be an opportunity to thank those incumbents who are seeking re-election for their work to advance and protect the interests of their municipal constituents. The LOC encourages your city to take time to thank incumbents who have been helpful advocating on your behalf.

### What are the Key Issues and Messages?

As all levels of government struggle with the current economic challenges, a pledge to "do no harm" is important. That pledge can include no preemptions of local authority, no new unfunded mandates, and honoring past commitments regarding revenues collected by the state on behalf of cities and counties. A major example of those commitments is liquor taxes that are split among the state, counties and cities based on the state's previous preemption of liquor taxation. Other issues to raise and specific examples on preemptions and mandates could include:

- Support property tax reform (Measures 5 and 50) to restore fairness, stability, and adequacy for all local governments and schools;
- Support local decision-making on local land use: reducing cost and complexity by increasing authority for the local city council;
- Support a local government right to control of rights of way;
- Allow more flexibility to create local options to support affordable/work force housing development;
- Support significant comprehensive state infrastructure funding including the Special Public Works Fund—this is especially needed in the face of increasingly expensive and involved requirements for municipal water and wastewater treatment facilities; and
- Local issues that are unique to your community.

## **Opportunities to Engage**

As mentioned previously, attending candidate forums provides a key opportunity to raise city issues. By identifying yourself as a city official and asking polite yet specific and targeted questions, you can effectively raise the issues that affect your city, its residents and businesses. Incumbents have the opportunity to identify ways in which they have been responsive to the needs of their municipal partners or have the opportunity to commit to being more attuned to working in partnership with cities. Getting candidates committed to specific positions



regarding city issues will make it more likely that if elected or re-elected they will work with cities during the session.

**Town Hall Meetings** – Another opportunity to raise city issues and establish a relationship is presented through town hall meetings held by legislators. It also lets the legislator's staff know who you are if they don't already. This will make it easier and more effective when you contact the representative or senator during the legislative session.

**Letters to the Editor** – Another way to interject city issues into the primary process is to write a letter to the editor that identifies two or three issues that are important to your city and its residents. The letter can ask voters to raise those city issues in their conversations with candidates to reinforce the message and needs. (See sample letter below.)

**Candidate Endorsements\*** – Some mayors and council members are asked to endorse a particular candidate. Without getting into the pros and cons of making a personal endorsement, for those mayors and council members who feel comfortable making endorsements, getting a firm commitment on key city issues from the person seeking your endorsement should precede any endorsement. If you do endorse, consider writing a letter to the editor explaining how your endorsement is based on specific commitments by the candidate(s). This will serve to raise those issues as well as publicly record

the commitments made by the candidate(s) and help hold them accountable to honor those commitments in the campaign and in the Legislature if elected. (\*Please note – elected officials, as specified in ORS 260.432, cannot ask city staff for help in drafting, submitting or in any way be involved in the production or distribution of an endorsement.)

#### **Collateral Benefits**

By attending candidate forums and town hall meetings, you also get an opportunity to learn what issues are important to the candidates and state office holders. This will help build bridges between you and them. Common ground is easier to find with more knowledge of each other.

#### Conclusion

Effective grassroots advocacy relies on local officials. Bringing this effort to the primaries will give voice to city issues more effectively and in a more timely fashion. Our collective efforts can build on a spring primary initiative and ramp up our efforts for the 2021 session. If you need help with any subject matter, or wonder what the LOC's position is on any issue, don't hesitate to reach out to the government relations team, that's what we are here for.

## Sample Letter to the Editor

#### Dear Editor:

In the upcoming statewide primary election, there are a number of issues that directly impact the residents and businesses in our community. Those issues include: (select from, add to the following)

- · Local options to fund essential services
- Honoring long-standing commitments to cities that state liquor revenues are collected on behalf of cities, counties and the state. These state-collected revenues help fund our \_\_\_\_\_\_.
- Land use issues that impact the ability of local governments to plan effectively.
- Specific issue(s) in your community.

I would urge residents to attend events featuring candidates or to meet with candidates individually, and to ask where they stand on these issues facing our city. It's important to seek a commitment from these candidates to allow local decisions to be made locally and to serve as a collaborative partner with cities to identify solutions that serve the needs of our communities and citizens.

It is easy to talk about having a partnership between state and local government and how we all serve the same people, but that talk needs to be translated into real actions that support our local economic health and local control over our local matters.



## 2020 Primary Election Season

## Prohibitions on Political Activity by Public Employees

Public employees, by virtue of their employment with the government, are required to follow certain laws and regulations that do not apply to private sector employees. For example, state and federal laws place important restrictions on public employees who engage in political activity. This article provides some basic information about the prohibitions on political activity by public employees. It is not designed to provide legal advice or serve as a substitute for legal counsel. The following information and more can be found in the secretary of state manual *Restrictions on Political Campaigning by Public Employees*, which was last revised in January 2016. City officials also are encouraged to consult with their city attorney if they have specific questions about whether a certain type of conduct conforms to the law.

## **Prohibitions on Engaging in Political Activity**

All citizens have the right to engage in political discourse, to assemble, and to petition the government for the redress of grievances. Free political discourse has been described as a "political duty," and the "fundamental principle of American government."<sup>1</sup> Like all rights, however, the right to political discourse is not absolute. Federal and state laws limit where and when public employees may engage in political activity.<sup>2</sup> In Oregon, ORS 260.432 prohibits public employees from engaging in political activity while on the job during working hours.

#### When ORS 260.432 Applies

ORS 260.432 applies to <u>public employees</u> in the following circumstances:

- For initiative, referendum and recall petition efforts, as soon as the prospective petition is filed with the appropriate elections filing officer;
- For a ballot measure referred by a governing body as soon as the measure is certified to the ballot. A county, city or district measure is certified to the ballot when the elections official files the referral with the county election office;

- For a candidate, as soon as the person becomes a candidate under the definition in ORS 260.005(1)(a); and
- For political committees, whenever the political committee is active.

ORS 260.432 applies to <u>public employers</u> as well, and any other "person" defined under the law,<sup>3</sup> by prohibiting attempts to "command or require" a public employee to engage in certain political activities.

## What Political Activities are Prohibited?

Essentially, ORS 260.432 prohibits public employees from using their work time to support or oppose measures, candidates, recalls, petitions or political committees. Supporting or opposing political issues that do not fall into any of those categories is not prohibited.

It is easier to conceptualize ORS 260.432 by breaking the prohibition down into its elements:

- Public employees may not;
- Support or oppose measures, candidates, recalls, petitions or political committees;
- While on the job during working hours.

If one or more of those elements is not met, the prohibition does not apply. Thus, for example, a public employee can support a ballot measure on the employee's own personal time.

Public employees generally may display political stickers on their personal vehicle and post political signs in their workplace, subject to employer policies. Also, the law does not restrict the right of a public employee to verbally express political views during their personal time. Public employees may wear political buttons or clothing on the job so long as doing so does not violate their employer's policies.

For example, suppose Measure 123 will fund a new city library. City employees are permitted to wear buttons or shirts that say, "Vote Yes on Measure 123" while on the job. The city itself would be prohibited, however, from distributing those same buttons and sending an email encouraging city employees to wear the buttons on election day.

Finally, note that public employee unions are permitted to have designated bulletin boards to post information in the workplace. The content of a union bulletin board is determined through collective bargaining and is not subject to ORS 260.432.

<sup>1</sup> Whitney v. California, 274 US 357, 375 (1927) (Brandeis, J., concurring), overruled in part by Brandenburg v. Ohio, 395 US 444 (1969).

<sup>2</sup> Certain public employees—including state and local who work in federally funded programs—are prohibited from engaging in specified political activities under the 1939 Hatch Act, 5 U.S.C. §§ 1501–1508. The U.S. Office of Special Counsel investigates alleged violations of the federal Hatch Act. For additional information, please visit https://osc.gov/services/pages/ hatchact.aspx.

<sup>3</sup> See generally ORS 260.005(16).

#### Who is a "Public Employee?"

A "public employee" is anyone employed in a non-elected position by a "public employer," as that term is used in ORS 260.432(5)(b). Public employers include the state, counties, cities and districts. Some examples of who is and who is not a public employee include:

- Appointed board members and commissioners are considered "public employees" when acting in their official capacity;
- Volunteers that receive no compensation are not public employees; and
- Contractors are not public employees, but public employees are prohibited from directing government contractors to engage in political activity as part of the contracting service.

Under ORS 260.432(4), elected officials are not considered public employees. However, elected officials are prohibited from directing other non-elected public employees to engage in political activity.

#### When is a Public Employee "On the Job?"

It is not always easy to determine when an employee is on the job, especially a salaried employee. Generally, an employee is "on the job" while performing work in an official capacity, regardless of when or where the work is performed. For example, if a school principal attends an evening PTA meeting at his or her school, the principal is prohibited from asking parents to vote in favor of a local ballot measure that would help raise money for the school district. The school principal is performing one of their essential job duties by meeting with parents at the PTA meeting, and so cannot engage in prohibited political activity.

Further, if a public employee applies for an expense reimbursement for a certain function, that function is considered part of the employee's official capacity.

The following are common activities that are always performed in an official capacity:

- Posting material to an official website;
- Drafting or distributing an official publication; and
- Appearing at an event as the representative of the jurisdiction.

Public employees are permitted to engage in legal court challenges as a part of their official capacity. Public employees may testify, provide declarations or affidavits, and respond to discovery requests. Further, legislation is not covered by ORS 260.432. Thus, public employees are free to lobby governing bodies.

### **Engaging in Political Activity During Personal Time**

ORS 260.432 only prohibits political activity when a public employee is acting in an official capacity. Public employees are free to engage in political activity when acting in a personal capacity. If there is any potential for confusion about whether an employee is acting in a personal or official capacity, the employee should state in advance that they are acting solely in



their personal capacity and do not represent the views of their employer.

## Making Public Property Available for Political Activities

A public body may make its property available for political activities but must grant equal access for all political groups to use the property. Equal access includes charging the same fee or requiring the same permit of all groups. Note that public agencies may have their own policies regarding the use of public property for political activities.

#### **Oversight and Enforcement of ORS 260.432**

Any Oregon elector is permitted to file a complaint with the secretary of state's Elections Division alleging that a violation of ORS 260.432 has occurred. The Elections Division also can initiate its own investigation and has authority to issue civil penalties for violations of ORS 260.432. Alleged violators are permitted to contest those penalties in an administrative hearing process.

Any elector concerned about potential violations of ORS 260.432 can contact the Elections Division at:

255 Capitol Street NE, Suite 501 Salem, OR 97310-0722 Tel: (503) 986-1518 Fax: (503) 373-7414 www.oregonvotes.gov

## **2020 State Shared Revenues**

Information and forecast estimates in this report are based on the best information available as of January 21. 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.

	Highway Trust Fund Revenues (Gas Tax)	<b>Liquor</b> <b>Revenues</b> (20% of Total Share)	Marijuana Tax Revenues (75% of City's Share)	Cigarette Tax Revenues	9-1-1 Tax Revenues
2018-19 Estimates	\$71.56	\$18.37	\$2.63	\$1.20	\$5.29
2018-19 Actuals	\$71.15	\$16.58	\$2.74	\$1.15	\$5.19
2019-20 Estimates	\$72.67	\$18.27	\$3.27	\$1.13	\$4.99
2020-21 Estimates	\$78.94	\$19.79	\$3.51	\$1.13	\$6.41
2021-22 Estimates	\$80.13	\$20.34	\$4.01	\$1.11	\$9.08

### 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 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</b> <b>Revenues</b> (Based on Licenses, 25% of City's Share)
2018-19 Estimates	\$37,038,000	\$2,220,328
2018-19 Actuals	\$33,424,766	\$2,331,214
2019-20 Estimates	\$37,301,000	\$2,819,328
2020-21 Estimates	\$40,409,000	\$3,029,727
2021-22 Estimates	\$41,536,000	\$3,461,036

Estimates from the Oregon Liquor Control Commission (OLCC) for liquor revenues are presented above but have tended to run high as demonstrated by 2018-19 actuals. A simple regression line would point to a figure 7% lower for 2019-20 and 11% lower for 2020-21.

## **2020 State Shared Revenues City Budgeting Basics for the Five State Shared Revenues**

By Mark Gharst, LOC Tax and Finance Lobbyist

ities 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, available online the first week of February at www.orcities.org. 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

2018-19 Total City Share		
Highway Trust Fund	\$204,900,000	
Liquor Revenues	\$81,174,433	
Marijuana Tax	\$9,324,856	
Cigarette Tax	\$3,311,756	
9-1-1 Tax	\$14,830,499	

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" as much 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.

#### The 5 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 the tax and fee revenues, distribution occurs two months after the revenue is collected. Thus, HB 2017's new revenue began January 1, 2018, but the increase was first distributed in March 2018.

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 to provide competitive grants to small cities with populations less than 5,000 in addition to their per capita allocation.

#### 2. Liquor Revenues



Cities' share of this revenue source is projected to continue trending upward. 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.

(continued on page 40)

Distillery tasting room compensation and liquor store agent compensation continue to be the subject of extensive conversations at the Legislature. The numbers presented in the LOC's State Shared Revenue Report reflect current law; changes increasing compensation to tasting rooms and liquor stores could reduce these estimates if net revenues decline and distribution formulas are not adjusted. The LOC will continue to advocate against any changes that would meaningfully decrease this revenue stream.

#### 3. Marijuana Tax Revenues



The state imposes a 17% tax on recreational marijuana products, and cities receive 10% of the total tax revenues (minus expenses) on these products.

Revenue distributions to cities are made quarterly. However, only individual cities that certify each quarter will receive a distribution. This certification had been required quarterly with the Oregon Liquor Control Commission (OLCC), but in 2020 will move to an annual certification with the Oregon Department of Administrative Services (DAS) similar to other shared revenue certifications. DAS is still working out how this certification will look for the first year, but cities should expect to certify in late June or July.

The formula for distributing the 10% share to cities has changed over time. Initially the tax was distributed entirely on a per capita basis. However, for state revenues collected on July 1, 2017 and after, 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, whole-saler, and retailer). Note that the license portion (25%) of the distribution is particularly hard to forecast as the number of licenses continues to increase and locations shift as shops are 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. There has been interest in legislation raising the 3% cap on local taxes and the LOC will continue to be supportive. This conversation may not happen again until the 2021 session.

#### 4. Cigarette Tax Revenues



This revenue source is projected to continue trending downward—which it has for more than 10 years—as smoking decreases. Cigarette taxes are currently \$1.33 per pack, and cities' share of that revenue is a

meager 1.7% of the tax, or about 2 cents per pack. The tax increased from \$1.32 to \$1.33 on January 1, 2018, pursuant to the last phase of gradual increase legislation passed in the 2013 special session. 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, etc.

In 2019 the Legislature passed HB 2270, which will send a referral to voters in November 2020 to increase cigarette taxes by \$2.00 per pack effective January 1, 2021, create a tax on vape products at 65% of the retail price, and preempt cities from taxing vape products. If this measure passes it will have the effect of decreasing revenues to cities; cities do not get a share of the \$2.00 increase, and as prices increase by 33% on average demand will decrease.

Estimates vary widely but it would not be unreasonable to see a 25-35% decline in pack sales due to reduced smoking rates in Oregon and a reduction of cross border sales into Washington and California. The LOC has received commitments that should the ballot measure pass there will be a discussion about changing the distribution formula, but it seems likely that given the timing of the 2021 session there may be a shortterm loss in revenue at the very least. The estimates found in the 2020 Shared Revenue Report do not reflect passage of the November 2020 ballot measure.

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



Historically 9-1-1 tax revenue projections have trended upward with modest growth. However, based on preliminary estimates from the Office of Emergency Management we are predicting a slight decline for the Fiscal Year 2020. This estimate may change as more information comes out in the last week of January. Oregon's 9-1-1 tax was increased to \$1.00 per line or prepaid transaction effective January 1, 2020, but because of timing of returns and distributions this increase will not hit city budgets until the Fiscal Year 2021. It will increase to \$1.25 effective January 1, 2021. Before this rate change in 2019's HB 2449 the rate had been at 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 43 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.

Contact: Mark Gharst – *mgharst@orcities.org* or (503) 540-6574 ■



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## City News

# HARRISBURG Harrisburg Municipal Center Remodeled, Parks Project Underway

Harrisburg's recently remodeled Justice Center has been renamed the Harrisburg Municipal Center and is now available for public rental. The city noted that the center is centrally located within the community and houses a medium-sized meeting room with an attached kitchen. The center will be available for four-hour rentals for \$125 and a \$300 refundable deposit.

The city initially planned to build an addition to the center but opted for just the remodel instead, according to its website.

Harrisburg also has initiated a 100-acre park project. With a grant from the Oregon Parks and Recreation Department, the city is acquiring 100 acres of riverfront property from the Knife River Corporation and has completed a study of the feasibility of parks and recreational uses on the site. The study resulted in a report and concept plan for the park based on public input, environmental factors, and site opportunities and constraints.

The site is located south of the Highway 99 bridge along the east bank of the Willamette River. It is currently an active gravel mine with about a mile of river frontage and a 35-acre pond that is expected to grow as mining is completed. A portion of the site is inside the Willamette River Greenway, and the whole site is within the 100-year floodplain.





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# PHILOMATH, MONROE, ADAIR VILLAGE, ALBANY & CORVALLIS Battle of the Bosses

City Managers Chris Workman of Philomath, Rick Hohnbaum of Monroe, Pat Hare of Adair Village, Peter Troedsson of Albany and Mark Shepard of Corvallis recently competed in a "Battle of the Bosses" pie eating contest to raise funds for veterans' services. After some fierce—and gluttonous—competition, Shepard was declared as the winner.

The Corvallis *Gazette-Times* reported that contest organizers weighed the pies in advance and the five city managers had a limited amount of time to eat as much as they could. Organizers then weighed the pies again to determine who had eaten the most.

Held Nov. 10, the event took place at 4 Spirits Distillery during the company's first Corvallis Spirit Festival and featured live music and tastings from more than a dozen local craft alcohol makers.

Proceeds from the event are going to the Central Oregon Veterans Ranch, the Oregon State University Student Veterans Association, Samaritan Veterans Outreach and Vets Helping Vets. Organizers sold raffle tickets and buyers dropped their ticket in a jar with the name of the city manager they thought would win on it. One ticket then was drawn from the winning city manager's jar. Half of the raffle ticket sales went to the winner and the other half went to the veterans' causes, the *Gazette-Times* reported.

The pie-eating contest also was a way for attendees to interact with city managers in a different way than they might normally. Hare, Adair Village's city manager and an acquaintance of 4 Spirits' owner, helped to recruit the other city managers to participate.

Shepard, the winner, said he participated because it was for a good cause. "I'm really happy to help in raising these funds," he told the *Gazette-Times*. "It was a lot of fun to be part of this and the real winners are the veterans."







### Have City News to Share?

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

Contact: Kevin Toon, ktoon@orcities.org

# **GLENDALE** Chip Seal Project

Thanks to a \$94,200 grant through the Oregon Department of Transportation's Small Cities Allotment, the city of Glendale has repaired 60% percent of its streets by filling in cracks and applying chip seal. The Small Cities Allotment grants are funded from city gas taxes and the State Highway Fund.

The two-week project, completed last fall, was done by the Douglas County Public Works Department through a request for proposals from the city.

"That worked out fabulously because it kept the money in the county and they did a fantastic job," said City Recorder Dawn Russ. "This was our first residential chip seal project and the residents are happy."

The project presented challenges neither organization had faced before that required different tactics not typically required in a rural road chip seal. The result produced a new surface at a significant cost savings compared to a grind and repave project, according to the city.

"This is something that Douglas County could offer to other cities because we were kind of a test site," Russ said.

Mayor Adam Jones publicly thanked the Douglas County Public Works Department, ODOT, Douglas County Commissioners and the League of Oregon Cities for the project's success.

The city of Glendale also is initiating construction on its wastewater treatment plant and influent pump station improvements. The \$1.7 million dollar project is funded by a \$750,000 grant through Business Oregon and a loan.



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# **WILSONVILLE** Reducing I-5 Congestion; Transit Award

Wilsonville I-5 Facility Plan:

Southbound I-5 Boone Bridge

Congestion Study "Option C"

New ramp-to-ramp I-5 auxiliary lane extending south from

Wilsonville Rd on-ramp past Miley

Rd/Charbonneau exit to Hwy 551/

Canby-Hubbard exit that includes

New

Ramp-

Lane

to-Ramp

Auxiliary

Exit 282B to

Miley Rd Charbonneau

Exit 282A to

Hwy 551 Canby-Hubbard

Milev Rd

On-Ramp

Three Lanes Southbound

5

hree Lanes

Southbound

Ļ

Preferred Alternative

a second exit lane.

Wilsonville Rd On-Ramp

The city of Wilsonville is working with the Oregon Department of Transportation (ODOT) and elected officials to advance funding to undertake significant traffic improvements and seismic upgrades to the Interstate 5 Boone Bridge over the Willamette River.

Recognized by all travelers on I-5 a major regional chokepoint, the Boone Bridge carries nearly as much traffic as the Oregon-Washington Interstate Bridge, but with one-third more semi freight trucks. As community of 25,000 residents that hosts more than 20,000 jobs, primarily in manufacturing and wholesale distribution, Wilsonville prioritizes providing roadway capacity for the timely movement of freight and transit service for commuting employees.

The proposed I-5 Wilsonville Facility Plan, adopted by ODOT in July 2018, recommends adding a new I-5 southbound ramp-toramp auxiliary lane across the bridge from Wilsonville

Road Exit 283 past Charbonneau Exit 282B to Canby-Hubbard Highway 551 Exit 282A, and to seismically upgrade the bridge to withstand a Cascadia 9.0 earthquake.

City officials say a southbound ramp-to-ramp auxiliary lane would reduce congestion slowdowns, accidents, commute times and costly freight delays by providing more space for drivers to either pass through or to safely merge and change lanes. The auxiliary lane would also allow local traffic entering from Wilsonville Road to proceed directly to the two exit-ramps located a mile away. In effect, this "fix-it" project corrects a highway design deficiency of too many interstate exchanges placed too close together that induce traffic-congestion weaving and accidents. The 2019 legislative session provided a budget note for ODOT to undertake a cost-to-complete study of the I-5 Wilsonville Facility Plan and report back to the Legislature by February 2021. In August 2019, the Oregon Transportation Commission authorized the expenditure of \$300,000 in federal funds for project scoping and geotechnical study, the first phase in estimating the total project cost. In December 2019, Metro regional government concurred in advancing the initial scoping study.

#### **SMART Recognized for Innovation**



Allan Pollock, President of the Oregon Transit Association, presents 2019 Innovation Award to SMART's Michelle Marston, Sheilagh Griffin and Dwight Brashear.

The Oregon Transit Association recently recognized Wilsonville's South Metro Area Regional Transit (SMART) as recipient of the Public Transportation System Innovation Award, which honors a public transportation system that has demonstrated innovative concepts or effective problem-solving techniques not previously applied in the transit industry.

SMART was recognized for being the first public transit agency in Oregon to acquire and fully implement the operation of two battery-electric (EV) buses, funded by a \$1.5 million grant by the U.S. Department of Transportation Federal Transit Administration in 2017 for the "Low or No-Emission Bus Program." SMART, which celebrated 30 years of service in 2019, has a growing fleet of alternative energy buses, which also includes CNG and hybrid diesel-electric buses, that advances SMART's goal to rely entirely on alternative energy sources by 2028.

## **CASCADE LOCKS & AMITY** Funding for Drinking Water, Wastewater Infrastructure

Two rural Oregon towns will improve their drinking water and wastewater infrastructure with the help of \$7.6 million in loans and grants from the U.S. Department of Agriculture (USDA) Rural Development. Funding for the projects is provided through USDA's Water and Waste Disposal Program.

"These investments will improve the reliability and capacity of utility services for rural residents and businesses, which is essential for public health and safety as well as for economic vitality," said Oregon State Director John Huffman. "We are committed to improving infrastructure in rural communities because when rural Oregon thrives, all of Oregon thrives."

Cascade Locks will upgrade its wastewater treatment system with help from a \$3.2 million loan and a \$1 million grant from USDA. The current system serving this rural community was built in 1968 and has reached the end of its service life. Improvements will be made to the headworks, sequencing batch reactor, UV light disinfection system, sludge management and pH adjustments. Additionally, piping and manholes with structural damage will be repaired.

The upgrades will improve the system's capacity and significantly reduce the volume of sludge that must be hauled to Hood River's wastewater treatment plant for processing. These improvements will also enable Cascade Locks to meet new discharge standards. Additional funding is being provided by Business Oregon. Overall, this \$5.5 million municipal wastewater project will ensure this rural town of 1,144 people has energy-efficient, reliable utility services that meet its needs while protecting water quality in the Columbia River.

The city of Amity is receiving a \$1.6 million loan and a \$1.8 million grant from USDA to help upgrade its municipal drinking water infrastructure. The community's current system needs updates in order to keep pace with increasing demand. Amity will make improvements to the water treatment intake system and install larger pumps to increase the system's capacity. Additional funding is being provided by a Community Development Block Grant. Overall, this \$5.6 million project will ensure the rural community of 1,670 people has reliable access to clean drinking water for years to come.

Rural Development's Water and Waste Disposal Program financing can be used for drinking water, storm water drainage and waste disposal systems in rural communities with a population of 10,000 or less. Most state and local government entities, nonprofits and federally recognized tribes are eligible to apply. Applications are accepted year round, and local staff members are available to discuss potential projects.





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# **CORVALLIS** New 9-1-1 Service District Approved

Last November, voters in Benton County decisively approved a new taxing district to fund increased services for 9-1-1 emergency communications countywide. Measure 2-124 passed with about 61% approval, according to the Benton County Elections Office.

The new district will replace the existing 9-1-1 agreement that dates back to 1983. Emergency communications in Benton County has evolved in both technology and customer expectations in the 35 years since the original agreement was put into place. Funding provided by the member agencies in the original agreement has not kept up with growth in Benton County and the impact of new technology such as mobile phones and GPS. The new service district will create a new, more sustainable funding model to deliver these vital services throughout the County.

The Corvallis Regional Communications Center (CRCC) provides 9-1-1 emergency communications and dispatch services for all of Benton County, an area of about 726 square miles. CRCC operates out of the Corvallis Police Department. Funds from the new district will be used to hire dispatchers and supervisors, reducing response times and improving the accuracy of 9-1-1 calls that come into the center. Funds will also be used to replace and update vital infrastructure.

"The 9-1-1 center serves as the entry point for all emergency services in Benton County," said Corvallis Police Chief Jon Sassaman. "Nobody begins their day wanting to call 9-1-1 for an emergency, but everyone



expects the service to be there when they need it. With this new district, we'll be able to improve 9-1-1 services throughout Benton County."

The new district has a maximum assessed rate of \$0.65 per \$1,000 of assessed value, but district officials intend to levy a reduced rate - \$0.45 per \$1,000 of assessed value - for the foreseeable future, to leave room for future needs as the county grows. Funding gathered through the district would be distributed to CRCC by the Benton County Board of Commissioners.



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# **LINCOLN CITY** State Grant for Plaza Project

Lincoln City has received a \$1.5 million state grant for its cultural plaza project, which will transform the cultural center's home in the historic but rundown Delake School into a creative and pedestrian-friendly gathering place. Once completed, the plaza will feature meandering paths, engaging art, fresh landscaping, and parking that is easy and safe, according to the cultural center's website.

The state budget included a \$1.5 million lottery bond allocation for the project, which Rep. David Gomberg (D-Central Coast) advocated for the Lincoln Center Cultural Plaza to receive. That, added to the early investment by the city and individual donations, have put the project on a fast track for construction in 2020.

The plaza project will redevelop the 2.5 acres around the cultural center. Design highlights include an outdoor classroom on the east side, new patios, dedicated spaces for public art installations, and a permanent location for the annual community Christmas tree. Under the guidance of landscape architects Shapiro Didway, the cultural center's board of directors has taken the project from inception to design.

"We are so thrilled and thankful for the support of the state of Oregon, the Cultural Advocacy Coalition and all the legislators who helped bring this investment to Lincoln City," said Greg Berton, president of the cultural center's board. "Most of all, we thank Rep. Gomberg, who has been such an amazing champion for Lincoln City and the cultural center."

The Cultural Plaza funding request was included in the budget as part of a slate of five projects approved by the Cultural Advocacy Coalition. The capital construction funds will come from the Cultural Resources Economic

Fund, which includes lottery-backed bonds as well as general fund dollars and appropriations through the Department of Administrative Services. The money will be available for project reimbursement in spring of 2021 and, in the meantime, the cultural center's fundraising campaign continues.



South Site Entry w/ Public Sidewalk & Pedestrian Node

SHAPIRO / DIDWAY



North Pedestrian Node w/ Tree Display, Seat walls & Art Pedestals

SHAPIRO / DIDWAY

"The Lincoln City Cultural Center is about more than the visual and performing arts. It is about supporting the retirement community and tourism. And it is about enhancing our blossoming art industry," Gomberg said. "Converting the parking lots and playgrounds at the iconic Delake School into a modern cultural plaza will benefit the entire community. I was pleased to advocate for this transformative funding."

## SALEM Police Chief Announces Retirement; **City Wins Financial Achievement Award**



Salem Police Chief Jerry Moore announced his plans for retirement last November, but continues as police chief on an interim basis and will shepherd projects such as the revenue ballot measure for public safety and the move to the new Salem Police Station.

"I asked Chief Moore to continue as police chief. Chief Moore

lives the values of the Salem Police Department and city. We are all better because of his leadership," said Salem City Manager Steve Powers. "We have several initiatives underway that require management continuity."

Moore started with the Salem Police Department in 1979 after two and a half years with the Dallas Police Department, where he started his distinguished career. "Once I started with Salem, I knew I never wanted to leave," he said.

Moore grew up in Salem's Highland neighborhood, graduated from McNary High School and received his criminal justice degree from the Oregon College of Education, now known as Western Oregon University. In July 2019, he entered his 43rd year of service as an Oregon law enforcement officer. On Nov. 14, he celebrated 14 years of service as Salem's police chief.

"I am privileged to serve this community, my home. Although I will continue my service for a limited duration, know that I will do it with the same commitment I have always had," he said.

Salem Mayor Chuck Bennett said, "Chief Moore remains the best police chief in the country. I'm thrilled that Chief Moore will continue to serve our community."

Powers said the public process of finding a new chief will begin after the first of the year. He added, "This early announcement gives us much-needed time to make the best decision for the future safety of our community."

The city also announced that, for the 20th time in the past 22 years, it has received the Government Finance Officers Association (GFOA) of the United States and Canada Certificate

of Achievement for Excellence for its comprehensive annual financial report.

"Attaining this is a significant accomplishment for any organization or Finance Department and anyone who plays a part of making sure our books and accounts are top-notch," Powers told the Salem City Council during its Oct. 28 meeting. "I want to acknowledge the Finance Department and the others who have contributed to our success."

The Certificate of Achievement is the highest form of recognition in the area of government accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The award has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the comprehensive annual financial report.



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## **City Events**

**Note:** With the transition of Local Focus to a quarterly magazine, City Events will be published online and promoted on a regular basis in the weekly *LOC Bulletin* e-newsletter. Please continue to share your city's events by sending them to Julie Oke at *jmoke@orcities.org*.

## February

- 14 **Salem** Oregon's 161st Birthday Celebration (www.oregoncapitol.com)
- 13-16 **Klamath Falls** Winter Wings Festival (www.winterwingsfest.org)
- 15 **Astoria** Festival of Dark Arts (www.festivalofdarkarts.com)
- 15-16 **Eugene** Oregon Asian Celebration (www.asiancelebration.org)
- 20-23 **Newport** Seafood & Wine Festival (www.seafoodandwine.com)
- 28-3/1 **Astoria** FisherPoets Gathering (www.fisherpoets.org)

## March

6-8	<b>Ashland</b> – Oregon Chocolate Festival (www.oregonchocolatefestival.com)
7	<b>Milwaukie</b> – Winter Music Festival (www.winterbluesfest.net)
13	<b>North Bend</b> – 31st Annual Clambake Music Festival (www.oregonsadventurecoast.com)
14	<b>Halfway</b> – Crab Feed (www.facebook.com/halfwaylions)
14	<b>La Pine</b> – 18th Annual Crab Feed (www.lapinefrontierdays.org)
14-15	<b>Central Point</b> – Oregon Cheese Festival (www.oregoncheesefestival.com)
13-15	<b>Heppner</b> – Wee Bit O'Ireland St. Patrick's Celebration (www.heppnerchamber.com)

27-29 **Seaside** – Oregon Ghost Conference (www.oregonghostconference.com)

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