

ANNOTATED MINUTES

Tuesday, March 25, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

CITIES/COUNTY JOINT MEETING

County Chair Beverly Stein convened the meeting at 9:33 a.m., with Vice-Chair Gary Hansen and Commissioners Sharron Kelley, Tanya Collier and Dan Saltzman present; Portland Mayor Vera Katz, and Commissioners Gretchen Kafoury, Charlie Hales, and Erik Sten present, and Commissioner Jim Francesconi excused; Fairview Mayor Roger Vonderharr present; Wood Village Mayor Donald Robertson present; Troutdale Mayor Paul Thalhofer arriving at 9:50 a.m.; and Gresham Mayor Gussie McRobert excused.

JM-1 Joint Meeting Between the Multnomah County Board of Commissioners, Portland City Council, and Mayors of the Cities of Fairview, Gresham, Maywood Park, Troutdale and Wood Village for Briefing and Discussion of City-County Consolidation Issues, Resolution of Intent, Public Input Process and Charter Review Commission Process and Timeline.

ELECTED OFFICIALS BEVERLY STEIN, VERA KATZ, CHARLIE HALES, GRETCHEN KAFOURY, GARY HANSEN, SHARRON KELLEY, PAUL THALHOFER, TANYA COLLIER, DAN SALTZMAN, ERIK STEN, ROGER VONDERHARR, DONALD ROBERTSON, SHERIFF DAN NOELLE AND CITY ATTORNEY PETE KASTING DISCUSSION ON ISSUES INCLUDING OUTLINE OF CHAIR STEIN AND MAYOR KATZ CONSOLIDATION PROPOSAL; CHARTER REVIEW PROCESS; STATE LAW CHANGES; MEASURE 47 AND NEED FOR TAX REFORM; NEED TO DETERMINE POTENTIAL BUDGET SAVINGS AND SERVICE IMPROVEMENTS; OUTLINE OF COMMISSIONER CHARLIE HALES PROPOSAL TO LOOK INTO CONSOLIDATION OF ADMINISTRATIVE AND GOVERNMENT SERVICES THIS YEAR; POSSIBILITY OF EAST COUNTY OPTING OUT OF POTENTIAL CONSOLIDATION; AND NEED FOR DEFINED VISION BEFORE PROCEEDING WITH A

THRESHOLD STUDY. FOLLOWING DISCUSSION, CONSENSUS THAT CHAIR STEIN PROCEED WITH A FEW MINOR LEGISLATIVE CHANGES TO PROPOSAL TO ADDRESS EAST COUNTY CONCERNS. CHAIR STEIN AND MAYOR KATZ TO MEET WITH MAYORS OF GRESHAM, TROUTDALE, FAIRVIEW AND WOOD VILLAGE. NEXT CITY/COUNTY JOINT WORK SESSION IN TWO TO THREE WEEKS TO DISCUSS POTENTIAL SERVICE CONSOLIDATIONS AND/OR MERGER; LEGAL AND LEGISLATIVE ISSUES REGARDING THE CITIZEN CHARTER COMMISSION PROCESS; REVIEW DRAFT RESOLUTION OF INTENT; AND TO DISCUSS SCOPE, METHOD, REVISED TIMELINE AND POTENTIAL COST OF CONSOLIDATION THRESHOLD STUDY. [SCHEDULED FOR TUESDAY, APRIL 22, 1997.]

There being no further business, the meeting was adjourned at 11:11 a.m.

Thursday, March 27, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

REGULAR MEETING

Chair Beverly Stein convened the meeting at 9:30 a.m., with Vice-Chair Gary Hansen and Commissioners Sharron Kelley, Tanya Collier and Dan Saltzman present.

CONSENT CALENDAR

AT THE REQUEST OF CHAIR STEIN AND UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER HANSEN, THE CONSENT CALENDAR (ITEMS C-1 AND C-2) WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF ENVIRONMENTAL SERVICES

C-1 ORDER Authorizing Execution of Deed D971413 Upon Complete Performance of a Contract to Herbie Spires

ORDER 97-51.

- C-2 ORDER Authorizing Execution of Deed D971424 for Certain Tax Acquired Property to King Brothers Investment Properties, an Oregon Partnership

ORDER 97-52.

REGULAR AGENDA
NON-DEPARTMENTAL

- R-1 Metro Council Ruth McFarland Report on Metro's Enactment of the MERC Reform Package (Ordinance and Regional Funding Resolution)

RUTH MCFARLAND PRESENTATION REGARDING CHANGES TO THE OPERATION AND MANAGEMENT OF THE METROPOLITAN EXPOSITION-RECREATION COMMISSION, COMMENTS IN APPRECIATION OF THE EFFORTS OF MARK WILLIAMS AND TANYA COLLIER, AND RESPONSE TO BOARD COMMENTS IN SUPPORT.

PUBLIC COMMENT

- R-2 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

NO ONE WISHED TO COMMENT.

DEPARTMENT OF HEALTH

- R-3 Intergovernmental Agreement 201517 with the Oregon Health Division for the Provision of Health Insurance Payments and Medication Payments for Low-Income Persons Living with HIV/AIDS

COMMISSIONER SALTZMAN MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF R-3. PHILIP VARNUM EXPLANATION. AGREEMENT UNANIMOUSLY APPROVED.

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-4 RESOLUTION Closing the Hawthorne Bridge for Twelve Months Starting in Early 1998

COMMISSIONER COLLIER MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF R-4. KAREN SCHILLING EXPLANATION AND RESPONSE TO QUESTION OF COMMISSIONER SALTZMAN REGARDING TIMELINE FOR SIDEWALK WIDENING. RESOLUTION 97-53 UNANIMOUSLY APPROVED.

R-5 ORDER Authorizing Relinquishment of Certain Properties Not Needed for Public Use, to Janus Youth, Inc. Pursuant to ORS 271.330(2) [Subject Properties are Located at the Following Addresses: 2445 SE Hawthorne Boulevard, 2346 NW Northrup Street, 2173 NE Clackamas Street and 2036 SE Taylor Street, Portland and 2160 SW Halsey Street, Troutdale]

COMMISSIONER KELLEY MOVED AND COMMISSIONER SALTZMAN SECONDED, APPROVAL OF R-5. WAYNE GEORGE EXPLANATION. ORDER 97-54 UNANIMOUSLY APPROVED.

R-6 ORDER Authorizing the Sale by Public Auction of Surplus County Land at NE 138th Avenue and Marine Drive

COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-6. BOB OBERST EXPLANATION AND RESPONSE TO BOARD QUESTIONS REGARDING APPRAISAL AND MINIMUM BID. ORDER 97-55 UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL

R-7 RESOLUTION Supporting the Willamette Light Brigade, Bridge Pedal, Inc. and the Bicycle Transportation Alliance in their Effort to Celebrate and Preserve Our Willamette River Bridges with One Annual Event to be Called Bridge Pedal

COMMISSIONER SALTZMAN MOVED AND COMMISSIONER COLLIER SECONDED, APPROVAL OF R-7. COMMISSIONER SALTZMAN EXPLANATION. COMMISSIONER COLLIER AND CHAIR STEIN COMMENTS IN APPRECIATION. RESOLUTION 97-56 UNANIMOUSLY APPROVED.

DEPARTMENT OF SUPPORT SERVICES

R-8 First Reading of an ORDINANCE Establishing a Retirement Incentive Program for County Employees, and Amending Ordinance 631

ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER COLLIER MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF FIRST READING. VICKIE GATES EXPLANATION AND RESPONSE TO BOARD QUESTIONS. NO ONE WISHED TO TESTIFY. COMMISSIONER SALTZMAN COMMENTS IN SUPPORT. CHAIR STEIN COMMENTS IN APPRECIATION FOR THE EFFORTS OF VICKIE GATES, CURTIS SMITH, DAVE BOYER AND OTHERS WHO WORKED ON THE DEVELOPMENT OF THE PROGRAM. FIRST READING UNANIMOUSLY APPROVED. SECOND READING THURSDAY, APRIL 3, 1997.

IN HONOR OF THE LAST COUNTY BOARD MEETING IN THE MULTNOMAH COUNTY COURTHOUSE, IN ORDER TO TURN THE SPACE OVER TO THE STATE JUDICIAL SYSTEM FOR OPERATION OF COURTROOMS, COMMISSIONER COLLIER INITIATED A DISCUSSION ON THE HISTORY OF PAST COMMISSIONERS, INCLUDING DON CLARK, MIKE GLEASON, EARL BLUMENHAUER, ALICE CORBETT, MEL GORDON AND BARBARA ROBERTS; THE VARIOUS LOCATIONS THE COMMISSIONERS OCCUPIED WITHIN THE COURTHOUSE; THE 1960'S REMODELLING WHEN MARBLE WALLS AND FLOORS AND OAK FURNITURE WERE REPLACED WITH GREEN PAINT, FORMICA AND STAINLESS STEEL. COMMISSIONER SALTZMAN COMMENTS IN SUPPORT OF SHARING MEETING SPACE WITH THE PORTLAND CITY COUNCIL. CHAIR STEIN ADVISED MAYOR KATZ IMMEDIATELY AGREED TO SHARE MEETING SPACE WITH THE BOARD IN THE PORTLAND BUILDING AT NO COST TO THE COUNTY.

There being no further business, the regular meeting was adjourned at 10:15 a.m.

Thursday, March 27, 1997 - 10:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

BOARD BRIEFING

Chair Beverly Stein convened the meeting at 10:19 a.m., with Vice-Chair Gary Hansen and Commissioners Sharron Kelley and Dan Saltzman present, and Commissioner Tanya Collier excused.

B-1 Session Update on the 1997 Oregon Legislature. Presented by Sharon Timko and Gina Mattioda.

GINA MATTIODA, SHARON TIMKO, SANDRA DUFFY, DAVE WARREN AND DAVE BOYER PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION ON ISSUES INCLUDING FUNDING FOR NEW JUDGESHIPS; 1145 FUND RESERVES; OREGON YOUTH AUTHORITY; HOUSE JOINT RESOLUTION 85; POLICE AND FIRE RETIREMENT PENSION; MEASURE 5 COMPRESSION; SCHOOL FUNDING; NEED TO COMMUNICATE TO CONSTITUENTS THE IMPACT OF HJR 85 BEFORE MAY 20, 1997; MEASURE 47; HOUSE BILL 3163; VEHICLE REGISTRATION PROPOSAL; OREGON HEALTH PLAN; SAFETY NET CLINICS; CIGARETTE TAX; SENATOR LIM REQUEST FOR SUPPORT OF SENATE BILL 724; MEASURE 30; ASSOCIATION OF OREGON COUNTIES COMMITTEE EVALUATION OF UNMANDATED BILLS; TAX SUPERVISING AND CONSERVATION COMMISSION REQUEST FOR ADDITIONAL FUNDS; UTILITY FRANCHISE FEES.

There being no further business, the meeting was adjourned at 11:17 a.m.

BOARD CLERK FOR MULTNOMAH COUNTY, OREGON

Deborah L. Bogstad



MULTNOMAH COUNTY OREGON

BOARD CLERK

OFFICE OF BEVERLY STEIN, COUNTY CHAIR
1120 SW FIFTH AVENUE, SUITE 1515
PORTLAND, OREGON 97204
TELEPHONE • (503) 248-3277
FAX • (503) 248-3013

BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN •	CHAIR	•248-3308
DAN SALTZMAN •	DISTRICT 1	• 248-5220
GARY HANSEN •	DISTRICT 2	•248-5219
TANYA COLLIER •	DISTRICT 3	•248-5217
SHARRON KELLEY •	DISTRICT 4	•248-5213

*MEETINGS OF THE MULTNOMAH COUNTY
BOARD OF COMMISSIONERS*

AGENDA

FOR THE WEEK OF

MARCH 24, 1997 - MARCH 28, 1997

Tuesday, March 25, 1997 - 9:30 AM - Cities/County Joint Meeting.... Page 2

Thursday, March 27, 1997 - 9:30 AM - Regular Meeting.....Page 2

Thursday, March 27, 1997 - 10:30 AM - Board Briefing.....Page 3

*Thursday Meetings of the Multnomah County Board of Commissioners are *cable-cast* live and taped and can be seen by Cable subscribers in Multnomah County at the following times:*

Thursday, 9:30 AM, (LIVE) Channel 30

Friday, 10:00 PM, Channel 30

Sunday, 1:00 PM, Channel 30

Produced through Multnomah Community Television

INDIVIDUALS WITH DISABILITIES MAY CALL THE BOARD CLERK AT (503) 248-3277, OR MULTNOMAH COUNTY TDD PHONE (503) 248-5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

AN EQUAL OPPORTUNITY EMPLOYER

Tuesday, March 25, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

CITIES/COUNTY JOINT MEETING

JM-1 Joint Meeting Between the Multnomah County Board of Commissioners, Portland City Council, and Mayors of the Cities of Fairview, Gresham, Maywood Park, Troutdale and Wood Village for Briefing and Discussion of City-County Consolidation Issues, Resolution of Intent, Public Input Process and Charter Review Commission Process and Timeline. 2 HOURS REQUESTED.

Thursday, March 27, 1997 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

REGULAR MEETING

CONSENT CALENDAR

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-1 ORDER Authorizing Execution of Deed D971413 Upon Complete Performance of a Contract to Herbie Spires
- C-2 ORDER Authorizing Execution of Deed D971424 for Certain Tax Acquired Property to King Brothers Investment Properties, an Oregon Partnership

REGULAR AGENDA

NON-DEPARTMENTAL

- R-1 Metro Council Ruth McFarland Report on Metro's Enactment of the MERC Reform Package (Ordinance and Regional Funding Resolution)

PUBLIC COMMENT

- R-2 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

DEPARTMENT OF HEALTH

- R-3 *Intergovernmental Agreement 201517 with the Oregon Health Division for the Provision of Health Insurance Payments and Medication Payments for Low-Income Persons Living with HIV/AIDS*

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-4 *RESOLUTION Closing the Hawthorne Bridge for Twelve Months Starting in Early 1998*
- R-5 *ORDER Authorizing Relinquishment of Certain Properties Not Needed for Public Use, to Janus Youth, Inc. Pursuant to ORS 271.330(2) [Subject Properties are Located at the Following Addresses: 2445 SE Hawthorne Boulevard, 2346 NW Northrup Street, 2173 NE Clackamas Street and 2036 SE Taylor Street, Portland and 2160 SW Halsey Street, Troutdale]*
- R-6 *ORDER Authorizing the Sale by Public Auction of Surplus County Land at NE 138th Avenue and Marine Drive*

NON-DEPARTMENTAL

- R-7 *RESOLUTION Supporting the Willamette Light Brigade, Bridge Pedal, Inc. and the Bicycle Transportation Alliance in their Effort to Celebrate and Preserve Our Willamette River Bridges with One Annual Event to be Called Bridge Pedal*

DEPARTMENT OF SUPPORT SERVICES

- R-8 *First Reading of an ORDINANCE Establishing a Retirement Incentive Program for County Employees, and Amending Ordinance 631*

Thursday, March 27, 1997 - 10:30 AM
(OR IMMEDIATELY FOLLOWING REGULAR MEETING)

*Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland*

BOARD BRIEFING

- B-1 *Session Update on the 1997 Oregon Legislature. Presented by Sharon Timko and Gina Mattioda. 1 HOUR REQUESTED.*

City-County
of
Portland - Multnomah
Oregon

Proposed
CHARTER

City - County Charter Commission

November 1, 1973

COMMISSIONERS

George M. Joseph, Chairman

Lee Irwin, Vice-Chairman

Ruth Hagenstein, Secretary

William E. Bradley

Polly Casterline

Joseph M. Edgar

Joseph A. Labadie

Loyal Lang

Glen Otto

Frank Roberts

Morton A. Winkel

Richard Bogle, Resigned May, 1972

Sylvia Davidson, Resigned September, 1972

R.W. deWeese, Resigned January, 1972

Earl Klapstein, Resigned January, 1972

COMMISSION STAFF

Kenneth W. Hampton, Director

Ann H. Grand, Assistant Director

Anthony G. White, Research Associate

Dennis Link, Research Associate

Marc Maden, Former Research Associate

Joan M. Niemi, Secretary

Charlotte Brown, Work-Study Assistant

Diane Libeck, Former Work-Study Assistant

Laila Fawzi, Summer Intern, 1972

John Krawczyk, Summer Intern, 1973



CITY-COUNTY CHARTER COMMISSION

900 S. W. FIFTH AVENUE, ROOM 2603
PORTLAND, OREGON 97204
Telephone: 503-226-6102

November 1, 1973

TO: The Honorable Neil Goldschmidt, Mayor of Portland
The Honorable M. James Gleason, Chairman, Multnomah
County Board of Commissioners

Dear Mayor Goldschmidt and Chairman Gleason:

Pursuant to ORS 199.730(6), the City-County Charter Commission has today published its proposed charter to consolidate in a city-county the City of Portland, Multnomah County, certain special districts and other cities in the county which may join the consolidation. I am pleased to transmit to each of you a copy of that charter.

Last year, when I presented the preliminary draft charter, I expressed my pride in the document and my gratitude and admiration for the devotion and hard work of the Commission members and staff. I would today expand that expression a thousand-fold and include in it also the many people who assisted our work, including advisers, consultants and, especially, the members of the public who gave us the benefit of their views.

The work of the Commission has been public work, publicly conducted. As a result, we have had an extraordinary opportunity to receive and consider myriad comments, suggestions and criticisms. We have acted upon that opportunity; but when all is said and done, the charter is the Commission's product. It reflects our collective answer to the question: What would be the best basic document for a city-county government?

This is the "final draft." Under the enabling act, our substantive work is done. During the next few months, the Commission and its staff will be engaged primarily in the task of preparing its final report. We hope that the charter will receive the widest possible distribution and attention, so that there may be a truly informed decision when the vote is held in May. To assist the public to understand more fully the contents of the proposed charter, all of us will continue to be available, not as advocates for or against it, but as resource people until the Commission's work is done.

Finally, if I may be permitted a personal word, the last two years have been difficult ones, because the project was so immense. I am happy in the knowledge that good people have done good work and have produced a good charter for city-county consolidation. A

consolidation under this charter would be in the best present and future interests of the public.

The cooperation of every public official and employee with whom the Commission and its staff has had contact during the past two years has been superb. I thank you and them for that.

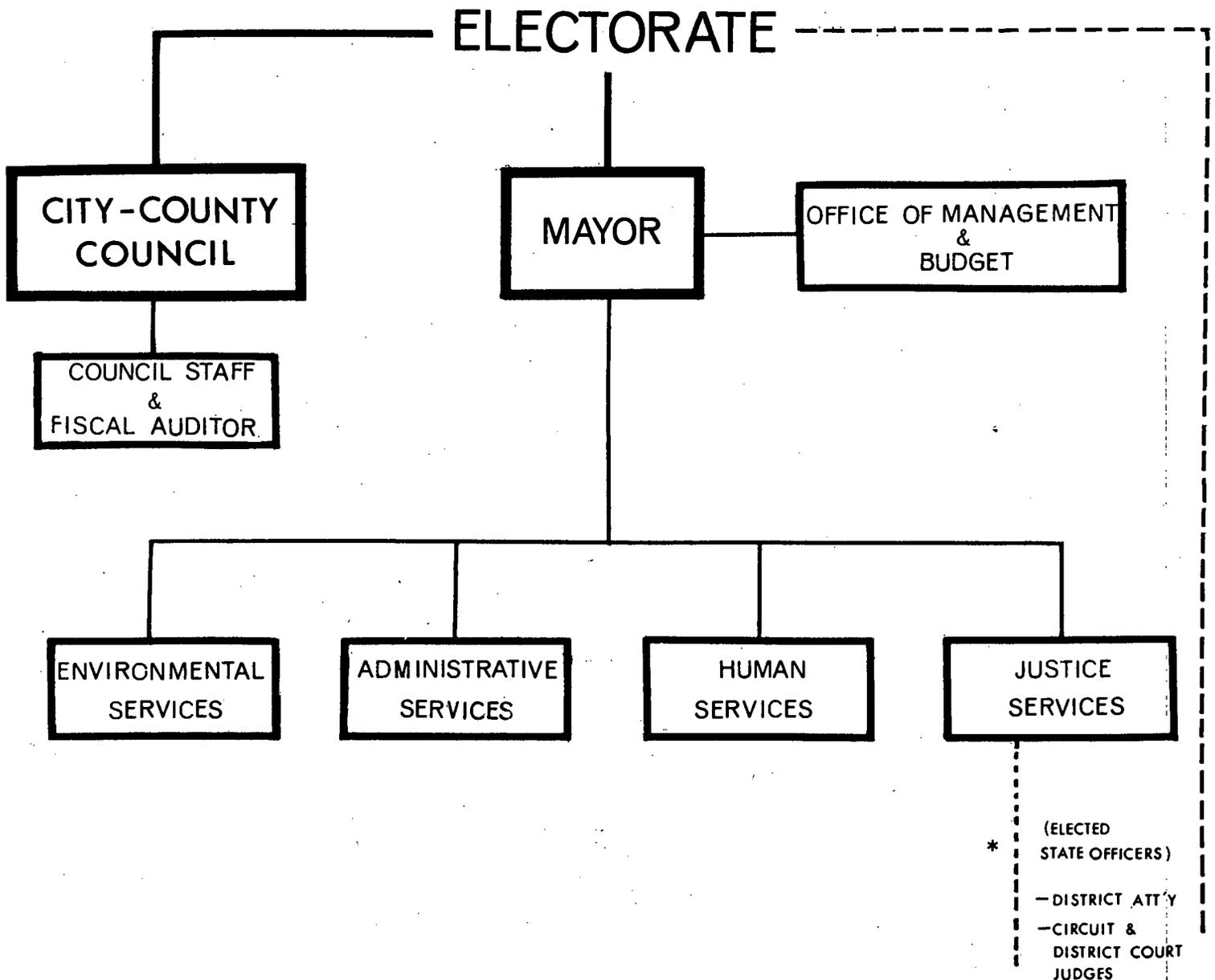
Sincerely,

George M. Joseph

George M. Joseph
Chairman

GMJ:jn

CITY-COUNTY OF PORTLAND-MULTNOMAH GOVERNMENT STRUCTURE



* Justice Services Dept. Will Administer
City-County Support To These
Independent Officials

TABLE OF CONTENTS

	Page
PREAMBLE	1
Chapter I - INTRODUCTORY PROVISIONS	1
1.05 Effect of Charter	
1.15 Name	
1.25 Nature	
1.35 Territory	
Chapter II - POWERS	1
2.05 General Grant	
2.15 Construction	
2.25 Separation	
Chapter III - COUNCIL	2
3.05 Composition	
3.15 Districts	
3.25 Designation of Positions	
3.35 Reapportionment of Council Districts	
3.40 Redistricting	
3.45 Terms of Office	
3.55 Rules and Quorum	
3.65 Ordinances, Resolutions and Orders	
3.75 Legislative Investigations	
3.85 Staff	
3.90 District Offices	
3.95 Record of Action and Publication of Ordinances	
Chapter IV - MAYOR AND ADMINISTRATION	5
4.05 Mayor - Functions	
4.15 Mayor - Term of Office	
4.25 Mayor - Disability	
4.35 Administrative Departments	
4.45 Office of Management and Budget	
4.55 Confirmation of Appointments	
4.65 Appointees - Residence, Term of Office and Vacancies	
Chapter V - JUDICIARY	8
5.05 Judicial Power	
Chapter VI - LEGISLATION	8
6.05 Initiative and Referendum	
6.15 Ordinances - Ordaining Clause	
6.25 Ordinances - Subject and Title	
6.35 Ordinances - Publication	
6.45 Ordinances - Authentication	
6.55 Ordinances - Approval and Veto	
6.65 Ordinances - Time of Effect	
Chapter VII - ELECTIONS	10
7.05 Elections Officer	
7.15 Regular Elections	
7.25 Special Elections	
7.35 Regulation of Elections	
7.45 Designation of Candidates	

7.55	Campaign Limitations	
7.65	Tie Votes	
Chapter VIII - ELECTIVE OFFICERS		11
8.05	Elective Officers	
8.15	Qualifications	
8.25	Compensation	
8.35	Causes of Vacancies	
8.45	Acting Mayor	
8.55	Filling Vacancies	
8.65	Continuation in Office	
8.75	Recall	
Chapter IX - PERSONNEL		15
9.05	Equal Opportunity	
9.15	Continuation of Rights	
9.25	Collective Bargaining	
9.35	Grievances	
9.45	Retirement, Disability and Death Benefits	
9.55	Civil Service Board	
9.65	Classified Personnel System	
Chapter X - FINANCE		19
10.05	Funds for Water and Sanitary Sewer Service	
10.15	General Obligation Bonds	
10.25	Revenue Bonds	
10.35	Refunding Bonds	
10.45	Prior Bonding Authority	
10.55	Additional Debt Authority	
10.65	Public Improvements	
10.75	Tax Base	
10.85	Tax Differentials and Limitations	
Chapter XI - MISCELLANEOUS PROVISIONS		24
11.05	Public Access to Records	
11.15	Political Activities	
11.25	Community Forums	
11.35	Service Districts	
11.45	Contract Compliance	
11.55	Separability	
11.65	Charter Amendments	
11.75	Mandatory Review of Charter	
Chapter XII - TRANSITIONAL PROVISIONS		27
12.05	First Election	
12.15	Continuation of Ordinances, Rules, Regulations and Orders	
12.25	Debt Distribution	
12.35	Continuation of Administrative and Advisory Bodies	
12.45	Contracts and Agreements	
12.55	Transitional Duties and Functions	
12.65	Effective Dates	
Appendix - DESCRIPTION OF COUNCIL DISTRICT BOUNDARIES		
EXHIBIT		
Map of Council Districts		

PREAMBLE

We, the people of Portland and of Multnomah County, desiring to focus government planning and action on needs of all citizens by exercising the powers conferred upon us by law, and for the purposes of encouraging citizen participation as well as simplifying and making our government more manageable, responsive and economical, by this charter establish the City-County of Portland-Multnomah, confer upon it powers, subject it to restrictions, and prescribe for it structure, functions and procedures as herein provided.

CHAPTER I

INTRODUCTORY PROVISIONS

1.05 EFFECT OF CHARTER.

(1) This charter incorporates as a city-county:

- (a) the County of Multnomah;
- (b) the City of Portland;
- (c) each other city in the county whose electorate votes to merge that city into the city-county; and
- (d) each special district that is extinguished by adoption of the charter.

(2) As used in this charter "consolidating governments" means the entities named in subsection (1).

1.15 NAME. The name of the city-county shall be Portland-Multnomah.

1.25 NATURE. The city-county shall constitute an incorporated city which shall also have all the powers of a county.

1.35 TERRITORY. The territory of the city-county, until increased or decreased pursuant to law, shall be the territory that prior to the effective date comprised Multnomah County and the territory in Clackamas and Washington Counties that prior to the effective date had been annexed to a city in the county.

CHAPTER II

POWERS

2.05 GENERAL GRANT. Except as this charter provides to the contrary,

the city-county shall have the powers, home rule and other, that the constitutions or laws of the United States or of Oregon grant or allow cities, counties or city-counties, as fully as though this charter specifically granted the city-county those powers. Whenever the city-county exercises a power authorized by state law for both cities and counties, the city-county may elect the capacity in which it shall exercise that power.

- 2.15 CONSTRUCTION. This charter shall be liberally construed, to the end that the city-county shall have all powers possible under the constitutions and laws of the United States and of Oregon. No authorization of power shall be construed to limit or restrict the authority of the city-county, except to the extent a power is expressly limited in this charter.
- 2.25 SEPARATION. Any power not reserved to the people shall reside in the council, or its delegate, unless vested by this charter in another body or officer.

CHAPTER III

COUNCIL

- 3.05 COMPOSITION. The representative legislative body shall be a council of 11 councillors, elected three from the city-county at large and eight from districts.
- 3.15 DISTRICTS. For purposes of representation in the council, the city-county is hereby divided into eight districts as described and numbered in the Appendix, until the boundaries are changed in accordance with Sections 3.35 or 3.40.
- 3.25 DESIGNATION OF POSITIONS.
- (1) The office of a councillor elected from a district shall bear the number accorded that district in the Appendix.
 - (2) The offices of councillors elected at large shall be numbered respectively 9, 10 and 11.
- 3.35 REAPPORTIONMENT OF COUNCIL DISTRICTS.
- (1) Within six months after an official United States census establishes that the population of any district differs

in number from the average population of all districts by more than two percent, the council shall by ordinance modify the boundaries of districts so that such difference is eliminated.

- (2) For the purposes of this section the six months period shall begin upon the availability of data equivalent to that described as "Block Data" in the 1970 census.
- (3) If the council fails to perform the modifications required by subsection (1) of this section within the specified time, the members of the council shall forfeit all pay and allowances until they enact modifications, at which time their pay and allowances shall resume unaffected by court challenge to those modifications.

3.40 REDISTRICTING. District boundaries may be changed by ordinance, provided that any such revised district boundaries must comply with the population standards of subsection 3.35(1). In the event of a judicial challenge to the ordinance, the burden of proving compliance shall rest upon the city-county.

3.45 TERMS OF OFFICE.

- (1) The term of office of a councillor shall begin the first day of the year following election and continue for four years.
- (2) Notwithstanding subsection (1) of this section, the term of office of a councillor elected to an even-numbered office at the first election under this charter shall be from December 16, 1974, through December 31, 1978, and the term of office of a councillor elected to an odd-numbered office at the first election under this charter shall be from December 16, 1974, through December 31, 1976.
- (3) No person may be elected to the office of councillor for more than four consecutive terms.

3.55 RULES AND QUORUM.

- (1) The council shall meet and conduct its business according

to rules which it shall adopt and which shall provide for selecting one of its members as permanent presiding officer for a specific term.

- (2) A majority of the members of the council then in office shall constitute a quorum, except that a lesser number may meet and compel attendance of absent members in a manner provided by council rules.

3.65 ORDINANCES, RESOLUTIONS AND ORDERS.

- (1) Ordinances shall be the means by which the people or the council exercise legislative powers.
- (2) Concurrence of a majority of the members of the council then in office shall be necessary for the council to adopt an ordinance.
- (3) Concurrence of a majority of the councillors present shall be necessary to adopt a resolution expressing council policy or a council order.

3.75 LEGISLATIVE INVESTIGATIONS.

- (1) The council may conduct investigations into affairs of the city-county or any department, office or agency thereof, or concerning any subject upon which the council may legislate.
- (2) In the conduct of investigations, the council may, subject to its rules, authorize the councillor presiding to administer oaths and to issue any process necessary to compel the attendance and testimony of witnesses and the production of any item, except that no council process may be directed to the mayor.
- (3) Whenever a person summoned fails to appear, refuses to testify, or fails to bring an item as required, the council may, by concurrence of a majority of the councillors present, determine that the person is in contempt of the council, and may impose punishment therefor, which punishment may consist of fine or imprisonment, or both, but the fine shall not exceed \$300 nor the imprisonment six months.

3.85 STAFF.

- (1) The council may employ and supervise a staff to furnish clerical, technical, administrative, research and other assistance for the council.
- (2) The council may appoint a fiscal auditor, who shall be a certified public accountant or shall have other documented financial expertise as deemed appropriate. The fiscal auditor shall provide assistance to the council in evaluating the efficient and effective use of city-county resources and for that purpose shall have access to city-county records.

3.90 DISTRICT OFFICES. The council may provide an office for a councillor in the district from which the councillor was elected.

3.95 RECORD OF ACTION AND PUBLICATION OF ORDINANCES.

- (1) The record of council proceedings shall include:
 - (a) the text of any ordinance, resolution or order introduced in the council, amendments proposed thereto, and the text thereof as finally considered;
 - (b) the vote of each councillor regarding any matter before the council or its committees;
and
 - (c) the action of the mayor as provided in Section 6.55.
- (2) From time to time the council shall cause to be published and made available to the public a codification of ordinances then in effect.

CHAPTER IV

MAYOR AND ADMINISTRATION

4.05 MAYOR - FUNCTIONS.

- (1) The chief executive and administrative officer shall be a mayor elected from the city-county at large.

(2) The mayor:

- (a) shall personally, or through designates, exercise all administrative powers, except as this charter provides to the contrary;
- (b) shall see that the laws of the city-county are executed;
- (c) may introduce ordinances;
- (d) may veto ordinances in accordance with Section 6.55;
- (e) shall prepare an annual budget and submit it to the council for review, modification and adoption;
- (f) shall appoint all members of administrative and advisory boards, commissions or other agencies, heads of administrative departments and the director of the Office of Management and Budget, subject to confirmation by the council in accordance with Section 4.55; and
- (g) shall have other powers and duties for which this charter or the council provides and which are consistent with this charter and with the constitutions and laws of the United States and of Oregon.

4.15 MAYOR - TERM OF OFFICE.

- (1) The term of office of the mayor shall begin the first day of the year following election and shall continue for four years.
- (2) Notwithstanding subsection (1) of this section, the term of office of the mayor elected at the first election under this charter shall be from December 16, 1974, through December 31, 1978.
- (3) No person may be elected to the office of mayor for more than three consecutive terms.

4.25 MAYOR - DISABILITY. Within 30 calendar days after its first meeting the council shall adopt an ordinance providing a manner for determining whether a mayor is unable to perform

the duties of the office by reason of physical or mental disability, for declaring the office vacant if that disability continues for a period of more than 90 consecutive calendar days from the determination, and for determining, within that 90 day period, whether the disability has terminated. During the time a determination that the mayor is unable to perform the duties of the office is in effect, the acting mayor provided for in Section 8.45 shall assume the duties of the mayor.

4.35 ADMINISTRATIVE DEPARTMENTS.

- (1) All administrative functions, except as exercised by the mayor, shall, until changed in accordance with this section, be organized in four departments designated:
 - (a) Human Services
 - (b) Environmental Services
 - (c) Administrative Services
 - (d) Justice Services
- (2) The initial organization and functions of each department shall be prescribed by the mayor on the effective date by an executive order.
- (3) Thereafter, only by ordinance, departments may be created, abolished or combined, or a function transferred from one department to another; but if the mayor introduces such an ordinance and the council does not adopt or defeat the ordinance within 60 calendar days, it shall be deemed adopted.

4.45 OFFICE OF MANAGEMENT AND BUDGET.

- (1) There shall be an Office of Management and Budget, independent of any department, to advise the mayor in management and budgeting.
- (2) The mayor shall have exclusive authority to specify the organization and operation of the Office of Management and Budget, subject to the budgetary power of the council.

4.55 CONFIRMATION OF APPOINTMENTS. An appointment made under subsection 4.05(2)(f) may not take effect unless a majority of

the members of the council then in office approve it or the council fails to act upon it within 15 calendar days after it is made.

4.65 APPOINTEES - RESIDENCE, TERM OF OFFICE AND VACANCIES.

- (1) A person appointed to an administrative or advisory board, commission or other agency shall be, and remain during the term, a resident of the city-county and may not serve consecutively thereon more than 10 years or two terms, whichever is less. These limitations do not apply to a city-county officer or employee serving in an official capacity.
- (2) Conditions for determination of vacancies shall be established by ordinance.

CHAPTER V

JUDICIARY

- 5.05 JUDICIAL POWER. The judicial power shall be vested in the courts acting in and for Multnomah County immediately prior to the effective date.

CHAPTER VI

LEGISLATION

6.05 INITIATIVE AND REFERENDUM.

- (1) The people may exercise the initiative and referendum in the manner prescribed by state law for cities.
- (2) Nine percent of the number of voters of the city-county voting for all candidates for governor at the last general election at which a governor was elected for a regular four year term shall be required to exercise the initiative or referendum.

- 6.15 ORDINANCES - ORDAINING CLAUSE. The ordaining clause of an ordinance shall be: "The City-County of Portland-Multnomah ordains:".

- 6.25 ORDINANCES - SUBJECT AND TITLE. An ordinance may embrace only one subject and matters properly connected therewith.

The title of the ordinance shall express that subject. If any subject embraced in an ordinance is not expressed in the title, the ordinance shall be void as to that subject.

6.35 ORDINANCES - PUBLICATION. Prior to consideration by the council all proposed ordinances shall be published by title and a summary of 75 words or less in an agenda made public and in a newspaper having a circulation in excess of 50,000 in the city-county.

6.45 ORDINANCES - AUTHENTICATION. Within three business days after adoption of an ordinance, the then presiding officer of the council shall, by signing the ordinance, attest its adoption and transmit it to the mayor.

6.55 ORDINANCES - APPROVAL AND VETO.

(1) Within 15 calendar days after receiving an ordinance, the mayor may:

(a) approve the ordinance by signing it; or

(b) veto it in whole, in any part which is not essential to its main purpose, or any item contained in a budget or an appropriation ordinance.

(2) An ordinance, or any part of an ordinance, neither approved nor vetoed within 15 calendar days after receipt by the mayor shall be deemed approved.

(3) The mayor shall communicate a veto to the council, which, within 15 calendar days, may override it by the concurrence of seven councillors.

6.65 ORDINANCES - TIME OF EFFECT.

(1) (a) An ordinance, except one regulating taxation or exemption therefrom, shall take effect on the date specified in the ordinance.

(b)(i) An ordinance regulating taxation or exemption therefrom adopted by the people or by concurrence of two-thirds of the members of the council then in office shall take effect on the date specified in the ordinance.

- (ii) An ordinance regulating taxation or exemption therefrom adopted by concurrence of less than two-thirds of the members of the council then in office shall take effect on the date specified in the ordinance, but in no event earlier than 60 calendar days after the mayor's approval as provided in subsections 6.55(1) or 6.55(2) or the overriding of the mayor's veto.
- (2) If the mayor vetoes an ordinance in part, the remainder shall take effect as if the veto had not been exercised.
- (3) For the purposes of this section a budget ordinance or an ordinance levying a tax base levy is not an ordinance regulating taxation or exemption therefrom.

CHAPTER VII

ELECTIONS

7.05 ELECTIONS OFFICER.

- (1) The officer in charge of administering elections shall have the functions of elections officers of cities and counties under state law and as may be provided by ordinance.
- (2) The officer in charge of administering elections shall have continuing responsibility to ascertain the qualifications of all candidates for, and of all incumbents in, elective office of the city-county. In the event there is substantial evidence that a candidate or incumbent is not qualified, the matter shall be referred to the legal office of the city-county for appropriate action.
- (3) Nothing in this section shall be deemed to limit the right of any resident of the city-county to challenge the qualifications of any candidate or incumbent.

7.15 REGULAR ELECTIONS. Regular elections shall be held at the same times and places as biennial state elections. Public notice of a regular election shall be given in a manner provided by ordinance, and the notice shall include a

designation of the offices to be filled, the ballot title of each measure, and the time and places of the election.

7.25 SPECIAL ELECTIONS. The time and places of a special election shall be prescribed by ordinance. Public notice of a special election shall be given at least 20 calendar days before the election in a manner provided by ordinance.

7.35 REGULATION OF ELECTIONS. The election laws of the state shall apply to the conduct of all elections, except as otherwise provided by this charter or by ordinance.

7.45 DESIGNATION OF CANDIDATES. Candidates for elective office under this charter shall run as candidates of political parties or as independent candidates in accordance with state law governing designation of candidates.

7.55 CAMPAIGN LIMITATIONS.

(1) Standards, restrictions and requirements regulating conduct of election campaigns, including limitations on financial expenditures, shall be prescribed by ordinance applicable to candidacies and to measures.

(2) The ordinance referred to in subsection (1) of this section shall be adopted not later than 12 months before the filing deadline for candidates at the first primary election after the effective date.

7.65 TIE VOTES. In the event of a tie vote for an office, the successful candidate shall be determined by a public drawing of lots in the manner prescribed for county offices by state law.

CHAPTER VIII

ELECTIVE OFFICERS

8.05 ELECTIVE OFFICERS. There shall be no elective city-county officers other than those specified in this charter.

8.15 QUALIFICATIONS.

(1) Candidates for office and elective officers shall have been for 90 calendar days prior to initiating their candidacies and shall be, continuously during candidacy

and throughout the term of office, residents of the city-county and any district pertaining to the office, except that no boundary change under Section 3.35 or Section 3.40 shall disqualify a councillor from serving the remainder of that councillor's term.

- (2) Within six months after the effective date an ordinance shall be adopted providing that all candidates for elective office and all elective officers make public disclosure of at least all assets, sources and amounts of income and each item of indebtedness (in an amount exceeding 10 percent of the annual salary of the office), of themselves, their spouses and all dependents living in the same household, and of all trusts to which they, their spouses, or such dependents are parties. If the required ordinance is not adopted within the specified time, the members of the council shall forfeit all pay and allowances until an ordinance is adopted.
- (3) Elective officers shall devote full time to their respective offices and shall not hold any other lucrative public office or position or pursue any other vocation.
- (4) Failure of a person to fulfill the requirements of this section shall constitute cause for the officer in charge of elections to take action as provided in subsection 7.05(2).
- (5) As used in this section, "elective officers" includes persons appointed to elective offices.

8.25 COMPENSATION.

- (1) Until changed pursuant to subsection (2) of this section, the annual salary of the mayor shall be equal to that being paid the mayor of the City of Portland on May 28, 1974, and the annual salary of a councillor shall be equal to that being paid a commissioner of the City of Portland on May 28, 1974.
- (2) (a) Not later than January 15, 1975, and every three years thereafter, a public salary review board

shall be appointed, one member each by the Presiding Judge of the Circuit Court in the city-county, the Chairman of the Tax Supervising and Conservation Committee, and the President of Portland State University, for three year terms.

(b) The board so appointed shall, not later than March 31 of each year, recommend to the mayor and council salaries to be paid the mayor and councillors during the next fiscal year. Salaries shall not exceed the amounts so recommended.

(c) The members of the board shall serve without pay.

8.35 CAUSES OF VACANCIES. In addition to the manner provided for under Section 4.25 concerning disability of the mayor, an elective office shall become vacant upon the incumbent's:

- (1) death;
- (2) adjudicated incompetence;
- (3) conviction of a felony, offense pertinent to the office or tampering with public records;
- (4) resignation;
- (5) recall; or
- (6) failure to maintain qualifications for office.

8.45 ACTING MAYOR.

- (1) The council shall, at its first meeting after the effective date, and from time to time thereafter, designate by order one of its members to be acting mayor whenever the office of mayor is vacant, or under circumstances of disability as provided in Section 4.25.
- (2) While performing the duties of mayor, the acting mayor shall not exercise any powers as a councillor, and shall be paid in lieu of any other compensation a salary equal to that of the mayor during the period served.

8.55 FILLING VACANCIES.

- (1) Vacancies in elective office shall be filled by the council.

- (2) (a) When a vacancy occurs and the incumbent was elected as a candidate of, or appointed as a registrant of, a political party, the person appointed to fill the vacancy, in addition to all other qualifications provided by this charter, shall have been, at the time of appointment, registered as a voter of that party for a period of 90 consecutive calendar days.
 - (b) Within 21 calendar days after the vacancy occurs, the central committee of that party for the city-county shall transmit to the council the names of five eligible nominees.
 - (c) Within 15 calendar days after receipt of those names, the council shall appoint by order one of the nominees to fill the vacancy. If it does not do so, the vacancy shall be filled from among the nominees in the manner prescribed by Section 7.65.
 - (d) If the central committee fails to act as provided by this subsection, the council shall appoint any person eligible to have been nominated by the central committee.
- (3) When a vacancy occurs and the incumbent was not elected as a candidate of, or appointed as a registrant of, a political party, the council, within 30 calendar days, shall appoint by order a qualified elector to fill the vacancy, without regard to party affiliation.
 - (4) An appointee shall have been a resident of the city-county and the district to be represented for not less than 90 consecutive calendar days at the time of appointment.
 - (5) An appointee shall serve until a person nominated and elected at the next primary and general elections assumes the office. If the office would not have been regularly filled at that election, the person elected shall serve for the duration of the unexpired term.
 - (6) When a vacancy occurs in the State Legislative Assembly, the council shall have the functions under state law of a board of county commissioners.

8.65 CONTINUATION IN OFFICE. An incumbent shall continue in office until that incumbent's successor qualifies and assumes the office, except in the event of a vacancy occurring under the provisions of Section 8.35.

8.75 RECALL. An elective officer may be recalled in the manner prescribed by state law, except that a recall petition shall bear signatures of not less than 15 percent of the number of voters who voted for all candidates for the office in the most recent November general election.

CHAPTER IX

PERSONNEL

9.05 EQUAL OPPORTUNITY.

- (1) The city-county shall not discriminate in any manner against any person because of race, religion, color, national origin, sex, sexual orientation or age. Qualifications for employment shall be restricted to bona fide requirements for the performance of duty, but nothing herein shall prevent the adoption of minimum or maximum ages for employment or continuation in service.
- (2) The city-county shall establish and implement a continuing program to eliminate and prevent discrimination against applicants for and employees in public service on any basis not related to bona fide requirements for the performance of duty.

9.15 CONTINUATION OF RIGHTS.

- (1) There shall be preserved and continued, to at least the same extent as they exist immediately prior to the effective date, the employment status and pension and other benefit rights of employees and retired employees of consolidating governments, including, but not limited to:
 - (a) rights, privileges and benefits, including pensions and pension rights and benefits existing under collective bargaining agreements or otherwise;

- (b) collective bargaining rights;
 - (c) protection of individual employees against a worsening of their positions with respect to their employment;
 - (d) employment of persons employed immediately prior to the effective date by consolidating governments; and
 - (e) priority, as of the time immediately prior to the effective date, of reemployment of employees of consolidating governments who have previously been laid off or had their employment terminated.
- (2) The city-county shall provide paid training or retraining programs for any employee of a consolidating government whose position or job is eliminated by the consolidation or by any subsequent administrative reorganization.
- (3) Nothing in this section shall prevent adoption of an ordinance respecting matters referred to in this section so long as the ordinance does not violate protections encompassed herein.
- (4) Nothing in this section shall prevent any employee from voluntarily relinquishing or waiving any rights hereunder.

9.25 COLLECTIVE BARGAINING. Subject to the provisions of state and federal law, employees may be represented by employee organizations and negotiate collectively through bargaining units certified by the Public Employee Relations Board.

9.35 GRIEVANCES.

- (1) Except as subsection (2) of this section provides to the contrary, every employee shall have the right to present, and have binding review of, an employment grievance, including a dismissal from service, in accordance with a grievance procedure established by ordinance. If that employment is subject to a collective bargaining agreement, the employee may elect, as to any grievance, to use either the procedure established by the agreement or that established by ordinance.
- (2) Notwithstanding subsection (1) of this section, persons described in subsections (b), (c), (f), (g), (h), (i)

and (j) of subsection (2) of Section 9.65 may be discharged with or without cause.

9.45 RETIREMENT, DISABILITY AND DEATH BENEFITS.

- (1) Employees shall, and persons holding elective offices may, participate in a retirement system and be entitled to receive retirement benefits, subject to limitations and conditions as may be prescribed by ordinance.
- (2) Employees who, immediately prior to the effective date, were covered by the Fire and Police Disability, Retirement and Death Benefit Plan under Chapter V of the Charter of the City of Portland, by Multnomah County Ordinance #25, as amended, or by a plan for firefighters of a consolidating government, shall continue to be entitled to all of the rights and benefits respectively provided therein; provided that
 - (a) within 24 months after the effective date, and subject to Section 9.15, there shall be established by ordinance a uniform disability, retirement and death benefit plan for all employees employed in the capacity of sworn law enforcement officer or firefighter, in which all those employees thereafter shall participate; and
 - (b) firefighters first employed after the effective date, but before the enactment of the plan referred to in subparagraph (a) of this subsection, shall belong and contribute to the plan under Chapter V of the Charter of the City of Portland; and sworn law enforcement officers first employed after the effective date, but before the enactment of the plan referred to in subparagraph (a) of this subsection, shall elect to belong and contribute to one of the systems for sworn law enforcement officers referred to in this subsection.
- (3) Subject only to requirements of federal or state law or provisions of this charter imposing obligations on city-county fiscal resources, the city-county shall budget

and appropriate in each fiscal year amounts sufficient for all obligations imposed by this section.

- (4) No funds or property created by or for the benefit of members of a retirement plan of a consolidating government may be diverted to any other use or purpose.
- (5) Nothing in this section shall prevent any employee from voluntarily relinquishing or waiving any rights hereunder.

9.55 CIVIL SERVICE BOARD.

- (1) There shall be a civil service board consisting of five members, whose terms shall be five years; except that the first five members shall be appointed to terms of one, two, three, four and five years respectively.
- (2) The board shall be responsible for:
 - (a) administration of impartial and practical demonstrations for determining merit and fitness for all appointments and promotions subject to the classified personnel system;
 - (b) hearing grievances under the ordinance provided for in subsection 9.35(1);
 - (c) reviewing and hearing comments on personnel rules and regulations, including classification and certification procedures, which may not become effective if found by the board to be arbitrary, unreasonable or contrary to law; and
 - (d) performing such other functions as may be assigned to it by ordinance.

9.65 CLASSIFIED PERSONNEL SYSTEM.

- (1) A classified personnel system, to be administered solely on the basis of merit and fitness as determined by impartial and practical demonstration, shall be established by ordinance.
- (2) All personnel shall be within the system, except:
 - (a) incumbents in elective office;
 - (b) the director of the Office of Management and Budget;

- (c) heads of administrative departments;
 - (d) members of administrative and advisory boards, commissions, and other agencies;
 - (e) judges;
 - (f) attorneys, referees, receivers, court reporters, bailiffs, and personnel subject to appointment by a court;
 - (g) employees in the mayor's office, unless included in the personnel system by ordinance;
 - (h) employees of the council, unless included in the personnel system by ordinance;
 - (i) persons employed in a professional or scientific capacity to make or conduct a temporary or special inquiry, investigation, or examination for the council or one of its committees or by authority of the mayor; and
 - (j) persons holding positions designated by ordinance as exempt.
- (3) Persons who were employed by consolidating governments which did not have a classified personnel system immediately prior to the effective date, and who held positions not described in subsection (2), may elect to come under the classified personnel system.

CHAPTER X

FINANCE

10.05 FUNDS FOR WATER AND SANITARY SEWER SERVICE. Water and sanitary sewer user and other charges shall be used to the extent necessary to finance provision of water and sanitary sewer service, including obligations outstanding on the effective date. Funds from other sources may be appropriated for those purposes.

10.15 GENERAL OBLIGATION BONDS.

- (1) Bonded general obligation indebtedness may be contracted for any lawful purpose as authorized by the voters.
- (2) Notice of an election under subsection (1) of this section shall include the purpose for which bond proceeds will be

utilized, the fact that the bonds will be general obligation bonds, the amount of the bonds, the maximum rate of interest to be borne and the maximum term of maturity.

- (3) Notwithstanding subsection (1) of this section, general obligation bonds to be issued for water system facilities, sanitary sewers, sewage disposal plants or solid waste facilities, which are to be paid primarily from revenues produced by the service for which the obligation is to be incurred, may be authorized by ordinance without an election.
- (4) Except as to bonds mentioned in subsection (5) of this section, the city-county may not issue, or have outstanding at any one time, an aggregate bonded general obligation indebtedness, after deducting cash and sinking funds applicable to payment thereof, in excess of three percent of the true cash value of all taxable property in the city-county.
- (5) Subsection (4) of this section does not apply to: revenue bonds, refunding bonds or tax increment bonds; bonds issued for water system facilities, sewers, sewage disposal plants, solid waste facilities, hospitals, infirmaries, gas, power or lighting purposes, or off-street motor vehicle parking facilities; bonds issued pursuant to applications to pay assessments for improvements in installments under statutory or charter authority; or other bonds excluded from a general obligation bonded debt limitation by state law.

10.25 REVENUE BONDS.

- (1) Revenue bonds may be issued to finance the acquisition, construction, reconstruction or improvement of public facilities that are intended to produce revenue.
- (2) An ordinance authorizing revenue bonds shall be subject to subsection (3) of this section and may:
 - (a) pledge all or any part of revenues received or to be received from a facility to be acquired, constructed, reconstructed or improved from bond

proceeds and from facilities devoted to the same or similar public services or functions;

(b) establish, or authorize establishment of, rates, fees, rentals, tolls or other charges; and

(c) authorize execution of necessary supplemental agreements.

- (3) Unless authorized by the voters, the aggregate amount of revenue bonds outstanding at any one time shall not exceed one and one-half percent of the true cash value of taxable property within the city-county, after deducting cash and sinking funds applicable to payment thereof, except that this section shall not apply to revenue bonds issued for water system facilities, sewers, sewage disposal plants, solid waste facilities, hospitals, infirmaries, gas, power or lighting purposes, off-street motor vehicle parking facilities; revenue bonds issued under mandate of appropriately authorized state or federal agencies; and other revenue bonds excluded from a revenue bonded debt limitation by state law.
- (4) Notice of an election under subsection (3) of this section shall include the purpose for which bond proceeds will be utilized, the fact that the bonds will be revenue bonds, the amount of the bonds, the maximum rate of interest to be borne and the maximum term of maturity.
- (5) Revenue bonds shall not be general obligations of the city-county, nor a lien upon taxable property within its boundaries, and shall be payable only from pledged revenues remaining after payment of operation and maintenance expenses.

10.35 REFUNDING BONDS. Refunding bonds may be issued and sold pursuant to ordinance for the purpose of refunding outstanding bonds in an amount not to exceed the par amount of the bonds to be called, paid, redeemed or replaced thereby, after deducting sinking funds or other funds applicable to the payment of the principal and interest thereof.

10.45 PRIOR BONDING AUTHORITY. Bonding authority granted a consolidating government, but not exercised by it prior to the effective date, may not thereafter be exercised.

10.55 ADDITIONAL DEBT AUTHORITY. The city-county may incur such other debt as authorized by state law for cities.

10.65 PUBLIC IMPROVEMENTS. The mode of making and financing public improvements, including local improvements subject to the Bancroft Bonding Act, shall conform to ordinance or, to the extent not governed by ordinance, to state law.

10.75 TAX BASE.

(1) The tax base under Article XI, Section 11, Oregon Constitution, shall be \$77,000,000 for the first fiscal year in which ad valorem taxes are levied.

(2) From the tax base levy in each fiscal year there shall be budgeted and appropriated not less than:

(a) \$1,500,000 for funding past service obligations of retirement systems maintained prior to the effective date by consolidating governments, except the system referred to in subsection (b) of this subsection, until the obligations are actuarially satisfied; and

(b) an amount sufficient to pay on account of persons who, immediately prior to the effective date, were members or beneficiaries of the Portland Fire and Police Disability, Retirement and Death Benefit Plan under Chapter V of the Charter of the City of Portland, the benefits to which those persons and their survivors will be entitled in the fiscal year under that plan.

(3) The tax base levy shall be reduced in any fiscal year by any amount in subsection (2) which is not budgeted.

10.85 TAX DIFFERENTIALS AND LIMITATIONS.

(1) For the purpose of levying ad valorem taxes, and to enable a transitional adjustment of public services to be provided by the city-county and financed in whole or in part by ad valorem taxes, the city-county shall be divided into taxing districts.

- (2) There shall be a taxing district for the territory of each county, city, and special district that is consolidated, merged or extinguished on the effective date or thereafter and each area described in subsections (6) and (7) of this section.
- (3) Not more than the amount determined under subsection (4) of this section shall be levied uniformly on all taxable property in the taxing district having boundaries coterminous with Multnomah County; and there shall be levied on all taxable property in each of the other taxing districts the amount that was levied by a city or special district referred to in subsection (2) of this section in fiscal year 1974-75 (but not including any amounts levied for the payment of bonded indebtedness or interest thereon), called hereinafter "fixed levies".
- (4) The amount levied in the district having boundaries coterminous with Multnomah County shall not exceed an amount equal to the difference between the total of all fixed levies and the allowable tax base levy under Article XI, Section 11, Oregon Constitution.
- (5) Effective not earlier than the fifth fiscal year in which ad valorem taxes are levied, an ordinance may combine, modify the boundaries of, or dissolve any taxing district established under this section and provide for change of tax rate formulas set forth in this section.
- (6) Notwithstanding subsections (3), (4) and (5) of this section, in those areas of the city-county which, immediately prior to the effective date, were within the corporate limits of the City of Portland but outside the boundaries of Multnomah County, there shall be levied on all taxable property an amount determined by applying to said property the tax rate applicable in each fiscal year after the effective date to property located in the districts defined under subsection (2) of this section by reference both to the former corporate limits of the

City of Portland and the boundaries of Multnomah County, after deducting the tax rate applicable to said property derived from the levies in that fiscal year by the county in which the property lies and any special district mentioned in ORS 222.510.

- (7) Notwithstanding subsections (3), (4) and (5) of this section, in those areas of the city-county which, immediately prior to the effective date, were within the boundaries of Multnomah County and within the corporate limits of a city not a city in the county as defined by Oregon Laws 1971, c. 731, § 2, there shall be levied on all taxable property an amount determined by applying to said property a tax rate equal to the tax rate which would be applicable to all taxable property in the county if the levies under subsections (3) and (4) of this section were applied uniformly to all such property, after deducting the tax rate applicable to the property subject to this subsection derived from the levies in that fiscal year by the city in which the property lies.
- (8) This section shall not apply to that portion of any levy which is for the payment of bonded indebtedness or interest thereon.
- (9) The office performing the duties of assessor is charged with ministerial functions required for a levy under this section.

CHAPTER XI

MISCELLANEOUS PROVISIONS

- 11.05 PUBLIC ACCESS TO RECORDS. All records shall be open to public inspection and reproduction during regular office hours, except as may be otherwise provided by state law.
- 11.15 POLITICAL ACTIVITIES.
- (1) Every officer and employee, except as prohibited by state or federal law from so doing, may freely express political views, vote, and be a candidate for elective office.

- (2) No officer or employee holding a position not elective under this charter may, while in the execution of public duties, participate in any political campaign. Penalties for violations of this subsection shall be prescribed by ordinance.

11.25 COMMUNITY FORUMS.

- (1) The council shall provide rules for the establishment and operation by the people of community forums representing geographical areas.
- (2) The council shall provide in its rules for procedures to facilitate receiving from each community forum advice on community planning, delivery of services, and any other matter having special impact on the area represented by that forum.

11.35 SERVICE DISTRICTS.

- (1) The city-county may establish service districts as authorized by state law.
- (2) A service district may provide any services which may lawfully be provided by a city, a county or a city-county.
- (3) A service district shall be administered in a department under Section 4.35.

11.45 CONTRACT COMPLIANCE. All franchises and contracts hereafter entered into by the city-county, and all contracts entered into thereunder, shall prohibit any party, in the performance of such franchise or contract, from discriminating in any manner against any person because of race, religion, color, national origin, sex or age, except that minimum or maximum ages for employment or continuation in service may be adopted.

11.55 SEPARABILITY. If any provision of this charter is held invalid, other provisions shall not be affected. If application of this charter or any of its provisions to any person or circumstance is held invalid, that holding shall not affect the application of the charter and its provisions to other persons or circumstances.

11.65 CHARTER AMENDMENTS.

- (1) This charter may be amended by the voters at a regular or special election.
- (2) An ordinance to refer an amendment to the voters shall be adopted at least 60 calendar days before the election at which the measure is to be voted upon, shall not be subject to veto, and shall be effective upon the signature of the presiding officer of the council.
- (3) An initiative petition proposing a charter amendment shall be filed with the officer in charge of elections at least 90 calendar days before the election at which the measure is to come before the voters. If a petition is filed and the council calls a special election on the measure, the election may not be held sooner than 90 calendar days after the call.

11.75 MANDATORY REVIEW OF CHARTER.

- (1) On November 1, 1979, and every 12 years thereafter, a charter review committee of seven registered voters of the city-county shall be convened to review the provisions of this charter. Prior to the date of convening, the council shall appoint three members of the committee, the mayor shall appoint three members, and the seventh member shall be chosen by the other six appointees. No member shall be an officer or employee of the city-county.
- (2) The committee shall, within 10 months after its date of convening, prepare recommendations, if any, for amendment of this charter.
- (3) Staff employed by the committee shall be subject to subsection 9.65(2)(i) of this charter.
- (4) Not later than 60 calendar days prior to the general election, any recommendation shall be prepared in ballot form and presented to the officer in charge of elections, who shall certify such measure or measures to be placed on the ballot for that election. The committee shall be disbanded upon presentation of its recommendations to the

officer in charge of elections or upon expiration of 10 months from the date of convening, whichever is sooner.

- (5) Members of the committee shall serve without pay and shall maintain their qualifications for appointment during their term. Vacancies on the committee shall be filled by the original appointing authority.

CHAPTER XII

TRANSITIONAL PROVISIONS

12.05 FIRST ELECTION.

- (1) For purposes of electing the mayor and councillors at the election in November, 1974, there shall be a special primary election September 10, 1974.
- (2) Persons who seek to be nominated at the primary election as candidates for the offices to be filled at the November election may have their names placed on the ballot for the primary election in the manner authorized by the laws of the state governing primary elections.
- (3) The primary election shall be conducted, returns canvassed and contests arising from the election decided in accordance with the election laws of the state.

12.15 CONTINUATION OF ORDINANCES, RULES, REGULATIONS AND ORDERS.

Ordinances, rules, regulations and orders of consolidating governments shall continue to have effect within their respective former territorial jurisdictions for not more than 24 months after the effective date, provided they are not inconsistent with this charter or city-county ordinances, rules, regulations and orders.

12.25 DEBT DISTRIBUTION.

- (1) All bonded indebtedness incurred by consolidating governments outstanding on the effective date shall be indebtedness of the entire city-county, except for tax increment bonds for urban renewal purposes, revenue bonds, improvement bonds or warrants issued in anticipation thereof,

and bonds authorized on or after May 28, 1974.

- (2) Any debt or obligation excepted in subsection (1) of this section shall be paid in accordance with the terms of the instrument which created such debt or obligation.

12.35 CONTINUATION OF ADMINISTRATIVE AND ADVISORY BODIES.

- (1) Unless otherwise provided by this charter, ordinance or state law, administrative and advisory boards, commissions and other agencies of each consolidating government shall continue to exercise their respective powers, duties and functions within administrative departments.
- (2) The Exposition-Recreation Commission provided for in Chapter XIV of the Charter of the City of Portland shall continue as constituted under Section 14-102 of that charter to exercise the powers and to perform the duties granted it under Sections 14-103, 14-105, and 14-106 of that charter; provided that those sections and Section 14-107 shall be deemed collectively to be an ordinance enacted under this charter.
- (3) The Portland Development Commission provided for in Chapter XV of the Charter of the City of Portland shall continue as constituted under Section 15-102 of that charter to exercise the powers and to perform the duties granted it under Sections 15-103, 15-104, 15-105 and 15-106 of that charter; provided that those sections shall be deemed collectively to be an ordinance enacted under this charter.
- (4) In applying the sections of the charter of the City of Portland referred to in subsections (2) and (3), "mayor" shall mean the mayor, "city" or "City of Portland" shall mean the city-county, "council" shall mean the council, "auditor" shall mean the officer charged with receiving official documents for filing, "attorney" shall mean the city-county legal officer, "civil service" shall mean the personnel system provided for in Section 9.65, and "treasurer" shall mean the officer charged with the management of funds;

provided that those sections shall in all cases be interpreted consistently with the meaning and intent of this charter.

12.45 CONTRACTS AND AGREEMENTS.

- (1) The city-county shall succeed to all property, contracts and rights of consolidating governments.
- (2) Any lawful contract, agreement, lease, bond, franchise, permit, license or other instrument or obligation entered into or granted by a consolidating government shall continue in effect according to its terms, provided, however, that any such instrument or obligation entered into or granted after the adoption of this charter, and to become effective after the effective date, shall not become effective until ratified by the council.
- (3) No pending action or proceeding of any nature, whether civil, criminal, judicial, administrative or other, by or against any consolidating government, shall be abated or otherwise affected by this charter.

12.55 TRANSITIONAL DUTIES AND FUNCTIONS.

- (1) Effective November 12, 1974, the following limited duties and functions are authorized to be performed by the council-elect and the mayor-elect:
 - (a) The mayor may call and convene a meeting of the council at which the council may:
 - (i) provide for additional meetings;
 - (ii) organize itself, and prepare and adopt its rules;
 - (iii) receive and consider any messages from the mayor, including recommendations for appointment of administrative department officials and the director of the Office of Management and Budget;
 - (iv) receive and provide for the expenditure of funds appropriated by Multnomah County for carrying out activities authorized in this section; and

(v) receive and review reports and recommendations of committees established by the City of Portland and Multnomah County to:

- (A) inventory ordinances, charter provisions, rules, regulations, resolutions and orders of consolidating governments to determine which should be adopted as ordinances after the effective date;
- (B) develop an orderly method of fiscal transition;
- (C) develop policies and procedures with respect to employee attrition, collective bargaining and other matters involving personnel; and
- (D) study any other matters relating to transitional problems.

(b) The mayor may also:

- (i) prepare and submit to the council the initial structural organization under Section 4.35;
- (ii) submit recommendations for all appointments including members of boards, commissions and agencies who are required to be elected officials; and
- (iii) bring before the council other appropriate matters.

(2) (a) Elected officers and any persons who, with the approval of the council, are employed to perform duties prior to the effective date shall be entitled to compensation at a rate fixed by the council payable from available funds prior to or after the effective date.

(b) No person described in subparagraph (a) of this subsection, or other person performing duties or functions under this section, who concurrently receives compensation from a consolidating government shall be entitled to compensation under this subsection.

(3) Any actions taken under this section prior to the official

certification of the results of the general election provided for in Section 12.05 shall not be subject to challenge by reason of the results of that certification.

12.65 EFFECTIVE DATES.

- (1) Sections 3.15, 3.25, 3.45, 3.95(1), 4.15, 7.35, 7.45, 7.65, 8.05, 8.15(1), 12.05 and 12.55 shall become effective on the date of official certification of the adoption of this charter by the appropriate election official.
- (2) Except as otherwise provided in subsection (1) of this section, as used in this charter "effective date" shall mean December 16, 1974, at 12 o'clock noon.

APPENDIX

DESCRIPTION OF COUNCIL DISTRICT BOUNDARIES

DISTRICT 1 -

Beginning at the NW corner of Multnomah County; thence Easterly along the Northern Multnomah County boundary to the center line of the Columbia River (Oregon State line and Multnomah County boundary); thence Southerly and Easterly following the Multnomah County line to a point where the center line of the Peninsula Drainage Canal extended Northerly meets the Multnomah County Line; thence Southerly along the extension of the Peninsula Drainage Canal center line and the center line of the Peninsula Drainage Canal to the center line of the Columbia Slough; thence Easterly along the center line of the Columbia Slough to the center line of N.E. 33rd Drive; thence Southerly along the center line of N.E. 33rd Drive to the center line of N.E. Columbia Blvd.; thence Westerly along the center line of N.E. Columbia Blvd. and North Columbia Blvd. to the center line of N. Albina Ave. extended; thence Southerly along the center line of North Albina Avenue extended and N. Albina Ave. to the center line of N. Portland Blvd.; thence Westerly along the center line of N. Portland Blvd. to the center line of I-5 Interstate Freeway; thence Southerly along the center line of I-5 Interstate Freeway, and Southwesterly over the Fremont Bridge to the center line of the Willamette River; thence Southerly along the center line of the Willamette River to the center line of N.W. Glisan St. extended; thence Westerly along the center line of N.W. Glisan extended and N.W. Glisan St. to the center line of the I-405 Interstate Freeway; thence Southerly along the center line of the I-405 Interstate Freeway to the center line of W. Burnside St.; thence Westerly along the center line of W. Burnside Street to the center line of N.W. Westover Road; thence Northerly along the center line of N.W. Westover Road to the center line of N.W. Cornell Road; thence Westerly along the center line of N.W. Cornell Road to the Western boundary of Multnomah County, thence Northerly along the Western boundary of Multnomah County, including any portions of the City of Portland located in Washington County and which are contiguous to this boundary, to the point of beginning.

DISTRICT 2 -

Beginning at the point where the center line of N.W. Cornell Road crosses the Western boundary of Multnomah County; thence Easterly along the center line of N.W. Cornell Road, to the center line of N.W. Westover Road; thence Southerly along the center line of N.W. Westover Road to the center line of West Burnside St.; thence Easterly along the center line of West Burnside St. to the center line of the I-405 Interstate Freeway; thence Northerly along the center line of the I-405 Interstate Freeway to the center line of N.W. Glisan St.; thence Easterly along the center line of N.W. Glisan St., and N.W. Glisan St. extended, to the center line of the Willamette River; thence Southerly along the center line of the Willamette River to the Southernmost boundary of Multnomah County; thence Westerly

along the Southernmost Multnomah County boundary to the West boundary of Multnomah County; thence Northerly along the Western boundary of Multnomah County, including any portions of the City of Portland located in Washington County and which are contiguous to this boundary, to the point of beginning.

DISTRICT 3 -

Beginning at the center line of the Willamette River and the mid-point of the Ross Island Bridge; thence Easterly along the center line of S.E. Powell Blvd. to the center line of S.E. Foster Road; thence Southeasterly along the center line of S.E. Foster Road to the center line of S.E. Center St.; thence Easterly along S.E. Center Street to the center line of S.E. 82nd Ave.; thence Northerly along the center line of S.E. 82nd Avenue to the center line of S.E. Powell Blvd.; thence Easterly along the center line of S.E. Powell Blvd. to the center line of I-205 Interstate Freeway; thence Southerly along the center line of I-205 Interstate Freeway to the Southern boundary of Multnomah County; thence Westerly along the Southern boundary of Multnomah County, including any portions of the City of Portland located in Clackamas County and which are contiguous to this boundary, to the center of the Willamette River; thence Northerly along the center line of the Willamette River to the point of beginning.

DISTRICT 4 -

Beginning at the mid point of the Burnside Bridge; thence Easterly along the center line of E. Burnside Street to the center line of I-205 Interstate Freeway; thence Southerly along the center line of I-205 Interstate Freeway to the center line of S.E. Powell Blvd.; thence Westerly along the center line of S.E. Powell Blvd. to the center line of S.E. 82nd Ave.; thence Southerly along the center line of S.E. 82nd Ave. to the center line of S.E. Center St.; thence Westerly along the center line of S.E. Center Street to the center line of S.E. Foster Road; thence Northwesterly along the center line of S.E. Foster Road to the center line of S.E. Powell Blvd.; thence Westerly along the center line of S.E. Powell Blvd. to the mid-point of the Ross Island Bridge; thence Northerly along the center line of the Willamette River to the point of beginning.

DISTRICT 5 -

Beginning at the intersection of N. Albina Avenue extended and N. Columbia Blvd.; thence Easterly along the center line of N. Columbia Blvd. and N.E. Columbia Blvd. to the center line of N.E. 42nd Ave.; thence Southerly along the center line of N.E. 42nd Ave. to the center of N.E. Killingsworth St.; thence Westerly along the center line of N.E. Killingsworth Street to the center line of N.E. 33rd Ave.; thence Southerly along the center line of N.E. 33rd Avenue to the

the center line of E. Burnside St.; thence Westerly along the center line of E. Burnside Street to the mid point of the Burnside Bridge; thence Northerly along the center line of the Willamette River to the mid point of the Fremont Bridge; thence Easterly along the center line of the Fremont Bridge and bridge ramps to the center line of I-5 Interstate Freeway; thence Northerly along the center line of I-5 Interstate Freeway to the center line of N. Portland Blvd.; thence Easterly along the center line of N. Portland Blvd. to the center line of N. Albina Ave.; thence Northerly along the center line of N. Albina Avenue, N. Albina Avenue extended to the point of beginning.

DISTRICT 6 -

Beginning at the intersection of the center line of Peninsula Drainage Canal extended with the Northern boundary of Multnomah County (Oregon State Line); thence Easterly along the County Line to the intersection with the center line of the I-205 Interstate Freeway; thence Southerly along the center line of I-205 Interstate Freeway to the center line of E. Burnside Street; thence Westerly along the center line of E. Burnside Street to the center line of N.E. 33rd Avenue; thence Northerly along the center line of N.E. 33rd Avenue to the center line of N.E. Killingsworth St.; thence Easterly along the center line of N.E. Killingsworth Street to the center line of N.E. 42nd Ave.; thence Northerly along the center line of N.E. 42nd Avenue to the center line of N.E. Columbia Blvd.; thence Westerly along the center line of N.E. Columbia Blvd. to the center line of N.E. 33rd Drive; thence Northerly along the center line of N.E. 33rd Drive to the center line of the Columbia Slough; thence Northwesterly along the center line of the Columbia Slough to the center of the Peninsula Drainage Canal thence Northerly along the center line of Peninsula Drainage Canal and Peninsula Drainage Canal center line extended to the point of beginning.

DISTRICT 7 -

Beginning at the intersection of the I-205 Interstate Freeway with the Northern boundary of Multnomah County, thence Easterly along the Northern Boundary of Multnomah County to N.E. 148th Avenue extended Northerly; thence Southerly along the center line of N.E. 148th Avenue extended and Southerly along the center line of N.E. 148th Ave. to the center line of N.E. Sandy Blvd.; thence Westerly along the center line of N.E. Sandy Blvd. to the center line of N.E. 147th Ave.; thence Southerly along the center line of N.E. 147th Ave. to the point where the center line of N.E. 147th Ave. intersects and merges with the center line of N.E. 148th Ave.; thence Southerly along the center line of N.E. and S.E. 148th Avenue to the center line

of S.E. Main St.; thence Westerly along the center line of S.E. Main St. to the center line of S.E. 141st Avenue; thence Southerly along the center line of S.E. 141st Ave. to the center line of S.E. Market Street; thence Westerly along the center line of S.E. Market St. to the center line of S.E. 140th Ave.; thence Southerly along the center line of S.E. 140th Ave. to the center line of S.E. Mill St.; thence Westerly along the center line of S.E. Mill St. to the center line of S.E. 139th Ave.; thence Southerly along the center line of S.E. 139th Ave. to the center line of S.E. Division St.; thence Westerly along the center line of S.E. Division Street to the center line of S.E. 136th Ave.; thence Southerly along the center line of S.E. 136th Avenue to the center line of Portland Traction Co. Railroad Right of Way; thence Easterly along the center line of Portland Traction Company Railroad Right of Way to the center line of S.E. 145th Ave.; thence Southerly along the center line of S.E. 145th Avenue to the center line of S.E. Foster Road; thence Easterly along the center line of S.E. Foster Road to the center line of S.E. Barbara Welch Road; thence Southerly along the center line of S.E. Barbara Welch Road to the Southern boundary of Multnomah County; thence Westerly along the Southern boundary of Multnomah County, including any portions of the City of Portland located in Clackamas County and which are contiguous to this boundary, to the center line of the I-205 Interstate Freeway; thence Northerly along the center line of the I-205 Interstate Freeway to the point of beginning.

DISTRICT 8 -

Beginning at the intersection of N.E. 148th Ave. extended and the Northern boundary of Multnomah County; thence Easterly along the Northern boundary of Multnomah County (Oregon State Line) to the Eastern Boundary of Multnomah County; thence Southerly along the Eastern boundary of Multnomah County to the Southern boundary of Multnomah County; thence Westerly along the Southern boundary of Multnomah County, including any portions of the City of Portland and of the City of Gresham located in Clackamas County and which are contiguous to this boundary, to the center line of S.E. Barbara Welch Road; thence Northerly along the center line of S.E. Barbara Welch Road to the center line of S.E. Foster Road; thence Westerly along the center line of S.E. Foster Road to the center line of S.E. 145th Ave.; thence Northerly along the center line of S.E. 145th Avenue to the center line of Portland Traction Co. Railroad Right of Way; thence Westerly along the center line of Portland Traction Company Railroad Right of Way to the center line of S.E. 136th Ave.; thence Northerly along the center line of S.E. 136th Avenue to the center line of S.E. Division St.; thence Easterly along the center line of S.E. Division St. to the center line of S.E. 139th Ave.; thence Northerly along the center line of S.E. 139th Avenue to the center line of S.E. Mill St.; thence Easterly along the center line of S.E. Mill Street to the center line of

S.E. 140th Avenue; thence Northerly along the center line of S.E. 140th Ave. to the center line of S.E. Market St.; thence Easterly along the center line of S.E. Market St. to the center line of S.E. 141st Ave.; thence Northerly along the center line of S.E. 141st Ave. to the center line of S.E. Main St.; thence Easterly along the center line of S.E. Main St. to the center line of S.E. 148th Ave.; thence Northerly along the center line of S.E. and N.E. 148th Avenue to the point where the center line of N.E. 148th Ave. intersects and merges with the center line of N.E. 147th Ave.; thence Northerly along the center line of N.E. 147th Ave. to the center line of N.E. Sandy Blvd.; thence Easterly along the center line of N.E. Sandy Blvd. to the center line of N.E. 148th Ave.; thence Northerly along the center line of N.E. 148th Ave. and the center line of N.E. 148th Avenue extended, to the point of beginning.

STRENGTHS AND WEAKNESSES OF CITY-COUNTY CONSOLIDATION

Strengths and Expectations by Proponents

1. Provide a base for unified, coordinated, planned and financed programs of service delivery.
2. Increase the visibility of responsible agencies and individuals.
3. Pinpoint responsibility of elected officials.
4. Enable effective utilization of economies of scale for services, material and administrative overhead.
5. Eliminate artificial governmental boundaries.
6. Provide one government responsible for all services.
7. Provide district councillors to represent areas.
8. Reduce intergovernmental conflicts.
9. Promote efficiency and effectiveness by eliminating multiplicity of governmental units and overlapping of service areas.
10. Minimize long-term rise in governmental costs.
11. Promote fiscal equity through taxing districts.
12. Broaden tax base and other resources of the government providing services.
13. Offer services where they are needed.
14. Provide for gradual increase in levels of service.
15. Eliminate outmoded and inadequate governmental structures.
16. Ability to adapt government to changing future needs.
17. Effectively combine resources, talent and manpower of city, county, and special districts.
18. Offer the convenience of receiving and using government services to residents by getting answers from one government instead of many.
19. More attractive to federal fund-granting agencies such as HUD.
20. Will enable more uniform costs and charges for services throughout city-county.
21. Larger unit with larger tax base can get lower interest rates in selling bonds.

Weaknesses and Expectations by Opponents

1. Cannot automatically solve multi-county metropolitan-wide problems.
2. May find opposition from existing governments and employees in achieving change.
3. May be more difficult to vary services according to local areas needs.
4. Argument that all services are not needed equally throughout county, therefore taxing policies should take this into account. (Discounts fact that most services are not paid for by property taxes. Only 18% of city and county budget costs come from property taxes.)
5. Complaint that there may be a proliferation of personnel and staffs for larger council.
6. Imposition of "big brother government" on rural and suburban areas.
7. Argument that it will increase "suburban sprawl".
8. Maintained that local participation and "local control" will be reduced.
9. That general inertia of population to change will limit effectiveness of new government.
10. That strong mayor results in a "dictator".
11. That if small cities "opt out" they will be treated unfairly by new government.
12. That rural problems cannot be dealt with on the same basis as "big city" problems.
13. That suburban/rural areas will have to pay for solving "city" problems.
14. That consolidating 40 units of government into one creates more problems than the effort is worth.
15. That present services in unincorporated areas will be made to conform to Portland policies, e.g. Portland Fire Department does not provide emergency ambulance service, many rural fire districts do, will this continue?
16. That the Multnomah County area just doesn't have problems of sufficient magnitude to warrant such a drastic change.
17. That there is nothing wrong with existing governmental units, so there is no need to change.
18. That smaller and special purpose governmental units are "better" than a large unit.
19. That people moved to suburban and rural areas to escape city problems which will now be thrust upon them.
20. That citizen control over 40 tax bases and budgets is more "democratic" than only having one budget and tax base.
21. That "partial" consolidation is no good, should also include schools and Port of Portland if consolidation is to be meaningful.

CITY-COUNTY CONSOLIDATION:

**A STUDY OF TRANSITION PROBLEMS
IN THE CITY OF PORTLAND AND
MULTNOMAH COUNTY, OREGON**

MAY 28, 1974

**PREPARED FOR THE
PORTLAND CITY COUNCIL
AND
MULTNOMAH COUNTY BOARD OF COMMISSIONERS**

**By
William G. Hall
Consolidation Coordinator**

TABLE OF CONTENTS

	<u>Page</u>
<u>Chapter I -- Introduction</u>	1
Background	1
Purpose and Scope	2
Recommendations	3
Summary	4
Conclusions	9
<u>Chapter II -- Transition Problems</u>	10
Legislative	10
Legal	14
Fiscal	18
Personnel	26
Operations	32

CHAPTER I
INTRODUCTION

INTRODUCTION

BACKGROUND

If the proposed Charter for the City-County of Portland-Multnomah, Oregon is ratified by the voters on May 28, 1974, forty-three units of special and general government, including Portland and Multnomah County, will be extinguished on December 16, 1974. The new City-County will come into existence on that day and will assume the functions and responsibilities of all the consolidating governments.

Candidates for Mayor and Council of the new government will run in a September 10 special primary and be chosen at the November 6 general election. Under the Charter, the first elected officials of the City-County will have approximately one month (November 12 - December 16) in which to establish the legislative and executive offices of the new government and to prepare to provide effective, unified leadership to the City-County.

Although there are no legal requirements under the new Charter for the consolidating governments to take any actions prior to November 12, it can be asserted that the present City and County governments have a responsibility under their present Charters to take whatever actions are necessary to prepare for consolidation. It is certain that the ease and success with which the new Council and Mayor are able to construct an efficient, responsive administration will be determined to a significant degree by those preparatory measures which are taken by the consolidating governments between May 29 and December 16.

PURPOSE AND SCOPE

In anticipation of a possible affirmative vote on May 28, the Portland City Council and the Multnomah County Board of Commissioners created a joint position of Consolidation Coordinator to examine the actions which need to be taken during the transition period -- May 29 to December 16. The purpose of this effort has been to identify problems requiring action by the two governments in order to accomplish an effective and orderly transition to a consolidated government.

The project was initiated in January with a compilation of the available literature on City-County consolidation, both in Portland and Multnomah County and other metropolitan cities around the country. The archives of the City-County Charter Commission, which contain research data collected over the Commission's two years' of study, were temporarily donated to the project and proved an invaluable source of information.

Initial interviews were conducted with key City and County managers in January and February to alert them to the purpose of the project and solicit their professional evaluations of the impact of consolidation on their areas of responsibility and the problems they anticipate during transition.

Because of the conflicting priorities during the time in which budgets were being prepared and because of a general reluctance to devote time or resources to consolidation planning before the May 28 election, it was not possible to involve all City and County managers in a substantive dialogue about transition problems. The response to interviews and subsequent requests for information varied considerably. Nevertheless, the approach which was maintained throughout the project was based on the assumption that the operational problems caused by City-County consolidation must be identified and addressed by the managers and staff responsible for City and County operations.

This report is not a work plan. Because of the timing of the project and the inability of any managers to devote full time to it, the process of problem identification to date has been informal. A comprehensive process for evaluating problems in a context of joint City-County planning will be required in order to develop definitive plans for action.

Issues and problems identified during the project have been developed into problem statements for inclusion in this report. They are divided into five major problem categories -- legislative, legal, fiscal, personnel and operations -- to suggest possible areas for assignment of planning responsibility. Taken together, these problem statements represent a potential planning effort of enormous magnitude, suggesting the need for committing substantial resources to basic research, problem solving, major systems development and other professional activities.

RECOMMENDATIONS

There is considerable difference of opinion among managers as to the order in which problems should be addressed, and the level of resource commitment which will be required to address them. More importantly, actions required to resolve transition problems will involve decisions which affect both City and County current operations and policies. In order to effectively evaluate the nature and scope of the transition effort and establish priorities for action, it will be necessary for City and County managers to work together to define each problem and reach agreement on the timing and method for resolving it. This will require authority for joint action in each problem category and a full mandate from the City Council and County Board for managers to reach immediate agreement on approach and then aggressively pursue joint planning goals.

It is recommended that a person or persons be given joint City-County responsibility for developing and implementing transition work plans. This responsibility must include full access to the resources and expertise in both City and County operating units and the authority to develop work plans which reflect planning priorities for both governments. These plans should then be brought to the City Council and County Board for review and commitment of planning resources.

SUMMARY

In order to establish a focus for the study of transition problems, it was decided that goals for the transition period should be defined. The problems outlined in this report relate to three basic needs or minimum goals which the new Mayor and Council will want to achieve by December 16:

- To maintain continuity of existing public services.
- To maintain continuity of political leadership.
- To organize the new government.

Services -- The need to prevent disruptions in public service delivery after December 16 was the primary concern expressed by managers. The greatest difficulty in addressing this issue was, in turn, the problem of analyzing it in the context of unknown organizational changes and the possible effects of those changes on operating units. Most managers felt that an accurate appraisal of the impact of consolidation on their units was impossible without the knowledge of how the consolidated government would be organized and what their functional responsibilities would be within that organization. As such foreknowledge is not available, problem identification centered on analyzing known changes caused by consolidation without regard to possible reorganization.

Managers stated that they could continue those operations planned and budgeted for fiscal year 1974-75 without interruption provided that:

- They retain the legal authority to operate.
- They can meet existing payrolls.
- They can pay their bills.
- Any organizational or procedural changes are communicated in advance so that necessary adjustments can be made.

In order to ensure the continuity of services after December 16, therefore, the identification of changes in legal authorities and steps necessary to implement new administrative, financial or personnel procedures must be addressed during the transition period. This has been the primary focus for problem identification in this report.

The need to keep all employees informed about transition policies and key planning decisions was also emphasized strongly. The level of anxiety among City and County employees will be high if consolidation passes, and everyone will want to know the effect of consolidation on his or her job. It is suggested that even if no changes are anticipated in reporting structures or operating procedures, employees should be informed that they are to continue performing their jobs as before. This should be communicated immediately after the Charter election and clarified again by the new government prior to the effective date of the new Charter.

Legislative and Executive Operations -- The problem of maintaining continuity of political leadership was a sensitive one to deal with, and it generated a wide range of opinion about what needs to be done during transition and how to go about getting it done. Elected officials who were interviewed expressed the following three primary concerns:

- First, the City-County Council will assume office with essentially no history of its own and without any rules by which it can operate. Before the Council can pass even essential housekeeping ordinances, let alone deal with important policy issues, it must first define its role in the new government, develop rules and procedures for conducting legislative business and find resources for its immediate operational needs.

- Second, the new Mayor and Council will inherit and be responsible for administering at least forty-three different sets of laws, policies, regulatory procedures and legal commitments, many of which may significantly affect the daily operation of government, some of which may conflict with each other, and none of which are documented to illustrate the differences and relationships between them. These legislative and administrative guides which reflect the decision-making processes which will be operative on the effective date must be understood by the new Mayor and Council before they will be in a position to make informed decisions about new policy.

- Third, the new Mayor will inherit the essential management tools of all the consolidating governments -- legal documents, budget and financial systems, personnel plans and key managers -- and these will also vary in form, methods and style. Until the Mayor is able to discover and define his management resources and how to use them, he will not be able to assert effective leadership in the administration of all City-County activities.

Each of the above concerns points to the need for preparing a detailed information profile of the consolidating governments, designed to illustrate the differences and relationships between their operating methods, resource requirements and decision-making processes. This information will be vital to the new government officials as they assume control of City-County operations and should be prepared for them during transition in order to facilitate consolidation.

Reorganizing -- Reorganization was the most difficult issue to come to grips with during this study. There were wide differences of opinion about what can or cannot be done before November 12. The Charter offers broad guidelines for structuring the City-County's departments, but leaves the distribution and arrangement of functions to the Mayor.

Some units have already initiated plans for consolidation. The Portland Fire Bureau completed a joint consolidation study with eight Rural Fire Protection Districts in 1972, which could be implemented before November 12. Some preliminary planning has also occurred for consolidating water, purchasing, facilities management, fleet management, public works, police, communications and parks functions.

While much preliminary research and analysis is clearly needed in preparing for functional consolidation, the development of plans for merging City and County units as they are presently structured raises serious questions about anticipating the organizational concepts of the new government. For example, although the County's Department of Environmental Services is presently structured to reflect a functional

distribution similar to the City's Public Works, Planning and Development and Parks and Recreation units, it has recently initiated a complete reorganization which would drastically change the County's organizational approach to environmental service delivery. The Police-Sheriff Consolidation Study has also examined a number of alternative functional arrangements for law enforcement services.

Similarly, a number of City and County organizations are in a state of dynamic change presently, as service needs are being reassessed and the effectiveness of service delivery mechanisms re-evaluated. City-County consolidation presents an opportunity for a more comprehensive assessment of existing organizational concepts in the context of complete reorganization.

A process should be initiated during transition to develop ideas for City-County reorganization and to prepare proposals to present to the new Mayor on November 12. This process should be designed to capture technical expertise in the community, as well as the consolidating governments. Loaned executives from the business community and other local and state government agencies and other citizens could be of great assistance in an effort to assess total service needs in the City-County, evaluate current methods of service delivery and develop a recommended organization plan for the new Mayor. A broad-based planning effort which represents the best thinking of the community would also help to build consensus and support for the new government.

Some mergers of City and County units, particularly those which will be essential to the smooth management of the consolidated government, should probably occur before December 16. Early mergers will require that consolidated unit managers be chosen by the City and County and that office space and planning resources be provided. In view of the fact that the new Mayor may decide to change any organizational decisions made by the old governments, early mergers should be limited to those which will facilitate overall City-County consolidation. If those units which provide central management functions -- budget, finance, personnel -- cannot be physically merged by the effective date, they will, nevertheless, need to develop extremely close working relationships during the transition period in order to be prepared for consolidation.

CONCLUSIONS

City-County consolidation will change our lives considerably and demand a great deal from all of us. Different priorities for effecting change and uncertainties about how change will affect us will make the transition a complex and difficult experience. As the recommendations of this report suggest, the most important step after ratification of the Charter is to adopt a transition policy which reflects a commitment to work together to construct the best possible government for Portland-Multnomah.

CHAPTER II
TRANSITION PROBLEMS

TRANSITION PROBLEMS

This chapter contains a distillation of the problems which were identified by managers as requiring resolution during the transition period. It does not represent all possible problems the City and County will face during the transition, but it does cover those key areas managers felt were essential to ensuring continuity of government operations after December 16.

Problem statements are presented in narrative form and suggest possible actions for resolving problems. It should be reiterated, however, that within each problem category there is a need to evaluate planning priorities among the suggested actions and more thoroughly define action and resource requirements through work plans before City and County transition planning can go forward.

LEGISLATIVE PROBLEMS

The City-County Council will need to have access to the legislative support functions of the consolidating governments while it organizes itself between November 12 and December 16. A support staff derived from existing legislative, executive and elected auditor staffs in the City and County should be assigned to temporary assistance of the new Council.

In addition, a number of actions can be taken by City and County legislative staffs before November 12 to facilitate the new Council's assumption of its legislative duties:

Budget -- Operating funds for the Council legislative and executive operations will have to be provided, either in the form of a supplemental budget or in appropriations to one or more of the existing Board and Council budgets. A reasonable number of staff positions could be budgeted for the new Council's use until it has a chance to meet and decide on its own staffing structure. A "consolidated" budget for the City-County Council can be prepared whether or not such a document is formally adopted (it could conceivably be a mixture of funds and positions from a number of existing organizational budgets).

Office Space -- Temporary rooms for meetings and office space must be provided for the new Council beginning November 12. Proposals for permanent office space should also be developed and presented for the Council's consideration. The fourth floor of City Hall currently has considerable square footage, which has not been designated for permanent use. A proposal for remodeling this area for temporary or even permanent legislative offices could be developed within a short time and work started in time for preparation by November 12.

Legislative Operations -- Alternative proposals for the organization and operation of the legislative body should be developed and presented to the Council for its consideration at its first meeting. These should cover the following areas:

-- Proposals for Legislative Procedures for Operations of New Council:

- * Ordinance and resolution formats
- * Ordinance and resolution filing

- * How to refer to committee
- * Committee calendar, investigations, hearings, roles, powers of chairman, recall of ordinances from a committee
- * Council calendar
- * Publication
- * Council hearings, votes, powers of president, rules of order, tabling, etc.
- * Official recording
- * Rules of (limitation on) debate
- * Over-riding executive vetoes
- * Approving (disapproving) executive appointments
- * Filing executive reports and communications
- * Petitions
- * Amending procedures

-- Proposals for the Legislative Services Organization:

- * Legislative function -- committee structure
- * Budget review function
- * Oversight function
 - (1) Program information gathering
 - (2) Fiscal auditor
- * Legislative staff services
 - (1) Staff to legislative body
 - (a) Support services (e.g., council clerk, recorders, sergeant-at-arms, attorneys, etc.)
 - (b) Legislative committee professionals (e.g., researchers, ordinance drafters)

(2) Councilors' personal staff

(a) District Offices -- field staff

(b) Central Office Staff -- pool or personal

In addition, a complete profile of information about present legislative rules and procedures, staffing, including present internal audit functions, should be compiled. The task of gathering this information and developing proposals for the new government's legislative operations could be undertaken by a team of legislative staff from the City and County or by a task force of government officials and experts from the community with staff assistance.

Codes and Ordinances -- It will be very important for the new Council to have a clear understanding of all codes and ordinances in force on the effective date. A complete inventory and subject area indexing of City ordinances would be an overwhelming task because of their great number; however, a profile of the important ordinances and legislative policy of the old governments will be a necessary tool of the new Council, and an effort should be made to prepare it for their use. It should include at least the following information:

- Conflicts between major code provisions and ordinances which might affect operations or bring the legality of the new government's actions into question.
- Conflicts with the new Charter which might cause confusion.
- A schedule of Code revisions both before and after December 16.

Rules and Policies -- A review of key rules, regulations and policies should also be carried out to provide the new government with a profile of operating guidelines for government business. The focus of such a study could be on areas of potential conflict which would cause confusion after the effective date (e.g., regulations pertaining to residential care facilities and sidewalk posting, procedures for obtaining permits, etc.).

City and County Services -- The enabling legislation gives the City-County the option of acting in the capacity of either a City or a County or both within the limitations of services statutorily required of either cities or counties. A review of services as currently provided by all consolidating governments is needed to determine the new government's options to designate services as "City" services or "County" services and whether or not such a designation might be important. An inventory should provide the following information:

- Is this service mandatory for counties in Oregon?
- What effect will the "City" or "County" designation have on the new government's obligations toward opted-out cities?
- Will there be an effect on service levels County-wide?
- When do decisions have to be made?
- What actions will be required and by whom?

LEGAL PROBLEMS

The legal framework for the new government will be defined by the new Charter, the enabling legislation and other State laws bearing on local government and the ordinances, rules and regulations which are continued from the

consolidating governments. These sources will also provide the guidelines for planning decisions during the transition period, and the full legal resources of the consolidating governments should be brought to bear on the problems of interpreting and defining the relevance and applicability of these guidelines to specific transition issues.

A number of legal questions have been raised already in the context of this project, particularly in regard to the fiscal powers of the new government and the definition of Charter language pertaining to personnel policies. As specific planning actions are considered during the transition period, it is anticipated that there will be a demand for legal assistance from every operational area of government services. Additionally, the new Charter and even some actions of the old governments may draw legal challenges before the effective date.

In this regard, it should be noted that the City of Jacksonville, when it consolidated with Duval County, Florida, established a legal planning team in the City Attorney's Office. This team acted as an arbiter in questions which were raised about the new Charter, and in a year's time, the opinions and legal documentation it generated provided a thorough annotation of the City-County Charter and usable guidelines for planning by the new government. A similar approach might be contemplated for the City and County during transition. The County District Attorney and State Attorney General's Office might also be used as resources during the transition period.

The following areas were identified by managers as those which will require some legal assistance in planning for consolidation:

Existing Charters -- The County Home Rule Charter grants general powers which are explicitly defined in ordinances, rules and orders. However, some specific authorities for City actions are contained in the City Charter and are not presently in ordinance form. As the old Charters will be void on December 16, those explicit procedures the new government will need in order to operate (such as signing warrants and issuing urban renewal bonds) must be provided by ordinance.

A review of the Charters of the consolidating governments is, therefore, needed to determine what specific authorities are voided by consolidation and whether relevant sections of existing Charters can be adopted by ordinance prior to December 16. In some cases, ordinances may have to be prepared for the new government to define procedures more relevant to the City-County. (For example, the authority to sign warrants is given to the City Auditor in the City Charter. This would be meaningless under the new government, which has no elected Auditor.)

State Laws -- A review of State statutes pertaining to cities, counties and City-County consolidation should be carried out to determine what actions are implicit during the transition period. The following legal determinations have been requested:

- Legal procedures for dissolving special service districts.
- Legal procedures for withdrawing service districts which straddle county lines.
- Legal requirements and procedures for purchasing water companies and private sewage disposal agencies.

In addition, the following questions were raised concerning the new government's powers under State law:

- What are the restrictions, if any, of establishing local improvement districts; are they different for cities and counties?
- Are there any restrictions on the establishment of franchise fees County-wide?
- What are the restrictions, if any, on business licensing in the City-County?
- What are the requirements for a Planning Commission under a City-County?

Legal opinions will be needed on these issues before planning in these areas can go forward.

Contracts and Agreements -- A number of questions were raised during the study concerning the effect of consolidation on existing legal commitments in the City and County. It was felt that a thorough inventory and review of outstanding contracts would be required to identify automatic or desirable changes on contractual relationships caused by consolidation. Such an inventory should include the following information:

- Expiration dates.
- Automatic changes caused by consolidation.
- Legal steps necessary to continue contracts, if any. This should include minor changes in contract documents, changing names, re-defining jurisdictional limits or other required actions.
- Possible legality of opening contracts for renegotiating better terms after consolidation.
- Statutory requirements for continuing to provide services to districts withdrawn from the City-County.

In addition, the following questions were raised concerning inter-governmental agreements effective before consolidation:

- Agreements Among Consolidating Governments: What is the effect of consolidation on joint bodies -- boards, commissions and committees and agreements or contracts between consolidating governments?
- Agreements With Regional/State/Federal Agencies: What changes are automatic because of consolidation; what changes are optional? (For example, does Multnomah County's agreement to maintain State forest land at Oxbow Park automatically continue?) What legal steps are necessary to redefine these relationships? Are any new agreements necessary?
- Opted-Out Cities: Do existing mutual aid agreements automatically continue? What are the legal steps necessary to change them, if this is desirable?

The City and County legal staffs have indicated that the legal work necessary for key planning decisions can probably be provided within existing staff resources; however, it will be important for these offices to develop a plan reflecting the timing for this work as soon as possible in order to be able to schedule other planning activities.

FISCAL PROBLEMS

The fiscal parameters within which the new government will be operating on December 16 are defined by the new Charter, local budget law, House Bill 3093 (a follow-up bill to the enabling legislation) and the resources, budgets and financial system it inherits from the consolidating governments. The last three elements are clearly those which the old governments can most significantly affect by their actions prior to December 16. However, some key procedural decisions which will affect planning for the transition will depend on the resolution of an apparent conflict between the language of House Bill 3093 and local budget law.

Budgeting -- The intent of House Bill 3093, which was passed by the Oregon Legislature in 1973, was to clarify the authority of the new government to spend funds appropriated by the old governments. It states, in effect, that notwithstanding local budget law, the City-County shall levy taxes and expend funds according to the inherited budgets of the old governments for the remainder of the fiscal year 1975, "as if (the new) Charter had not taken effect." This would appear to transfer existing budget authority to the new government and would permit fund transfers within existing budgets but not between old government budgets. It would seem to preclude adopting a new City-County budget for the last six and one-half months of fiscal year 1975.

However, the Tax Supervising and Conservation Commission points out that local budget law requires all units of local government to formally adopt a budget before they are authorized to spend money for any purpose. The process for adopting a budget, including public hearings and review by the Tax Supervising and Conservation Commission, requires approximately thirty days to complete. This would appear to make it legally impossible for the new government to meet any financial obligations inherited or otherwise until thirty days after it meets, agrees on the budget and then submits the budget to the TSCC.

Because the effective date of the new Charter occurs in the middle of a City payroll period, timing will be extremely tight for the new government to meet its first payroll, if it is formally required to submit and adopt a budget. If a budget must be adopted, an effort should be made to discover if part of the thirty-day process can be waived.

Precedent exists for creating a municipality in mid-fiscal year; Tri-Met was required to submit a budget to the TSCC when it was created in December 1969. Tri-Met's first budget was a summary document, which was based on estimates of the unexpended balances in its inherited budgets. The TSCC has requested six-month estimates from all consolidating governments with their fiscal year 1975 budgets. These might be used in preparing summary estimates for the new government's budget.

In addition, a supplemental budget may be necessary in order to appropriate funds for the new organizations created by the City-County Charter (e.g., the City-County Council does not exist under present budgets) regardless of the previously discussed legal question. If it is determined that the new government need not formally adopt a consolidated budget, then one of the old governments could prepare such a supplemental budget and adopt it in time for it to be effective on December 16. An early resolution of the legal question of budgeting requirements is essential for planning budget requirements during the transition.

Controlling Budgeted Expenditures -- July 1 - December 15, 1974 -- Because the effective date occurs in the middle of a statutory fiscal year, there is some danger of over-expending budgeted funds during the first half of fiscal year 1975. Too rapid a rate of spending budgeted funds could cause the new government a shortage of cash during the last half of fiscal year 1975. A means for controlling the rate of government expenditures between July 1 and December 16 should be agreed upon by all of the consolidating governments as soon as possible and instituted on July 1 in order to avoid this problem.

Note: When the City of Nashville consolidated with Davidson County in 1962, the City changed to a quarterly budgeting cycle in order to enable the Mayor to impound unexpended funds and rebudget them every quarter during the transition period. While this is not legal under Oregon budget law, there are similar steps consolidating governments could take to make time allotments or periodically freeze expenditures in order to re-evaluate expenditure levels and provide for possible transfer of unexpended funds.

Revenue -- A great deal of information about revenue and general government finance was generated by the Charter Commission during its deliberations. Some of this data is now obsolete because of subsequent developments, but much of it is useful and provides excellent background information for property tax and other revenue analysis. As yet, however, a thorough analysis of the impact of consolidation on all local revenue sources has not been completed.

A comprehensive analysis of the new government's revenue needs and status should be undertaken. The following major revenue sources are of particular concern:

-- User Charges: The applicability of water and sewer rates under the City-County and the projected total revenue from these sources after consolidation has not been clearly established. For example, water rates in the nineteen consolidating water districts are currently based in part on bulk water rates charged by the City Water Bureau. If City residential rates are instituted County-wide after consolidation, residential rates will go down in areas presently outside the City of Portland, and Water Bureau revenue will increase. However, an analysis of administrative costs in water districts and their relationship to water rates has not been carried out.

A study of the applicability and projected levels of both sewer and water rates County-wide is necessary to determine the impact of consolidation on revenue from user charges.

- Licenses and Assessments: Revenues from business licenses, franchise agreements and special assessments will probably change under consolidation, but the extent of change has not been analyzed. The legal authority of the City-County to develop these sources County-wide has not been firmly established.

The ability of the new government to apply a County-wide license code, franchise fees and assessment policies should be clarified and the potential revenue from these sources determined.

- Federal Grants: The change in government on December 16 could cause some delays in funding because of the need to determine who is the grantee, make minor changes in existing contract documents or otherwise clarify federal-local relationships. In addition, the City-County's eligibility for federal funds may be improved.

Federal agencies should be contacted to determine any required changes in contracts or reporting procedures in order to prevent any possible delays in funding. Possible changes in eligibility should also be determined prior to November 12. An inventory and status report on all ongoing federal grant projects and the availability of new funds should be developed for the new government by December 12.

Note: A number of studies have been conducted in other metropolitan cities to analyze the effect of consolidation on tax and other revenues. Of particular interest is the Columbia Research Institute report on the feasibility of consolidation in Sacramento County. Other materials on city-county consolidation experience in Jacksonville, Nashville and Indianapolis are on file in the Consolidation Coordinator's office; they should be useful in providing some perspective in an overall study of revenue and possible cash flow problems under consolidation.

Pending Long-Term Projects -- The City and County are both currently engaged in a number of long-term projects which will carry over into the new government and are considering others which would affect expenditure requirements after December 16. An example of this is a Coopers-Lybrand study recommendation that an external audit staff be created in the City.

A process is needed for reviewing pending projects, particularly those which involve new full-time staff, to determine whether delays are advisable. Also, an inventory of ongoing projects, particularly those involving large capital construction, should be compiled and analyzed to determine immediate revenue requirements after December 16. The review process should involve both City and County budget staffs and the Office of Planning and Development, which monitors capital improvement projects in the City.

- Transfer of Assets -- The consolidating governments will be required to transfer all assets to the new government on December 16. A thorough documentation of all fixed assets and equipment, operating bank accounts, investments and pending receivables will be required, and the scope of any special audits which may be required will have to be determined.

It will be important to determine how much of this work must be done before December 16 in order to ensure continuity of services and financial accountability under the new government. An inventory of all equipment in Multnomah County would be an enormous task because the practice of tagging office equipment and furniture has not been followed. Even though a legal transfer of assets is required, it might be determined that resources devoted to inventorying during the transition period could be more profitably spent on other tasks. Priorities will have to be set for each of these tasks within the legal steps required.

- Accounting Cut-Offs -- The multitude of general and special funds currently used by the City, County and other consolidating governments for budgeting and accounting purposes will be continued under the new

government. Administration of these funds will be complicated by the need to balance each fund in mid-year and begin it again under the new government.

Final financial reports will have to reflect any unaccrued liabilities of the old governments; these should be itemized and their timing and impact calculated before the effective date.

Final reports reflecting the status of receivables and payables and ongoing transactions probably cannot be completed until after December 16. However, planning and preparation should begin as soon as possible to ensure that accounting records can be made current and properly record the transfer.

If a new budget is adopted by the City-County for the latter half of fiscal year 1975, a new configuration of general and special funds will have to be developed. Concern was expressed by City and County accounting personnel that decisions and planning in budget and finance be carefully coordinated to ensure that the new government's fiscal operations are sound when functional consolidation occurs.

Financial System - Payroll and Accounting -- Although the City and County are already using compatible payroll and accounting systems under the Financial Management System (FMS), the forty-one other consolidating governments each operates under its own system. It would prevent a great deal of confusion if the new government's first payroll could be

generated totally out of one central system. This will require the development of a conversion plan as soon as possible. The FMS Executive Committee should meet to determine what timing and resources are required for absorbing small city and service district accounting and payroll systems into the City-County system before December 16.

Functional Control -- In addition to making the financial systems of the consolidating governments compatible, the new government will need to have complete functional control over its financial transactions immediately after the effective date. Unless it has this control, there will be some danger of losing discounts through delays and of unauthorized expenditures. To avoid this, a thorough documentation of all existing systems, forms, procedures, schedules of collection and contract payments, budget transfers and all pertinent financial records, where they are located and how they are accessed in all of the consolidating governments will be required. City and County financial staffs could work together to develop a common format for accessing these materials under one new government.

In addition, an inventory of who is authorized to sign warrants, initiate purchases and otherwise transact business will be needed. Some authorities for these actions are provided in the present City Charter, and an ordinance may be required to provide authority under the new government. A mechanism for verifying financial authority to obligate the new government may also be needed.

Accounting Methods -- Financial reporting will be considerably complicated by the variety of forms and procedures used by the consolidating governments. Accounting methods are probably the most important area for complications and the area where attention before the effective date could greatly facilitate the transition.

Local budget law requires a year's notification for changing accounting methods; however, the new government will not be changing. The City and County Finance Officers have recommended developing the new government's accounting methods prior to the effective date; this would clarify the preparation of final financial statements of the old governments and facilitate the transition to a consolidated system.

PERSONNEL PROBLEMS

The number and quality of the personnel resources which the new government inherits will determine to a large extent the speed and success with which the City-County can organize itself and begin to address the issues of consolidation. In order to facilitate consolidation, the personnel functions and policies of the consolidating government must reflect a recognition of this essential relationship. It is most important for the consolidating governments to adopt personnel policies during the transition which will maximize the flexibility of the new government, particularly in view of the special protections and restrictions provided in the personnel provisions of the new Charter.

Legal Requirements -- Both the enabling legislation and the new Charter explicitly define legal requirements to which the new personnel system must adhere. The present rules and procedures of the personnel systems

of the City and County are defined in the existing Charters, ordinances and Civil Service rules and procedures. The operating rules and procedures of the new City-County personnel system must be developed in accordance with the requirements of the enabling legislation and the new Charter.

In developing the new system, the following new Charter provisions and their requirements must be examined carefully:

-- Section 9.15 of the new Charter, which reflects the language of the enabling legislation, provides that employees of the old governments may not lose their jobs or suffer a "worsening of their position" either as a result of consolidation or "subsequent administrative reorganization." To assist in the development of the new system, a legal definition of at least the following terms is necessary:

- * "Employee Status" (ORS 199.770)
- * "Worsening of Position"
- * "Any Subsequent Administrative Reorganization"

Because the language of the enabling legislation and the proposed City-County Charter only vaguely define these terms, legal opinions are needed to determine the extent to which rights have been guaranteed to employees of the consolidating jurisdictions and the flexibility guaranteed the personnel policy makers of the new government.

- Sections 9.55 and 9.65 of the Charter provide the guidelines for Civil Service and Classified Personnel Systems and the ordinances required to implement them. These ordinances will have to be prepared for adoption by the new government.
- Section 9.45 of the new Charter requires the consolidated government to continue existing retirement benefits and to begin development of a retirement plan for employees of the City-County. Retirement systems in the City, the County and at least nine other jurisdictions are presently being administered independently and offer differing benefit structures. The new system will be administered solely by the consolidated government and must be prepared to offer at least those same benefits, as well as programs satisfying the needs of the employees of the new City-County.

Information Requirements -- Determination of personnel policies that will be in effect during the transition period in the City and the County must be made from an accurate and complete evaluation of the present personnel systems. Information should be gathered about both positions and people and should address the following:

-- Positions in the City and County:

- * Total budgeted positions
- * Total number of filled positions
- * Status of each position (e.g., Civil Service, exempt)
- * Total number of vacancies and the title, classification and location of each
- * The source of funding for the position (e.g., a federal grant, work study funds, General Fund)
- * The total number of positions covered by a union contract listed by union and bargaining unit
- * Present number of positions being recruited for and the recruitment schedule

-- Employees in the City and County:

- * Employee status (e.g., Civil Service, temporary)
- * Service date and seniority status
- * Promotional status
- * Retirement eligibility
- * Union affiliation by union and by bargaining unit
- * Coverage by which retirement plan

The development of a Personnel Management Information System (PMIS) has been initiated, and some of this necessary information is reflected in the present data base. The development of this system should continue, and the design team should include representatives from the City and the County, so that the PMIS will offer information about the positions and employees in both jurisdictions. This system will provide the new City-County with an important tool for the development of policies that are fair and based on accurate data.

A complete profile of each position and each employee now in the City and in the County will also provide the necessary information to resolve the practical requirements and issues during transition.

Practical Requirements

- Classification Study: During the transition period, several key personnel-related issues must be addressed. Foremost among these is the need to begin a classification study embracing both jurisdictions. The City negotiated a contract for a classification study with the U. S. Civil Service Commission, which began in March 1974 and which is scheduled for completion in mid-summer. If consolidation passes, the study should be extended to include all Multnomah County employees. This study will provide key information needed to determine policy relating to common classes, equal pay and seniority status.
- Hiring Practices: The employment policies of the consolidating governments during transition may have a significant impact on the number of total personnel the new government inherits on December 16. This, in turn, will affect the new government's flexibility in developing its own personnel policies. In order to determine a transition policy for the employment of new full-time personnel, an analysis of the following factors will be required:
 - * Existing recruitment practices and schedules
 - * Examination schedules
 - * Affirmative Action plans

- * A description of mandatory and key positions as defined by the consolidating governments
 - * Alternative methods of accomplishing planned work (e.g., professional services, part-time help)
 - * A process for evaluating requests for new hires
 - * A moratorium on hiring during transition
- Working Hours: Certain employees in the County work a seven-hour day, while other County and City employees work an eight-hour day. This difference creates an inequity and the means of rectifying the difference will be a key issue for the new government. An analysis of the situation should be made during transition to determine:
- * The number of employees on a seven-hour day and the location
 - * The names of those unions representing employees on the seven-hour day and those bargaining units with employees working both seven and eight-hour days
 - * A comparison of classification and pay structures for those classes with eight-hour day employees
- Benefits: There are major differences in the number and type of benefit programs offered employees of the City and the County. There is a need to identify specific benefit differences and to formulate a method for accommodating and resolving those differences. Items such as social security coverage of police and fire personnel, insurance benefits and differing retirement plans should be analyzed. Projections of the fiscal implications of eliminating the differences in benefits will be necessary.
- Union Contracts and Procedures: The new government will open contract negotiations with some unions in the spring of 1975. The following information and analysis will be needed to allow the new government to develop its negotiating procedures and posture and to assist in determining the appropriate bargaining units:
- * Existing contracts with unions representing City and County employees will have to be analyzed to determine the differences in benefits and restrictions. The status of employees who are not now subject to union representation but who would be under the new government should also be determined (e.g., water district employees are not now subject to unions). All union leaders, management representatives and the PERB should be involved in determining employee representation.

- * The new Charter provides that existing grievance procedures will continue under the new government until new procedures are developed. Initial reorganization and changes caused by consolidation may also require the establishment of an informal arbitration procedure to take care of the many complaints likely to result.

-- Promotions and Retirements: In view of the impact of consolidation and the strength of employee protection built into the new Charter, there may be a tendency in both the City and County within their operating organizations to promote eligible individuals prior to December so that the employees can have a better position when consolidation occurs. An analysis will have to be made to determine:

- * The need and method used for promotion
- * Organizations that may have special promotional problems
- * Promotion delays and the effect of such delays
- * The alternative to automatic promotions
- * The current schedule of promotional examinations and an assessment of the need for such promotions

In addition, an understanding must be developed regarding the potential effects of attrition on the manpower requirements of each jurisdiction. Retirements and other turnover average five to ten per cent each year in the present governments. The following information should be obtained:

- * The number of employees eligible for retirement
- * The type and level of positions to be vacated
- * Rules and regulations regarding compulsory retirement
- * The number of early retirements anticipated
- * The impact of not filling vacancies created by retirements

All this information must be accurate and complete so that decisions made by the new government will not limit the flexibility of management nor violate the rights of the employee.

-- Other Requirements: Needs also exist in the following areas and some may require immediate action:

- * Need to review the City-County compensation plan after the classification study is completed in both jurisdictions

- * Need for a policy statement and work plan for Affirmative Action in both jurisdictions
- * Need for a policy statement on recruitment
- * Need to begin preparation of ordinances to implement policies required for passage by the new City-County Council
- * Need for the personnel units in both the City and County to undertake an aggressive and positive employee information effort to defuse fears and doubts and to create an atmosphere suitable for continued services

It should be noted here that although the other metropolitan cities contacted had very different personnel problems, legal requirements and approaches, they were almost unanimous in recommending that the essential systems for personnel management be developed and in place before the effective date of consolidation. Nashville-Davidson, which had protection-of-status provisions similar to those in our Charter, found itself conducting a massive retraining program when it reorganized. Jacksonville, which had far greater flexibility, avoided using manpower tools and developed an on-the-job training approach in each department.

The impact of reorganization on personnel systems may be substantial. City and County personnel units assigned to developing the new system should be aware of the possibility of increased demands for training, recruitment and grievance review after December and should have the mechanisms prepared to absorb the extra workloads.

OPERATIONS PROBLEMS

In discussing the potential problems of operational continuity during transition and after the effective date, managers were able to identify some common planning needs given certain assumptions about anticipated change and its

timing. Managers stated that their units can continue to operate as planned and budgeted for fiscal year 1975, provided that: (a) they retain their legal authority to operate; (b) they can meet their payroll; and (c) they can pay their bills. Any changes in systems support or reporting structures should be communicated to managers with sufficient lead time for their units to adjust.

Within this framework, managers also identified the following areas in which planning should occur during transition in order to prevent disruptions when major organizational changes do occur.

- . Records Maintenance -- Most organizations have some kind of records which are necessary for maintaining continuity of operation, including office files, financial, personnel and property records. In addition, both City and County have special record-keeping functions, including legislative and legal files, accounting records, elections and police records, all of which have legal requirements for storage and retention. A comprehensive inventory of existing files and records is needed to ensure continuity during the transition and to provide the new government with a profile of its official records. This inventory should include the following information:

- The type of records
- The location of the records
- Legal requirements, if any
- Retention schedules
- Storage requirements
- Access authority and methods

In compiling this inventory, City and County records management personnel should also explore the feasibility of developing a centralized records storage function for the new government. The possible savings in office space rental and other benefits of consolidating records should be determined.

Administrative Procedures -- Both City and County have operating administrative procedures which affect all units, including purchasing, travel, use of consultants, inter-agency billing, preparation of ordinances, federal grants review, use of City and County vehicles, etc. The operating procedures for conducting everyday business in the consolidating governments should be inventoried and compared and conflicts or differences identified.

The City Office of Management Services is currently preparing a complete manual of operative administrative procedures. The County Administrative Manual has not been updated for several years, and the monitoring of administrative procedures is not centrally coordinated. In order to maintain a smooth operation of government business after December 16, a description of which procedures are operative and for whom in all of the consolidating governments and when changes are anticipated will be needed.

Equipment and Supplies -- Units that anticipate immediate consolidation will need up-to-date equipment and supplies inventories; differences in format and recording procedures will have to be reconciled in order to consolidate inventories. Opportunities for efficiencies in major equipment purchasing and maintenance will be of particular concern in Fire, Police, Public Works, Communications, Parks and Fleet consolidation.

Permits, Licenses, Code Enforcement -- Those organizations which issue permits or licenses, enforce City and County codes or administer other activities which require specific governmental approval for action by private individuals will need to pay particular attention to changes in procedures or standards because of their constant contact with the public and the likelihood of confusion after the effective date. An example of possible confusion under consolidation is application procedures for building permits. In order to build a house outside the City of Portland, a builder currently may have to go to four different locations of County offices and submit to up to eleven separate permit actions.

The procedure is similarly complicated in the City, but the locations and steps are different. The opportunity exists to simplify both procedures and consolidate them during transition; however, whatever the existing procedures on December 16, systems must be well documented and the operative steps clarified and available to the public.

Similarly, different standards in zoning administration and nuisance abatement should be reviewed and operative procedures clarified on December 16.

Office Space -- Any moves which may be contemplated for consolidating units should be planned well in advance with enough lead time to enable those organizations to anticipate the effects of a location change on their operations. In addition, any new organizations which are created by the Charter must have space provided for them. Office space planning and maintenance is centralized in both the City and County presently,

and projected needs for office space on the effective date could be identified by those offices. A plan for providing temporary meeting rooms and temporary offices for the new City-County Council and Mayor between November 12 and December 16 will be needed, as well as a transition plan incorporating all space needs after the effective date.

Operational Impact of Reorganization -- Managers emphasized the importance of keeping employees informed about contemplated organizational changes and of providing a channel for staff input to the planning process. Special operational requirements which may have a bearing on organization decisions should be identified and provided to planning teams and decision-makers. In addition, a data base should be developed for any formal planning process which is initiated during transition. The following information should be gathered:

-- Functional Description:

- * The goals and mission of the unit
- * Description of services provided
- * Sources of authority
- * Geographical jurisdiction

-- Structural Description:

- * Complete organization charts showing personnel

-- Operational Description:

- * A chart showing key intra-unit relationships
- * A list of advisory bodies, if any

- * A list and descriptions of key operational relationships with any external units (including services provided/received)
- * Physical location of unit
- * Square footage of office space
- * Budget

Much of this information already exists in budgets and documents which have been prepared for existing reorganization plans but will need to be consolidated for use by organizational planners. Common formats for documenting this information could be developed by designated organizational planners or by City and County budget and program evaluation staffs.

Some units have already begun planning activities in anticipation of functional consolidation or are now in the process of reorganizing. The managers of the following major functional units provided descriptions of ongoing or planned organizational changes which will be impacted by City-County consolidation:

- Environmental Services - Planning and Development: The County Department of Environmental Services is just beginning a major departmental reorganization which will have a significant impact on the consolidation of functions within that department, particularly because the new departmental structure would completely change the arrangement and management of existing functional divisions -- public works, planning, parks and nuisance abatement. If consolidation passes, this reorganization effort should be coordinated with City managers in those functional areas to ensure that all potential participants in functional consolidation under a Department of Environmental Services are aware of the impact and problems caused by the diverging management styles.

The Office of Planning and Development is currently in the process of consolidating City community development functions under a single management umbrella. A number of long-term community development projects are in progress and will continue beyond the effective date. The impact of consolidation on these projects should be analyzed carefully to determine if any changes are warranted in currently anticipated time schedules.

City and County planning staffs have also conducted preliminary discussions about the impact of consolidation on building and zoning code administration, particularly in view of recent State legislation in these two areas. No special problems are anticipated, but code revision may require a long period of time to complete.

- Parks: City and County parks operations are currently housed together and could be consolidated before the effective date with minimal problems. An agreement to consolidate the two park operations under the City was drawn up in 1971 but was never implemented. The documentation for this proposal could provide a basis for developing a transition plan for consolidation of park and recreation functions before November 12.

It should be noted, however, that the County Environmental Services Department reorganization would in large part invalidate the plan for consolidating parks operations, and a decision to adjust the departmental reorganization plan would be necessary to consolidate parks operations as they are currently structured.

- Water Works: The City Bureau of Water Works requested funds in the fiscal year 1975 budget for consolidation planning and has identified a number of issues to be addressed, if it consolidates with the twenty water districts on December 16. Discussions with water district managers have been initiated to work on those problems, and Water Bureau staff members have begun studying the requirements for a consolidated billing system and purchase of private water companies. Timetables for a transition plan should be available shortly after the election.

- Police: The final report of the Police-Sheriff consolidation study is due to be published shortly after the Charter election, and it will deal with consolidation of law enforcement functions with or without City-County consolidation.

- Fire: A joint study was undertaken for the Charter Commission in 1972 for the consolidation of the Portland Fire Bureau and the eight consolidating rural fire protection districts in the County. Managers from the Bureau and the districts developed a plan for consolidation, including a recommended organization and budget. This plan could be reviewed and implemented by the consolidating governments prior to December 16, but a transition plan would have to be developed to include the legal steps necessary to consolidate early, as the dissolution of the fire district boards is not automatic until then.

- Human Services: The reorganization of the County Human Services Department, which began in 1971, is continuing, and the restructuring of County human service delivery agencies is in a delicate stage of development at the present time. Functional consolidation of City and County organizations does not present any real problems because there is little duplication of services, but a new reorganization of human services could disrupt the development of the present organization.

A transition plan for Model Cities programs is currently undergoing revisions in the City's Human Resources Bureau and should not be affected by City-County consolidation. A transition plan for Model Cities' agency personnel has been developed by the City's Bureau of Personnel and is currently being implemented.

The relationship of local governments to Community Action Agencies under the Green Amendment will not be changed by consolidation.

- General Government Services: The City Office of Support Services is nearing completion of its charge to centralize support service functions in the City. County support services functions are similarly structured. City and County data processing, printing and mail distribution functions have already been consolidated.

A 1971 study recommended consolidation of City and County purchasing agencies. Subsequent to that, some joint purchasing has been instituted, but the operating procedures of the two units are different, and considerable differences in purchasing policy will have to be resolved before the function can be consolidated.

Preliminary discussions have been held between City and County representatives concerning the consolidation of communications functions, and a report and transition plan were prepared and submitted in November of last year. This plan could be used as the basis for consolidating that function prior to December.

Preliminary discussions have also been initiated concerning consolidation of fleet management and facilities management functions. In view of the need for joint planning in office space and procedures for vehicle use prior to the effective date, consideration should be given to consolidating those functions as soon as possible.

No planning has been done to date in the areas of records management, elections and assessments. These functions are essential to the operation of government and will require detailed analysis in how they will operate under the new government.

- Special Organizations, Advisory Boards, Commissions, Committees: The new Charter provides that administrative and advisory boards, commissions and committees will continue under the new government. There is some danger of service disruptions because of automatic retirements (as in the case of agencies with elected officials as members) and some confusion about authority for operating after consolidation. An inventory of all such agencies in the consolidating governments should be compiled with the following information:

- * Authority and jurisdiction of agency
- * Method of appointment

- * Current membership and terms of office
- * Administrative functions, if any
- * Advisory functions
- * Source of funding and budget
- * Description of change in authority, function or relationships, if any, under consolidation
- * By-laws

Transition plans will have to be prepared for those agencies whose functions or authority are changed under the new government. The new government will need to develop procedures for appointing elected officials to boards and commissions vacated by outgoing officials as soon as possible after the effective date.

The above issues and problem statements are a distillation of the concerns raised by managers during the course of this study. In addition, a data file including planning documents which were submitted and other information gathered for the project has been developed and is available for use in transition planning, if consolidation passes.

Joint Cities - County Informal Session

Tuesday, March 25, 1997

9:30 a.m. to 11:30 a.m.

Boardroom, 6th Floor, Multnomah County Courthouse
1021 SW 5th Avenue

DISCUSSION TOPICS

1. **Introductions (2 minutes)**
Outcomes: Self Introductions of Participants
2. **Welcome (5 minutes)**
Outcomes: Mayor Katz welcomes participants; Discusses "Why consolidate now?"
3. **Outline of Chair and Mayor's Consolidation Proposal (10 minutes)**
Outcome: Chair Stein briefs participants on Mayor/Chairs' proposal and proposed time line to consolidate City and County; Chair and Mayor answer questions from participants.
4. **Briefing on Public Survey Results (15 minutes)**
Outcome: Pollster Adam Davis provides participants an overview public attitudes regarding consolidation.
5. **Identify Concerns, Hopes and Questions (30 minutes)**
Outcome: Each participants identifies their concerns, hopes and questions regarding consolidation process and outcomes to be included in initial "Resolution of Intent."
6. **Discuss Consolidation Proposal (40 minutes)**
Outcomes: Decision regarding content of Resolution of Intent
7. **Update on Current Intergovernmental Efforts (15 minutes)**
Outcomes: Councillor and Commissioner report on progress of intergovernmental work plan identified during October 26, 1997 joint City/County informal session.
8. **Wrap Up (3 minutes)**
Outcomes: Chair and Mayor summarize meeting outcomes.

County and City Consolidation Proposal

Briefing Paper

Presented by:

**Multnomah County Chair Beverly Stein
Portland Mayor Vera Katz**

Revised March 25, 1997 (8:12am)

I. Introduction

The purpose of this County and City Consolidation Briefing Paper is to identify the problems associated with maintaining separate City of Portland and Multnomah County governments, propose a set of criteria for evaluating potential solutions to the identified problems, outline alternative opportunities under State law, discuss variations to those alternatives, describe their "pros" and "cons," evaluate the alternative solutions against the criteria and outline a proposal for moving forward to address the problems.

The factual basis for this briefing paper is a scan of national research, a review of material from past related efforts, and a preliminary analysis of selected current issues. This briefing paper is designed to distill and summarize the available information to help frame the major issues of County and City consolidation.

Included with this briefing paper are the following seven attachments:

- Attachment A: Local Government Evolution
- Attachment B: Pros and Cons of Options
- Attachment C: Evaluation Worksheet of Consolidation Options
- Attachment D: City/County Employment and Expenditures, 1970 to 1997
- Attachment E: Summary of Expenditures by Comparative Service Area
- Attachment F: Summary of Consolidation Legal Requirements
- Attachment G: City/County Consolidation Time Line

In addition to the attachments, the following companion documents detail special considerations for County and City consolidation:

- Human Resource Memorandum
- Fiscal Memorandum
- Legal Memorandum
- Summary of Consolidation Survey Results
- Selected Newspaper Articles
- Cities/County Boundaries Map

Unless otherwise noted, the scope of this proposal and associated briefing information is limited to the discussion of consolidating the governments of the City of Portland and Multnomah County.

II. Why Now?

Beyond the substantive reasons for addressing the problems of maintaining separate County and City governments, there are additional reasons to do so now.

This is an opportune time because:

- Measure 47 budget cuts and service reductions will reduce the capacity of both governments. Consolidation will help restore some services.
- Public response to Measure 47 budget reductions has suggested looking for economies in central administrative functions. Consolidation will target those functions.
- There is an unprecedented level of cooperation between elected officials in City and County government. Consolidation has the support of many elected leaders.
- Annexations have eliminated most of unincorporated Multnomah County, so that 79% of County residents are in the City of Portland. Twelve percent reside in the City of Gresham, and the remaining nine percent are distributed between the four small cities and unincorporated areas. Consolidation will simplify government for the vast majority of County residents.
- Multnomah County's Charter requires a charter review process every six years. This is the year. Consolidation should be an option when changes to the County structure are considered.
- In the past voters have rejected cities and county consolidation, but times have changed and it deserves another look.

III. Problems Identified With Separate City and County Governments

In describing the problems of separate City and County governments, it is important to note the individual and collective strengths that provide a foundation for addressing these challenges.

By national and local standards, both the County and City governing bodies and their management teams are considered to be effective, involved in the community and dedicated to excellence.

Both governing bodies enjoy positive working relationships with local, regional, state and federal government.

Most employees of the county and the city are recognized as hard working, competent and dedicated to public service.

Most citizens view their city and county as "headed in the right direction."

Both City and County are recognized for their fiscal and management excellence including: Superior bond ratings (City of Portland - AAA, Multnomah County - AA1); management and service programs consistent with current quality improvement principles; emphasis on performance outcomes and benchmarking; recent national awards for fiscal management, performance auditing, and leadership collaboration.

A County and City spirit of collaboration has already resulted in many joint efforts including domestic violence reduction, citizen surveys, program audits, business tax collection, public school funding support, workforce development, homeless shelters/facilities, housing, land use planning, neighborhood crime prevention, the Portland Multnomah Progress Board, Metropolitan Human Rights Commission, and regional arts and facilities support.

Even with the individual and collective successes of the Cities and County governments, problems exist as a result of them operating separately. The identified problems include:

- **Inefficient use of tax dollars spent on duplicate administrative services.**

The City and the County currently spend \$338 million annually to administer the following same services: legislative, legal, auditing, financial planning, human resource management, information services, capital improvement project management, administration of federal and state grant programs, employee health insurance programs, risk, facility services, fleet services, communications, and procurement.

- **Economies of scale are not fully achieved in purchasing selected materials, goods, and services.**

The City alone spends \$225 million each year to procure materials, goods and services. Some joint purchasing occurs between the County and the City but opportunities to complete more are hindered by the separateness of the City and County organizational structures.

- **Separate County and City services, targeted at the same needs that fail to meet their potential because they lack coordination.**

Annual expenditures on separate city and county programs that, in reality are interrelated parts of a larger process include: public safety programs (crime

prevention, 911, law enforcement, judicial services, and corrections); homeless services (homeless shelter construction and operations); housing programs (subsidized, special need, and market rate housing); transportation (streets, roads, and bridges); economic/workforce development (business assistance, job training, ready to work programs, social services), youth and family services (parks, community and family services, aging services), community outreach and involvement (ONA, community and family services, citizen involvement committee).

- **Citizens see no single point of public accountability for local government.**

Portland residents are potentially over-governed by two elected bodies and two bureaucracies, but lack one governing body to hold accountable for all aspects of their local quality of life. Many residents are confused about which government is responsible for what service.

- **Approach to growth planning and management is fragmented.**

The rapid growth of the Portland area is straining key local government services, yet the City and the County do not fully coordinate the planning of their services to deal with it. Too often, each jurisdiction creates separate plans for the services it supervises. The City partners with neighborhoods to complete community plans which focus on land use and infrastructure development, while the County works with neighborhoods to build resource networks for youth and families, senior citizens, immigrants and the poor. As a result, the social services aspects of neighborhood growth planning are absent from local growth management plans, and service networks suffer from being excluded from infrastructure decisions.

- **Piecemeal City and County consolidation is slow and yields few results.**

A decade of piecemeal consolidation efforts has yielded limited results. Law enforcement services have undergone a gradual transformation as annexations have proceeded. Two years of work with emergency management has yielded a plan which partially consolidates our efforts.

- **Taxpayers believe they are subsidizing services from which they don't benefit.**

Lingering perceived inequities persist between urban and non-urban county taxpayers. Some urban residents feel "overtaxed" for County services in unincorporated areas that they do not use. At the same time, rural residents often feel they are supporting a variety of human and public safety services that do not directly benefit them.

- **City and County government structures are outdated.**

Much of County and City government has incrementally evolved to its current form as a result of piecemeal changes over the past 70 years. As a result, good employees are often trapped in illogical functions, and good programs and planning are limited by fractured systems. For example, City Charter and ordinance require that City project managers responsible for construction of City facilities valued at more than \$43,076 must navigate up to 52 steps after the City Council has separately approved the projects' budget and authorized the request for proposals (RFPs), but before any construction can begin.

- **Big taxpayer liabilities are not adequately addressed.**

The City's unfunded police and fire retirement fund is considered a City problem which no other jurisdiction seeks to embrace. The County is responsible for eight bridges in Portland's core, bridges that have decades of backlogged maintenance, a burden which no other jurisdiction will assume. In reality, of course, these are local taxpayer liabilities that should be addressed collectively in coordination with other local government obligations.

- **Our citizens are confused and suspicious.**

Citizens repeatedly ask: "Who does what and why?" "Why do you both provide the same service?" "Isn't this a waste of money?" "Why don't you just get together on this?"

IV. Options for Addressing Identified Problems

Oregon provides three options to address the problems identified with maintaining separate City and County governments. Within each option is a variety of implementation choices. Summarized in this section is a brief description of each option and some of the ways in which it can be implemented.

A. Maintain Status Quo

Maintain current efforts between the City and the County. The County and the City currently have a number of jointly funded functions that operate on the basis of intergovernmental agreements. These include the functions of affirmative action, progress board, business license collections, and cable franchise management.

B. Increase Intergovernmental Agreements

Oregon law permits two types of intergovernmental agreements: those that are permanent

functional transfers and those that are temporary contracts. Permanent functional transfers give the receiving jurisdiction full responsibility and authority to provide the assigned functions and often include control over the necessary revenues.

Oregon law is relatively permissive in allowing local governments to contract with each other for services. Virtually any service could become the subject of an intergovernmental agreement unless limited by Charter or State law.

On October 16, 1996, the City and the County established a joint work plan to increase the number of intergovernmental agreements. The intergovernmental work plan includes the following five issues (and their project managers): joint siting of government facilities (Hansen and Kafoury); implementation of 2040 goals (Hales and Saltzman); transfer of Sheriff patrol duties (Katz and Noelle); transfer of emergency/disaster response to the cities (Katz and Collier); public safety system integration (Public Safety Coordinating Council). Progress on these work plan agreements has been adversely impacted by the subsequent passage of Ballot Measure 47.

A variety of additional implementation approaches could be considered to increase the number of intergovernmental agreements. For example, the City Council and the County Board could create a group that is empowered with broad authority to consolidate selected City and County functions. The group's decisions could be conveyed to both the Council and the Board for approval on a strictly "yes" or "no" consideration basis. Or, the group could ask the City Council or County Commission to refer intergovernmental agreement proposal directly to the voters for consideration. This model is a variation on the "bi-partisan" or "non-partisan commission" approach often used by the U.S. Congress to deal with very contentious issues such as social security funding and military base closings.

C. Consolidate Cities and Multnomah County

Oregon Revised Statutes provide for a process to consolidate entire municipal and county governments. It is initiated by the governing body of the County's most populous city or the County Board of Commissioners: an eleven member charter commission is appointed and has up to two years to prepare and publish a draft charter.

An "opt-out" clause exists within the State statutes that allows for the smaller municipalities to remain independent from the consolidated government.

State law offers few choices in implementing this option. However, informal, non-binding implementation actions could be taken by the City Council and County Board during the two years preceding consolidation in anticipation of successful County and City consolidation.

For example, while the Charter Commission's work is underway, the City and the County

can be preparing for consolidation by looking at opportunities to restructure existing services and systems for efficiency, effectiveness, and accountability and to meet the needs of all City and County customers. Also, interim intergovernmental agreements to transfer functions should continue in the interim in the event the Charter Commission consolidation referendum is not approved by voters.

V. Criteria For Evaluating Alternatives

The criteria listed below responds to the identified problems of maintaining separate City and County local governments: Inefficient use of tax dollars, lack of economies of scale, dual accountability, fragmented planning, few results from current efforts and public confusion about roles and responsibilities.

- Improve service quality. Option will improve the quality of services provided to citizens and customers.
- Increase efficiency. Option will produce efficiencies by eliminating duplicate functions.
- Improve effectiveness. Option will increase effectiveness by integrating local government services where appropriate.
- Reduces or avoids costs. Option will demonstrate ongoing cost savings or costs avoided within five years of implementation.
- Increases accountability. Option will provide a single point of responsibility and accountability for providing all local government services.
- Includes citizens in its development. Option will include significant participation of citizens, taxpayers, and key stakeholders as part of its development process.
- Provides "opt out" options to smaller city residents. Option will allow residents of smaller municipalities within the County to choose for themselves whether or not to join in any proposed changes.
- Increases neighborhood services and citizen involvement. Option will increase citizen involvement by increasing the number and scope of neighborhood services.
- Developed on mandated time line. Option will be completed on a time line which is mandated up-front.

VI. Evaluation of the Options

We propose that the problems associated with maintaining separate City and County governments are best solved by enacting the State statutes that allow for consolidation of cities and counties.

We recommend this option after careful consideration of the problems, the criteria and extensive experience with the alternatives.

The option to maintain the status quo of existing intergovernmental agreements and existing areas of cooperation does not respond to the present or future needs of our community, nor is it responsive to the impacts of Ballot Measure 47. It does not adequately meet any of the criteria of this evaluation.

The option to increase the number of intergovernmental agreements performs more successfully in its evaluation against the criteria than the status quo option. However, it suffers across the board in this evaluation because of some fundamental weaknesses. This evaluation highlights two weaknesses.

First, there is a growing perception that the "low hanging fruit," the doable intergovernmental agreements have been "picked" and additional meaningful and significant functional transfer intergovernmental agreements will be difficult to achieve any time soon.

The difficulty in increasing intergovernmental agreements stems from the reality that maintaining a separate city government (to provide urban services) and county government (to provide rural or social services) is an increasingly irrelevant, artificial distinction in the real world of our communities and citizens. Without being able to offer a clear distinction of missions to divide the tasks among two (or more) local governments, rational discussions of which government should do what are difficult, if not impossible.

Second, success within this option is not success overall. Even if more County and City functions are realigned with additional intergovernmental agreements, a future City Council and County Board will have to revisit the question of overall City/County consolidation. By waiting to consolidate the entire County and City, even while taking smaller steps with intergovernmental agreements, we are concerned that the inherent weaknesses of governance separation will mean that we are less ahead of some problems and further behind others.

The option to consolidate City and the County as prescribed by state statutes performs the best of all the options against the criteria in this evaluation for addressing the identified problems. It is the option with the broadest scope of review and therefore with the most

potential to achieve improvements in each of the areas covered by the criteria. It is the only option to that can legally unify both governments. It is the only option that employs a citizen-based effort through the use of a Charter Commission that mandates a time line for completing the work and community involvement. It is the only option that legally protects the independence of the other cities in the County, if they choose to remain to do so.

Concerns about the short-term costs of consolidation are valid. As is mentioned in the companion staff considerations memorandums, however, the cost and benefits of consolidation are dependent on how it is done. This proposal assumes that the resources and energy will be provided to redesign, restructure, rebuild to get more results for citizens. Given the individual and collective strengths of each organization, doing consolidation right is very realistic.

The option to consolidated City and County governments is only a process. Its ability to deliver better governments at the best cost depends upon how it is done and what desired outcomes are identified up-front. This proposal suggests that all efforts and outcomes be guided by some principles established by the cities and County. The following guiding principles are offered consideration:

A. Guiding Principles for the Consolidation Process

- Follow legal requirements
- Operate under a mission statement.
- Include participation from all elements of the community.
- Consider promising practices from other jurisdictions
- Invest in quality leadership and citizen participation.
- Design organizational structures that serve the purposes of the results desired.
- Incorporate the benefits of technology wherever possible and practical.
- Design the structure and programs in light of the responsibilities of other levels of government.
- Build on the strengths of the present system; attempt to avoid its weaknesses.
- Reassess the scope of local governmental services, in light of changes in regional, state, and federal responsibilities and in consideration of the future growth of the community.

B. Guiding Principles for the Consolidation Product

- All programs and services will be designed for the benefit of the citizen.
- Government will plan and budget according to a continuous process of visioning, strategic planning, program design, performance measurement, and plan adjustment.

- Services will be delivered efficiently - the highest quality for the lowest cost.
- Public investments should be made at the point in any system where they can be most efficient. This requires a long term view that accounts for the efficiencies of prevention rather than the more expensive investments in curative measures.
- Privatization of services will be a consideration.
- System design that promotes strong accountability at every level, with decision making led by the closest possible entity to the citizen.
- The consolidated government will focus on RESULTS, not inputs and processes.
- The consolidated government will be designed for flexibility amid changing conditions.

This proposal to proceed with overall County and City consolidation assumes that County and City consolidation, in and of itself, will not negatively impact the ability of local governments to access currently available resources.

This proposal is built on the intention of providing ongoing consultation and involvement of the other cities in Multnomah County, but respects their wishes if they chose to remain independent cities.

VII. (Revised Monday, March 24) Proposed Consolidation Process

Before proceeding with the state mandated process for the consolidation of City and County governments, each jurisdiction must be allowed ample time to finish their budget processes and complete adequate research related to County and City consolidation.

To these ends, we propose a two-step decision making process.

Step one: In April, 1997, County Commission and City Council vote to enact a Resolution of Intent to seriously evaluate County/City consolidation and complete a threshold study by outside experts of financial implications and possible system and program improvement opportunities. Cities and County work will proceed according to an intergovernmental work plan identified by the City Council and the County Board in October, 1997.

Step two: In January, 1998, City Council and County Commission accept threshold study and consider whether or not to trigger State charter commission process.

Process rational:

- It now appears that the County charter review process must start in June and cannot be easily combined with the cities/County charter commission process.

- The work of a cities/County Charter Commission will benefit from an up-front analysis of opportunities to save money and improve results.
- Conclusions of the threshold analysis will provide factual basis for any interim cities/County program consolidations.

Attachment A

Local Government Evolution

- Oregon Provisional Government formed 1841
- Oregon Provisional Government divided into four districts (Tuality, Clackamas, Yamhill, and Champoeg) 1843
- Washington County created from Tuality District 1849
- Portland incorporated (within Washington County) 1851
- Multnomah County established by State statute 1854
- East Portland incorporated 1870
- Albina incorporated 1887
- Sellwood incorporated 1887
- East Portland consolidated into Portland 1891
- Albina consolidated into Portland 1891
- St. Johns annexed to Albina 1891
- Sellwood consolidated into Portland 1893
- St. Johns detached from Albina 1898
- St. Johns incorporated 1903
- Gresham Incorporated 1905
- Troutdale Incorporated 1907
- Fairview Incorporated 1908
- Linnton incorporated 1910
- City of Portland/Multnomah County consolidation rejected in *statewide* vote 1913
- St. Johns consolidated into Portland 1915
- Linnton consolidated into Portland 1915
- Constitutional amendment to allow City of Portland/Multnomah County consolidation rejected by *statewide* vote 1927
- Wood Village Incorporated 1951
- Maywood Park Incorporated 1967
- Constitutional amendment allowing cities and county to consolidate approved by *statewide* vote 1968
- State legislature enacts consolidation enabling legislation 1971
- Local voters defeat proposal to consolidate cities and County 1974

Attachment B Alternatives

I. Options For Addressing Identified Problems

Oregon law provides three options to address the problems identified with maintaining separate County and City governments. Within each option are a variety of choices. Below is a brief summary of the pros and cons presented for each option.

A. Maintain Status Quo

PRO:

- Could be perceived as "cheaper than change."
- Could prevent erosion of citizens' trust and confidence in local government by focusing efforts on improving current governmental structures as they are now.
- Avoiding interjurisdictional transfer of liabilities would avoid "spreading the pain."
- Least disruptive option in the short term
- State Ballot Measure 47 implementation uncertainties not compounded by uncertainties of changing local government structure.
- The strain the additional workload would place on limited current capacity avoided.
- Issues of intergovernmental control avoided.
- Employees not distracted - continued focus on quality and delivery.

CON:

- Local governments continue to act independently of one another.
- Continued duplication of services.
- Continued operation of disconnected processes/systems.
- Dual accountability of the provision of local government services.
- Citizen trust and confidence in local governments could be eroded by real or perceived nonresponsiveness to public demands to become more efficient, effective, and accountable.
- Lingering local government tax inequities.
- Long standing problems not addressed collectively by local governments

B. Increase Intergovernmental Agreements

PRO:

- Selected duplicate local government services can be eliminated.
- Selected governmental services can be integrated.
- Intergovernmental agreements are legal and enforceable contracts.
- Intergovernmental agreements can mandate and allocate cost savings.
- Intergovernmental agreements can require an improvement in the quality of services provided.

- Changes to existing leadership and management positions are minimized and predictable.
- Considered less threatening to some.
- Change can be focused on priority service areas.
- Contracts can be created by a simple majority vote of the affected governing bodies.

CON:

- Intergovernmental agreements have not recently integrated many government services.
- No mandated time line for completing intergovernmental agreements.
- Negotiating contracts is difficult and contentious.
- In some cases, modest change requires as much energy to resolve issues as does bolder change.
- For intergovernmental contracts, governing bodies cannot ordinarily commit a later elected body to expenditures in future years.
- Contracts don't address equity issue of double taxing City residents.
- Contracts can complicate the lines of accountability to voters.
- Pre-analysis rarely "demonstrates" cost savings.
- Intergovernmental agreements can undermine the independence of other affected jurisdictions.

B. Consolidate Cities and Multnomah County

PRO:

- The voters get to decide whether or not to change local government structure as recommended by the charter commission.
- ORS 199.705-199.775 provides for an "opt out" clause respecting the integrity of residents in smaller municipalities.
- Option with the broadest scope of review and , thus, the most potential for achieving benefits.
- Charter commission can package referendum that eliminates duplication of local government services.
- Charter commission can package referendum that integrates government services where appropriate.
- Charter commission has two years to involve citizens, taxpayers, and key stakeholders in the development of referendum.
- Charter commission can create referendum that transfers delivery of selected services to other regional or local governments.
- Charter commission can create a referendum that decentralizes decision making authority where appropriate to community and/or neighborhood based level.
- Charter commission can create a referendum that mandates cost savings or costs to be avoided within a particular time frame.
- After City or County passage of resolution, a mandated time line in process is enacted.
- Decisions about control are moved outside existing leadership and bureaucracy.

- Charter commission can create a referendum that decentralizes services to community and/or neighborhood based level.
- Outside charter commission process allows existing leadership, management and employees to focus on ongoing responsibilities.

CON:

- Charter commission could choose not to place a referendum on the ballot.
- Option with the broadest scope of review and , thus, the most potential for achieving harm.
- Charter commission process could be "messy" and erode citizens' trust and confidence in their local governments.
- Charter commission process might not address (and possibly should not) long standing operational deficiencies i.e. unfunded pension requirements.
- The Charter Commission members could lack local government expertise and thus create a referendum "that makes things worse."
- Existing cities and County leadership could view potential change as too much and reject option.
- Existing city/county leadership unwilling to "put at risk" current status.
- Potential increased costs to unified government, if not balanced by efficiencies.
- Could be viewed by voters as "bigger government."
- Potential labor leadership consolidation could produce resistance.

Attachment C
 Evaluation Worksheet of Consolidation Options

Criteria	Alternatives		
	Maintain Status Quo	Increase Intergovernmental Agreements	Consolidate Cities/County
a. Improves Service Quality			
b. Increases Efficiencies			
c. Improves Effectiveness			
b. Reduces or Avoids Costs			
c. Increases Accountability			
d. Includes Citizens in its Development			
e. Provides "Opt Out" Option to Smaller City Residents			
f. Decentralizes Decisions To Neighborhoods			
g. Developed On Mandates Time line			
Total			

Key						
+3	+2	+1	0	-1	-2	3
Meets Criteria	Likely to Meet Criteria	Possibly Meets Criteria	Neutral Relationship to Criteria	Possibly Does Not Meet Criteria	Likely Does Not Meet Criteria	Does Not Meet Criteria

Attachment D

City and County Employment and Expenditures, 1970-1997					
	1970	1980	1990	1997	%Change 1970-1997
City of Portland					
Total Population	377,800	367,500	432,175	503,000	33%
Total Employees	3,974	4,212	4,751	5,157	30%
Employees per 1000 Population	10.5	11.5	11.0	10.2	-3%
Total Expenditures- Current \$	76,500,000	372,000,000	531,000,000	959,000,000	1150%
Total Expenditures - Constant \$ 1970	76,500,000	180,700,000	247,300,000	329,000,000	329%
Per Capita Expenditures Current (1967) \$	203	1013	1229	1908	839%
Per Capita Expenditures Constant (1967) \$	203	492	572	870	329%

Multnomah County					
Total Population	559,600	560,600	581,000	636,000	13.65%
Total Employees	3,299	2,666	2,495	4,104	24.4%
Employees per 1000 Population	5.9	4.76	4.29	6.45	9.46%
Total Expenditures- Current \$	60,700,000	164,600,000	280,000,000	568,000,000*	836%
Total Expenditures - Constant \$ 1970	60,700,000	70,000,000	87,000,000	133,000,000	119%
Per Capita Expenditures Current (1967)\$	108	293	481	893	723%
Per Capita Expenditures Constant (1967) \$	108	125	150	209	93%

Attachment E
 Summary of Expenditures In Comparative Service Area

<u>CITY ONLY SERVICES</u> \$444 million	<u>INTERRELATED SERVICES</u> \$285 million		<u>BOTH CITY and COUNTY PROVIDED SERVICES</u> \$338 million		<u>COUNTY ONLY SERVICES</u> \$277 million
Fire Bureau Parks & Recreation Water Environmental Services (Sewers) Licenses Portland Dev. Commission Energy Buildings	<u>Public Safety/ Criminal Justice</u> BOEC Sheriff Police District Atty Community Corrections Juvenile Justice Felon Impact	<u>Housing & Homeless</u> Parts of City's Housing and Community Development & PDC and parts of Co.'s Community & Family Services <u>Workforce Development</u> Parts of City's PDC and parts of Co.'s Community & Family Services & SIP <u>Neighborhood Services To be Determined</u> Includes but not limited to parts of City's ONA & Parks, and parts of Co.'s Community & Family Services, Health, and Aging	General Services/ Facilities & FREDS Neigh. Asso./ Citizen Involve. Transportation Auditor Chair/Mayor City Atty/County Counsel	Finance & Admin / Support Services HCD / Com Action & Devel Planning Commissioners Offices Cable Communications	Health Dept Library Aging Services Behavioral Health Child, Youth, and Family Services Dev Disabilities Animal Control Elections Assess & Taxation TSCC

NOTE

1. These are preliminary calculations from FY 1996-97 budgets. All non-operating costs (large capital projects, reserves, etc.) to be removed.
2. These numbers are accounted for in different ways so it is not easy to compare City and County budgets. Similar department names do not necessarily reflect similar services
3. Analysis of "City and County Services" needs to be completed to show "apples to apples" costs being spent in comparable services.

Attachment F
Summary of Consolidation Legal Requirements

The Oregon Revised Statutes Govern All Local Government Consolidation Efforts:

- 19,331 citizen petitioners, majority of City Council of most populous city or County Board may initiate up to three-year process.
- Eleven member independent citizen Charter Commission created by appointment:
 - Three from County convention of 9 State Senators
 - Three from County convention of 15 State Representatives;
 - Two from most populous City Council
 - Two from County Board
 - One from County convention of other city mayors.
- Governor appoints if any appointing authority fails to do so within 30 days; citizen Charter Commission selects its own chair; Charter Commission provided resources From County Board.
- Charter Commission has one year to publish draft charter and solicit public input.
- Within two years of Commission creation date, Commission prepares a draft charter.
- Proposed charter Referred directly to voters after approval of majority of Commission.
- Approved new consolidated charter implemented on date specified in charter.
- Voters residing within most populous city and unincorporated areas vote on proposed charter once; vote counts twice.
- Voters living in other municipalities vote once on proposed charter; once on whether or not their city should join.

Oregon law also imposes the following legal requirements on City/County consolidations:

- The process for cities and county consolidations are set forth in Oregon constitution and state law.
- City/County consolidation process could fulfill County charter review process.
- Legal uncertainties associated with Ballot Measure 47 and HJR85 apply to City/County consolidation.
- Consolidated City/County physical boundaries would vary for purposes of City functions and County functions.
- New government has all rights of a City and a County.
- New government must provide County services within non-consolidated cities.
- All city governments within the County are subject to consolidation with voter approval.
- Other than the most populous city, voters in other cities may "opt out" of the overall consolidation.
- Opted out cities would receive County services from consolidated City/County.
- Residents of opted out cities would participate in election of governing body of the consolidated City/County.
- Consolidation would extinguish County service districts; could be reestablished by

consolidated City/County

- Employees status, pension, benefits and rights must be preserved as part of any consolidation.
- New government assumes the debt and assets of all the old.
- New government tax base may not be less than combined tax bases of all the old.
- As limited by State law, the new government charter will authorize collection of other charges, taxes and fees.
- Charter Review Commission not required to put referendum on ballot.
- Land use plans not affected by consolidation.
- Proposed charter specifies effective date for new government existence.
- New government charter prescribes transition provisions.
- New governing body nominated and elected in a manner prescribed in new government charter.

Attachment G
 PROPOSED CITY-COUNTY CONSOLIDATION TIME LINE

Tues	March 25, 1997	Cities-County Briefing <ul style="list-style-type: none"> • Mayor & Chair's Vision • Question and Answers on Briefing Information • What other information is needed before vote to proceed with City-County Charter Commission process. • Discussion of public process.
Thurs	March 27	East County Meeting: Gresham, Fairview, Troutdale, Wood Village and Multnomah County
	During week of Mar 31 - Apr 4	City and County to vote on resolutions of intent to move forward with City-County Charter Commission process. Includes: proceed with community input process, TIME LINE for completion of analysis information, date for voting on resolution to start process for City-County Charter Commission.
	April - May	Staff preparation of additional analysis and information.
	April - May	Community input process
Mon	By June 30	Board of County Commissioners and City Council to vote on resolutions to start process for City-County Charter Commission. June 30th deadline used to coordinate with County charter review requirements. June 26 is the actual last regular meeting date for both City and County before June 30. Or a special meeting could be scheduled - separately or jointly. When resolution is passed by either body, the 30-day countdown for appointment of City-County charter commission is started.

The following follows the state requirements for City-County Charter Commission and assumes a June 30th start date.

Sat	July 5	Copies of resolution sent to other cities (5 days after resolution passed)
Wed	July 30	End of 30 day appointment countdown. If appointments not made, goes to governor (additional 15 days for appointments - Aug 14)
Mon	Aug 4	Deadline for scheduling first City-County Charter Commission meeting (5 days after appts.). First Charter Commission meeting to be held 10 or more days later. (<i>Assumes that the governor doesn't need to make appointments</i>)
	Aug 97 - Aug 98	Commission prepares draft charter and holds public hearings.
	Aug 98 - Aug 99	Commissions finalizes proposed charter and sets election date.
	Nov 1999	Next election date.



Buildings • Planning • Transportation

Charlie Hales
Commissioner, City of Portland

Phone: 503/823-4682

FAX: 503/823-4040

e-mail: chales@ci.portland.or.us

Web site: <http://www.ci.portland.or.us/hales>

March 24, 1997

Chair Bev Stein
Commissioner Tanya Collier
Commissioner Gary Hansen
Commissioner Sharron Kelley
Commissioner Dan Saltzman
Sheriff Dan Noelle
Auditor Gary Blackmer
District Attorney Mike Schrunk

Mayor Vera Katz
Commissioner Jim Francesconi
Commissioner Gretchen Kafoury
Commissioner Erik Sten
Auditor Barbara Clark

Dear Colleague:

I am looking forward to tomorrow's Informal and our discussion of consolidation issues.

I commend the leadership that Chair Stein and Mayor Katz have shown on City-County cooperation. First, they set up regular joint meetings, like the one we held in December, designed for us to go to work on specific service areas. Second, they set up our very successful community budget forums. And third, they have boldly reopened the larger questions of consolidation of services and the ultimate political merger of our two public organizations.

I have been assured by the Mayor's office that the purpose of tomorrow's meeting is for us to openly consider options for how City and County services might be effectively combined and reorganized. That's good, because we are facing a financial crisis for basic public services like police, jails, parks, libraries, fire, and public health. We need to do everything we can now to mitigate the effect of Measure 47 on these public services. That means we cannot wait two years to identify efficiencies through government reform. **We must start now to consolidate administrative and government services and save money this year.**

We have a solid working relationship among us and we've shown we can get things done. The combined business license tax and the 911 emergency operations consolidation are good examples. In addition, Commissioner Saltzman and I will soon bring you a proposal for a City-County effort to comply with Metro's 2040 Plan.

Now we face over \$40 million in budget reductions, and the reality of what those numbers mean is in very sharp focus. These cuts mean removing dozens of police officers and firefighters from our streets, closed branch libraries, and the early releases of more criminals. That's why we should focus our efforts, experience, and abilities now on consolidating six to

ten overlapping government functions, and use an estimated \$9 to \$21 million savings to reduce the severe impact of Measure 47 cuts.

At the same time, we should begin a serious review of options for merging the political structures of the City and the County. But that process should be local, and not under the control of lobbyists and legislators in Salem.

The options comparison contained in this packet compares the *substantive* and *practical* differences between the models: the legislative commission model dictated by ORS chapter 199 versus the local control model available to us under our own home rule charters and ORS chapter 190. I urge you to consider the benefits of considering an alternative to the ORS 199 scheme:

Our citizens want us to save money now.

As we heard in the community budget forums, citizens are ready to move now on consolidations which genuinely save money. While the County has a legal obligation to review its charter by 1997, citizens don't want to wait years for savings that could be used to restore vital public services.

Under Measure 47, voters had to pass a draconian, one-size-fits-all package to get property tax relief. Now, in order to get rid of needless government duplication of services, are we going to insist that we again sacrifice local control to produce savings? I can't support that.

Our citizens should have local control over government consolidation.

The ORS 199 process dictates that the majority of members of this commission will be selected by state legislators. We should expect that their lack of knowledge of local government as well as their personal political agendas will adversely affect the debate.

There is also the potential for some well-known anti-government zealots to manipulate this legislative commission. Remember how the Multnomah County charter got twisted around into a prohibition on the county employing a lobbyist?

How unfortunate it would be if just at a time when we are anxious to roll up our sleeves and do the real work of service consolidation, we would throw the matter to state legislators and lobbyists.

We need local control over this process because citizens' concerns about "the state of the mess" will flow right back to the City Council and the County Board of Commissioners. If we proceed under ORS 199, our only explanation to citizens would be that we started a runaway train, but we can't stop it or even change anything on it.

I'd rather we spend our time creating real savings now. I'd rather work together to make some of the consolidations on the enclosed list move from potential to actual, and use the money we save to keep cops on the street, criminals in the jails, lights on in the libraries and grass mowed in the parks.

In tomorrow's meeting - or very shortly thereafter - I hope we can agree to:

- (1) Select six to ten overlapping functions for consolidation immediately. That means we use bridge funding in the 1997-98 budget to get us to a less-costly consolidated operation by July 1, 1998. We should do this work by using means we know to be effective: teams of responsible elected officials, the involvement and advice of citizens, and most importantly, a mandate from both boards to get it done.
- (2) Appoint a joint commission under local control to develop options and proposals for merging the political structures of the county and city. If, after their work and real public review and involvement, a coherent proposal is crafted, it can then be sent to the voters for adoption.

Thank you for your commitment to change and to continuing to deliver quality public services under financial duress. I look forward to our discussions.

Sincerely,



Commissioner Charlie Hales

CONSOLIDATION NOW - 1997-98 OPPORTUNITIES

<u>Candidate Function</u>	<u>City Budget</u>	<u>Co. Budget</u>	<u>Range of Available Svs</u>	
			Total	3% - 7%
Finance & Administration (includes Risk Management, BIS, Personnel, Labor Relations, + Purchasing)	\$19,617,246	\$11,166,001	\$30.8M	\$923K - \$2.55M
City Attorney/County Counsel	\$ 3,911,333	\$ 1,440,792	\$5.35M	\$161K - \$375K
Street & Bridge Maintenance	\$87,355,162	\$33,457,037	\$120.9M	\$3.6M - \$8.46M
Planning	\$ 7,720,287	\$ 1,386,815	\$9.1M	\$273K - \$637K
Printing/Distribution	\$ 5,609,466	\$ 1,321,073	\$6.9M	\$208K - 485K
Facilities Management/Svs	\$36,735,816	\$22,711,828	\$59.4M	\$1.78M - \$4.2M
Fleet	\$27,073,053	\$ 5,728,423	\$32.8M	\$984K - \$2.3M
Electronics/Telephone Svs	\$ 7,844,938	\$ 4,093,644	\$11.9M	\$358K - \$835K
Housing/BHDC/Comm. Action (City \$ does not include CDBG or other grant \$)	\$ 3,526,813	\$13,608,478	\$17.1M	\$514K - \$1.2M
Citizen Involvement/ONA/ I & R	\$ 3,046,802	\$ 178,834	\$3.23M	\$97K - \$226K
TOTAL			\$297.4M	\$8.92M - \$20.8M



CONSOLIDATION TWO OPTIONS CONSIDERED

LEGISLATIVE COMMISSION MODEL

How Does it Work?

THE LEGISLATURE CALLS THE SHOTS...AND THE FOCUS IS ON POLITICAL POWER

In this model, the City Council or the County Board of Commissioners launch a political merger by passing a resolution under ORS 199. This sets in motion a process which is controlled by an 11-member commission, the majority of which is appointed by legislators. Its recommendations go directly to the ballot with no further review or responsibility by the city or county.

In this model, the emphasis is on the political power structure; real work on cost-saving service consolidation comes after the voters approve the creation of the consolidated government. Public involvement, as is customarily the case with charter commissions, is minimal.

LOCAL CONTROL MODEL

LOCAL CONTROL IS PRESERVED, AND THE FOCUS IS ON IMMEDIATE COST SAVINGS.

Under this approach, the City Council and the County Board of Commissioners start two tracks.

In track one, a set of city and county functions are identified for near-term consolidation. The two governing bodies then create teams, led by an elected official from each organization, to create an action plan for the consolidated function. The County Board of Commissioners and City Council then hold hearings and approve an intergovernmental agreement to enact the change, and then move on to implementation. By taking a functional approach and by considering identified services of city and county government for consolidation, the process is more manageable and open to public involvement.

In the second track, a joint commission is appointed by the County Board of Commissioners and the City Council, reporting back with a proposal to those same two local governing bodies.

LEGISLATIVE COMMISSION MODEL

*What's the
track record
for this
approach?*

POOR

Politically driven city-county consolidation proposals have failed here, and delivered decidedly mixed results elsewhere. The last two decisions here: voter rejection of a full city-county consolidation proposal in 1974 and voter rejection of a transfer of road maintenance responsibility to Portland and Gresham in 1994.

Although the supporters of an ORS 199 process say that a smaller number of elected officials might be the result, it is noteworthy that the consolidated San Francisco Council has 24 members, and the consolidated Indianapolis Council has 47!

LOCAL CONTROL MODEL

GOOD-WITH EFFORT, IT COULD BE EXCELLENT

Between 1974 and 1993, some attempts were made to consolidate like functions in city and county government. The city's municipal court was shut down and its responsibilities were transferred to the district court. Building permitting and inspections for Multnomah County's unincorporated areas was "190'ed" to the city. Computer service responsibility was assigned to the County, but was washed away by the wave of personal computers.

More recently, the successful consolidation of the city and county business license tax systems, the proposal for a consolidated Information and Referral system (rejected by Multnomah County), and the imminent decision on a consolidated "2040" planning effort demonstrates the strength of this approach. That is, when the two governing bodies (1) select a service for possible consolidation, (2) create a team, *led by a County and City Commissioner*, to prepare the proposal and (3) set a brisk timetable for action, real change can be made quickly.

LEGISLATIVE COMMISSION MODEL

When are cost savings achieved?

LATER, IF AT ALL

Although it is theoretically possible that some service consolidation work could be carried on while the legislative commission was developing its proposal, this is highly unlikely.

First, consider where the attentions of key actors...city and county officials, agency heads, employees...are likely to be focused: a "super-commission" of eleven people, six of whom are chosen by legislators, is working on the creation of a new government. Your first priority will be beating back special interests which will use the commission to serve their own ends.

Secondly, officials in both governments are unlikely to move forward with any bold or significant organizational changes during the two to three years the legislative commission is studying and proposing, since these could be construed as "thwarting the commission". If the legislative commission does agree on a proposal and if it does receive voter approval, there is no administrative connection between the work of the

LOCAL CONTROL MODEL

NOW, IN TIME TO BLUNT SOME OF MEASURE 47'S IMPACT

Multnomah County voters are interested in improving the efficiency of local services. And they are even more strongly concerned about minimizing the impact of Measure 47 on direct local services...libraries, jails, health, police, fire and parks.

While they are concerned about maintaining these basic services and while they are clear on "who does what" with respect to them, they are, rightly, unconcerned about how administrative and support functions are provided.

By concentrating on high-cost administrative and support functions...finance and legal staffs, fleet facilities maintenance, planning, public involvement, etc., this approach starts with saving money now in functions which only indirectly serve citizens. (See chart for range of savings.)

LEGISLATIVE COMMISSION MODEL

When is political merger possible?

THE YEAR 2000...AT THE EARLIEST.

First, let's make the assumption that the two local governments...elected officials, managers, financial analysts and all...can devote all the time they need to the development of the legislative commission's proposal for political merger. This while cutting budgets to comply with Measure 47, pushing the legislature for meaningful school and transportation funding, and complying with Metro's mandates under the 2040 Plan. Remember, they'll need to spend a lot of time on this, because the Charter Commission doesn't report back to them before going to the ballot with their proposal. Next, let's look at the statute: the Charter Commission (once the political wrangle between local officials and legislators to be on it is over) has up to two years to prepare a draft (and only the first draft is subject to public review).

It will, most likely, need well over two years to actually send something to the ballot (the 1990 Metro Charter Commission, with a much simpler task before it, took 18 months).

Then, even by the admission of its boosters, legislative changes would be needed before a political merger could be carried out. For example, gas tax funds and other state shared revenues would sharply decrease if the commission sent its proposal to the voters without getting state law changed first. That means the 1999 legislature must act before

LOCAL CONTROL MODEL

MAY, 1999

This approach takes advantage of the principles of delegation and focus. If, as described at left, key people in city and county government are facing some major challenges right now, their available time for consolidation work is limited. By creating and tasking teams of Commissioners and staff to work on specific cost-saving service consolidations, the task is divided into manageable chunks.

And the motivation for success will be strong: in this approach, the consolidation effort results in immediate cost savings which reduce the Measure 47 cuts. Local officials would not be immediately caught up in the political whirlwind of the legislative commission's trajectory towards the ballot. The focus for the next year or so will instead be on cost-savings, not on politics. That's where citizens want the attention to be focused.

That focus is reinforced by the key difference in the way the joint commission would operate versus the track laid down in state law for the legislative commission.

Under this approach, the joint commission would develop a coherent proposal for political merger, which would then be taken back to the City Council and the County Board of Commissioners for public review. Then the necessary legislative changes could be drafted and referred to the voters at the same time as the merger itself....probably in May or November or 1999. This would probably be sooner than the ORS 199 process.

LEGISLATIVE COMMISSION MODEL

legislative commission and the operation of city and county services. This increases the odds that "consolidation" under this scheme would really be throwing 9,000 employees together without much leadership and hoping the cost savings might result...someday.

Why "without much leadership?" Upon approval of the legislative commission's proposal, all of the current elected officials would become "lame ducks." Some would turn their attention to running for the new political offices just created. Others would return to private life. But nobody would be in a position to battle the bureaucracy and to create actual cost savings; these could await the outcome of the election to fill the seats on the new board.

LEGISLATIVE COMMISSION MODEL

the merger becomes effective. So, 2000 it is...if the legislature cooperates by passing the legislation Multnomah County and Portland want...not a certainty these days.

But, under this law, the commission is a "runaway train." It doesn't even have to check back with Portland and Multnomah County to see if its proposal costs more or results in a loss of funds. Even if cost savings would immediately result, the savings wouldn't show up until the 1999-2000 fiscal year, at the earliest.

We have a financial crisis now; specific consolidations which address that crisis should be our top priority. Meanwhile, let's start a community-based, rather than a legislatively-based joint commission to propose political consolidation



Beverly Stein, Multnomah County Chair

Room 1515, Portland Building
1120 S.W. Fifth Avenue
Portland, Oregon 97204

Phone: (503) 248-3308
FAX: (503) 248-3093
E-Mail: mult.chair@co.multnomah.or.us

March 25, 1997

Electronic Memorandum

To: All County Employees

From: Chair Beverly Stein

RE: Today's City/County Consolidation Briefing

Today the Board of County Commissioners met with the Portland City Council and Mayors of the East Multnomah County cities to discuss proposals for government consolidation. Last Friday I sent out a global email outlining this proposal and the process it would likely follow. As a result of today's meeting and other discussions, there have been some changes in the proposal outlined in last Friday's email.

Revised Timeline Proposal

Mayor Katz and I have revised our proposed timeline for starting the consolidation process. Rather than suggesting a Board/City Council vote in June on whether to trigger the citizen consolidation charter process, we propose completing a "threshold study" to evaluate the fiscal and service level impacts of consolidation before voting. This study would help determine the potential benefits of aligning related service systems like transportation and public safety where current jurisdictional divisions cause disruptions or unintended problems. We still hope to adopt a joint resolution of intent to consider consolidation in April. The decision on whether to trigger the formal process would then be made this Fall, or by January, 1998 at the latest.

County Board/City Council Work Session

Members of both the County Board and the City Council mentioned today their desire to respond to the budget demands of Measure 47 by continuing to find areas to combine between both organizations regardless of how total consolidation proceeds. This work has been in progress for many years and has resulted in combined City/County functions like the Affirmative Action Office, Cable Regulatory Office, and soon, Emergency Management Services. The Board and the Council agreed today to meet again in 2 to 3 weeks to discuss other functions that might be combined in the next year.

In addition to discussing these potential service consolidations, the next joint session will also include:

- *Discussion of Legal and Legislative Issues Regarding the Citizen Charter Commission Process.* There is interest among some local officials for either creating an alternative

Consolidation Charter process or approaching the State Legislature with proposed improvements to the existing consolidation legislation.

- *A Draft Resolution of Intent will be Reviewed.* Mayor Katz and I will submit a proposed resolution that will express support from the Board and the City Council for exploring consolidation.
- *The Scope, Method, and Potential Cost of the Threshold Study will be Discussed.* These issues are not resolved among the Board and Council.

Additionally, Mayor Katz and I will be meeting Thursday with the Mayors of Gresham, Troutdale, Fairview and Wood Village to discuss the issues they have identified regarding the consolidation proposal. Their input will be brought to the joint work session.

I realize that the prospect of consolidation, whether it encompasses the entire County or specific service delivery functions, can be stressful, especially as discussions and proposals around it multiply and change. However, I want to assure you that we will continue to update you about this process and address any questions you may have. Questions and comments remain welcome at the 'Mult.Chair' email account or by interoffice mail 106/1515.



MULTNOMAH COUNTY OREGON

BOARD CLERK

OFFICE OF BEVERLY STEIN, COUNTY CHAIR
1120 SW FIFTH AVENUE, SUITE 1515
PORTLAND, OREGON 97204
TELEPHONE • (503) 248-3277
FAX • (503) 248-3013

BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN •	CHAIR	•248-3308
DAN SALTZMAN •	DISTRICT 1	• 248-5220
GARY HANSEN •	DISTRICT 2	•248-5219
TANYA COLLIER •	DISTRICT 3	•248-5217
SHARRON KELLEY •	DISTRICT 4	•248-5213

MEMORANDUM

TO: Multnomah County Agenda Subscribers

FROM: Deb Bogstad, Board Clerk

DATE: March 20, 1997

RE: New Location for County Commission Meetings

Effective April 1, 1997, the Multnomah County Board of Commissioners will turn hearing room 602 and room 604 in the County Courthouse over to the State Judicial System for operation of District and Circuit Courts.

In cooperation with the Portland City Council and Mayor, the Board of Commissioners will hold its weekly meetings in the auditorium on the second floor of the Portland Building, 1120 SW Fifth, Portland, Oregon, beginning April 1, 1997.

MEETING DATE: March 25, 1997
AGENDA #: JM-1
ESTIMATED START TIME: 9:30 am

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: City/County Joint Briefing

BOARD BRIEFING: DATE REQUESTED: Tuesday, March 25, 1997
REQUESTED BY: Chair Beverly Stein
AMOUNT OF TIME NEEDED: 2 Hours

REGULAR MEETING: DATE REQUESTED: _____
AMOUNT OF TIME NEEDED: _____

DEPARTMENT: Non-Departmental DIVISION: Chair Beverly Stein

CONTACT: Carol Ford TELEPHONE #: 248-3956
BLDG/ROOM #: 106/1515

PERSON(S) MAKING PRESENTATION: Elected Officials, Invited Staff

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

Joint Meeting Between the Multnomah County Board of Commissioners, Portland City Council, and Mayors of the Cities of Fairview, Gresham, Maywood Park, Troutdale and Wood Village for Briefing and Discussion of City-County Consolidation Issues, Resolution of Intent, Public Input Process and Charter Review Commission Process and Timeline.

SIGNATURES REQUIRED:

ELECTED OFFICIAL: Beverly Stein
(OR)
DEPARTMENT
MANAGER: _____

BOARD OF
COUNTY COMMISSIONERS
97 MAR 20 PM 2:08
MULTNOMAH COUNTY
OREGON

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277

BOGSTAD Deborah L

From: CHAIR Mult
Sent: Thursday, March 13, 1997 9:17 AM
To: #ALL PDXLAN USERS; #ALL AGING SERVICES; #ALL ANIM-CTRL USERS; #ALL AT USERS; #ALL CFSD USERS; #ALL DA USERS; #ALL DCC USERS; #ALL DES-ADMIN USERS; #ALL FAC USERS; #ALL HLTH USERS; #ALL ISD USERS; #ALL JUV LAN USERS; #ALL LIB USERS; #ALL MCSO USERS; #ALL NET SERVICES USERS; #ALL TCOM USERS; #ALL TRAN USERS; #ALL TSCC USERS
Subject: Message from the Chair and the Mayor

****Please Post and Distribute to Employees without email. Forward requests for hard copies to the Chair's Office 248-3308.****

Message To County And City Employees From Chair Beverly Stein And Mayor Vera Katz

In the weeks ahead, we intend to initiate a public discussion about the possibilities of consolidating City and County services. Those of you who attended the joint city/county budget meetings heard citizens expressed concerns about what they saw as duplicative or disconnected local government services, and suggested we take action.

In response, we have been meeting with or will meet with the members of the Portland City Council, the Multnomah County Board of Commissioners, other elected officials, the mayors of cities within the County, bureau and department managers, and the leaders of labor unions representing city and county employees, to explore ideas.

Out of respect for those we have not yet met with, including the mayors and city councilors of cities within the County, bureau managers, and the leaders of labor unions representing city and county employees, it would be inappropriate for us to make any further statements at this time. However, we want to assure you that we will be updating you again after we have completed our meetings.

Any plan to consider structural changes will include adequate time and allow substantial opportunity for input and involvement by employees, customers and citizens.

We thank you for your hard work and dedication as we face these challenges together. If you have any concerns or questions, please email the MultChair account or call the Chair's Office at 248-3308.

BOGSTAD Deborah L

From: CHAIR Mult
Sent: Friday, March 21, 1997 9:18 AM
To: #ALL PDXLAN USERS; #ALL AGING SERVICES; #ALL ANIM-CTRL USERS; #ALL AT USERS; #ALL CFSD USERS; #ALL DA USERS; #ALL DCC USERS; #ALL DES-ADMIN USERS; #ALL FAC USERS; #ALL HLTH USERS; #ALL ISD USERS; #ALL JUV LAN USERS; #ALL LIB USERS; #ALL MCSO USERS; #ALL NET SERVICES USERS; #ALL TCOM USERS; #ALL TRAN USERS; #ALL TSCC USERS
Subject: Process for Proposed County/City Consolidation

Electronic Memorandum

To: ALL MULTNOMAH COUNTY EMPLOYEES
(Please Post and Distribute. Call 248-3308 for hard copies)

From: CHAIR BEVERLY STEIN

RE: PROCESS FOR PROPOSED COUNTY/CITY CONSOLIDATION

Last week Mayor Katz and I announced our intention to begin a public discussion about the possibility of consolidating the governments of Multnomah County, the City of Portland and possibly the other cities in the County. This is the first step in a process that could have a dramatic effect on local government structure and government services. As we have done regarding the Measure 47 budget process, I want to stay in touch with County Employees about this consolidation proposal. In the weeks to come, my office will send out updates by global email and other requested formats concerning this issue.

WHY CONSOLIDATE NOW?

Those of you who participated in the Measure 47 Community Meetings heard with me the call of citizens to consider consolidation of functions among their local governments. People want responsive, efficient, understandable government and consolidation is a logical option. While Measure 47 will reduce resources for all local governments, the potential for eliminating duplication and aligning related services under one entity can help us retain more of our total service capacity. Our local governments can "weather the storm" of these budget cuts better together. We have a procedural task to attend to as well. The County's Charter must be reviewed this year. Consolidation should be an option when changes to the County structure are being considered. It has been 22 years since consolidation has been seriously discussed and in the intervening period, annexations have eliminated most of unincorporated Multnomah County. 83% of County residents now live in the City of Portland.

TIMELINES

There have been reports in the media which suggest that consolidation will occur in the very near future. I want to clarify that the process for County/City consolidation is governed by Oregon State Law which establishes comprehensive procedures. It states that an independent Charter Commission would be formed. This commission would be charged with drafting a plan for consolidation based on the input of citizens, employees, community leaders and others. At this point, we are considering starting this process which would take one and a half to three years to place a proposal before the voters. If this process is initiated, the earliest a proposal could be voted on is November 1998 (although November 1999 is much more likely). A transition period for implementing a consolidated government would likely follow with a gradual phase-in schedule.

WHAT HAS TO HAPPEN FIRST

Before any steps towards consolidation will occur, the Board of County Commissioners and the Portland City

Council must decide whether or not to initiate the process governed by State law. Next Tuesday, March 25th, there will be a joint Board/City Council briefing for the issue to be introduced and discussed between the governing bodies. This meeting will be open to the public but no testimony will be taken. During April and May, a community input and public discussion process will take place. In late May or early June, if the Board and the City Council wish to proceed, they may adopt a resolution regarding consolidation, which would begin the State process and cause the Charter Review Committee to be appointed.

THE STATE PROCESS

Oregon Revised Statute (199.705-199.775) provides a procedure for local government consolidation efforts. Some of the key provisions of the law are:

- A majority of the Portland City Council or a majority of the Multnomah Board of County Commissioners may initiate the State process
- An eleven member independent Citizen Charter Commission must be created by appointment. Appointments are made as follows:
 - Three by County State Senators
 - Three by County State Representatives
 - Two by County Board of Commissioners
 - Two by Portland City Council
 - One by mayors of other cities within the County
- Citizen Commission has one year to publish draft charter and to solicit public input
- Within two years of commission creation date, commission prepares draft charter
- Proposed charter referred directly to the voters after approval by a majority of the commission
- Voters living in other cities within the County can vote on whether or not to join consolidated government

The Law also protects the status, pensions, and benefits rights of employees affected by the consolidation. We have had preliminary discussions with our labor unions regarding the possibility of consolidation and will continue to keep them updated and involved.

SUMMARY

I hope this clearly illustrates that the current discussion about consolidating is a preliminary step to an extensive process which involves many different individuals. This is an idea being advanced, and one that I believe offers the potential for our community to craft an appropriately responsive and integrated government as it prepares for the challenges of the next century. This proposal is in no way a foregone conclusion.

You are uniquely positioned to comment on this proposal and I welcome your input and your questions regarding it. Please send them to our 'MultChair' email account or via interoffice mail at 106/1515. We will attempt to answer questions and concerns in the FAQ format that we have used for Measure 47 communications. As this process advances, we will continue to send updates.

TIMELINE IN BRIEF

March 25 th	Joint Board/City Council Briefing	
April-May	Public Comment/Community Input Process	
May-June	Board/City Council Decision on Resolution of Intent	
Next 18-24 months	Charter Commission Formed, Input Solicited,	Draft Proposal
Written		
In next 6-8 months	Proposal Finalized, Possible Referral to Voters	

March 21, 1997

TO: Portland City Council
Multnomah County Board of Commissioners
Mayors of Gresham, Troutdale, Fairview, Maywood Park, Wood Village
County Auditor Gary Blackmer
City Auditor Barbara Clark
Sheriff Dan Noelle
District Attorney Mike Schrunk

FROM: Bill Farver *BF*
Sam Adams *SA*

RE: Agenda and Materials for March 25th Cities-County Informal Session on Consolidation

The joint Cities-County informal session and briefing is scheduled for Tuesday, March 25th, 9:30 - 11:30 in the Multnomah County Commission Boardroom on the 6th floor of the County Courthouse, 1021 Fourth Avenue. The agenda and materials for the joint meeting are attached.

This meeting is the opening discussion between elected officials on whether the City of Portland and Multnomah County should move forward with the formal process to evaluate and consider city-county consolidation. This discussion also includes issues regarding east county cities and unincorporated areas. It is the first step in Mayor Katz and Chair Stein's proposed three-step decision making process:

1. Identify issues to be resolved and questions to be answered before enactment of cities-county consolidation resolution.
2. Portland City Council and Multnomah County Board passage of a "resolution of intent." The resolution of intent expresses support for starting the city-county consolidation process provided under state law once council(s) and board identified questions have been answered and issues resolved.
3. City Council and/or County Board passage of resolution beginning a consolidation process during a joint Portland City Council/Multnomah County Board of Commissioners meeting.

The packet includes a revised version of the briefing paper you received last week. The revised information highlights the legal, financial and human resources issues around consolidation. It also addresses many other areas. Please review these materials; they will be helpful in framing the discussions next week. City and County staff will be available at the joint meeting to answer questions about these materials. We are continuing to prepare additional materials and will provide them to you as they are completed.

County and City Consolidation Draft Proposal

Briefing Paper

Prepared by the Offices of:

**Multnomah County Chair Beverly Stein
Portland Mayor Vera Katz**

Revised March 24, 1997 (7:43am)

I. Introduction

The purpose of this County and City Consolidation Briefing Paper is to identify the problems associated with maintaining separate City of Portland and Multnomah County governments, propose a set of criteria for evaluating potential solutions to the identified problems, outline alternative opportunities under State law, discuss variations to those alternatives, describe their "pros" and "cons," evaluate the alternative solutions against the criteria and outline a proposal for moving forward to address the problems.

The factual basis for this briefing paper is a scan of national research, a review of material from past related efforts, and a preliminary analysis of selected current issues. This briefing paper is designed to distill and summarize the available information to help frame the major issues of County and City consolidation.

Included with this briefing paper are the following seven attachments:

- Attachment A: Local Government Evolution
- Attachment B: Pros and Cons of Options
- Attachment C: Evaluation Worksheet of Consolidation Options
- Attachment D: City/County Employment and Expenditures, 1970 to 1997
- Attachment E: Summary of Expenditures by Comparative Service Area
- Attachment F: Summary of Consolidation Legal Requirements
- Attachment G: City/County Consolidation Time Line

In addition to the attachments, the following companion documents detail special considerations for County and City consolidation:

- Human Resource Memorandum
- Fiscal Memorandum
- Legal Memorandum
- Summary of Consolidation Survey Results
- Selected Newspaper Articles
- Cities/County Boundaries Map

Unless otherwise noted, the scope of this proposal and associated briefing information is limited to the discussion of consolidating the governments of the City of Portland and Multnomah County.

II. Why Now?

Beyond the substantive reasons for addressing the problems of maintaining separate County and City governments, there are additional reasons to do so now.

This is an opportune time because:

- Measure 47 budget cuts and service reductions will reduce the capacity of both governments. Consolidation will help restore some services:
- Public response to Measure 47 budget reductions has suggested looking for economies in central administrative functions. Consolidation will target those functions.
- There is an unprecedented level of cooperation between elected officials in City and County government. Consolidation has the support of many elected leaders.
- Annexations have eliminated most of unincorporated Multnomah County, so that 79% of County residents are in the City of Portland. Twelve percent reside in the City of Gresham, and the remaining nine percent are distributed between the four small cities and unincorporated areas. Consolidation will simplify government for the vast majority of County residents.
- Multnomah County's Charter requires a charter review process every six years. This is the year. Consolidation should be an option when changes to the County structure are considered.
- In the past voters have rejected cities and county consolidation, but times have changed and it deserves another look.

III. Problems Identified With Separate City and County Governments

In describing the problems of separate City and County governments, it is important to note the individual and collective strengths that provide a foundation for addressing these challenges.

By national and local standards, both the County and City governing bodies and their management teams are considered to be effective, involved in the community and dedicated to excellence.

Both governing bodies enjoy positive working relationships with local, regional, state and federal government.

Most employees of the county and the city are recognized as hard working, competent and dedicated to public service.

Most citizens view their city and county as "headed in the right direction."

Both City and County are recognized for their fiscal and management excellence including: Superior bond ratings (City of Portland - AAA, Multnomah County - AA1); management and service programs consistent with current quality improvement principles; emphasis on performance outcomes and benchmarking; recent national awards for fiscal management, performance auditing, and leadership collaboration.

A County and City spirit of collaboration has already resulted in many joint efforts including domestic violence reduction, citizen surveys, program audits, business tax collection, public school funding support, workforce development, homeless shelters/facilities, housing, land use planning, neighborhood crime prevention, the Portland Multnomah Progress Board, Metropolitan Human Rights Commission, and regional arts and facilities support.

Even with the individual and collective successes of the Cities and County governments, problems exist as a result of them operating separately. The identified problems include:

- **Inefficient use of tax dollars spent on duplicate administrative services.**

The City and the County currently spend \$338 million annually to administer the following same services: legislative, legal, auditing, financial planning, human resource management, information services, capital improvement project management, administration of federal and state grant programs, employee health insurance programs, risk, facility services, fleet services, communications, and procurement.

- **Economies of scale are not fully achieved in purchasing selected materials, goods, and services.**

The City alone spends \$225 million each year to procure materials, goods and services. Some joint purchasing occurs between the County and the City but opportunities to complete more are hindered by the separateness of the City and County organizational structures.

- **Separate County and City services, targeted at the same needs that fail to meet their potential because they lack coordination.**

Annual expenditures on separate city and county programs that, in reality are interrelated parts of a larger process include: public safety programs (crime

prevention, 911, law enforcement, judicial services, and corrections); homeless services (homeless shelter construction and operations); housing programs (subsidized, special need, and market rate housing); transportation (streets, roads, and bridges); economic/workforce development (business assistance, job training, ready to work programs, social services), youth and family services (parks, community and family services, aging services), community outreach and involvement (ONA, community and family services, citizen involvement committee).

- **Citizens see no single point of public accountability for local government.**

Portland residents are potentially over-governed by two elected bodies and two bureaucracies, but lack one governing body to hold accountable for all aspects of their local quality of life. Many residents are confused about which government is responsible for what service.

- **Approach to growth planning and management is fragmented.**

The rapid growth of the Portland area is straining key local government services, yet the City and the County do not fully coordinate the planning of their services to deal with it. Too often, each jurisdiction creates separate plans for the services it supervises. The City partners with neighborhoods to complete community plans which focus on land use and infrastructure development, while the County works with neighborhoods to build resource networks for youth and families, senior citizens, immigrants and the poor. As a result, the social services aspects of neighborhood growth planning are absent from local growth management plans, and service networks suffer from being excluded from infrastructure decisions.

- **Piecemeal City and County consolidation is slow and yields few results.**

A decade of piecemeal consolidation efforts has yielded limited results. Law enforcement services have undergone a gradual transformation as annexations have proceeded. Two years of work with emergency management has yielded a plan which partially consolidates our efforts.

- **Taxpayers believe they are subsidizing services from which they don't benefit.**

Lingering perceived inequities persist between urban and non-urban county taxpayers. Some urban residents feel "overtaxed" for County services in unincorporated areas that they do not use. At the same time, rural residents often feel they are supporting a variety of human and public safety services that do not directly benefit them.

- **City and County government structures are outdated.**

Much of County and City government has incrementally evolved to its current form as a result of piecemeal changes over the past 70 years. As a result, good employees are often trapped in illogical functions, and good programs and planning are limited by fractured systems. For example, City Charter and ordinance require that City project managers responsible for construction of City facilities valued at more than \$43,076 must navigate up to 52 steps after the City Council has separately approved the projects' budget and authorized the request for proposals (RFPs), but before any construction can begin.

- **Big taxpayer liabilities are not adequately addressed.**

The City's unfunded police and fire retirement fund is considered a City problem which no other jurisdiction seeks to embrace. The County is responsible for eight bridges in Portland's core, bridges that have decades of backlogged maintenance, a burden which no other jurisdiction will assume. In reality, of course, these are local taxpayer liabilities that should be addressed collectively in coordination with other local government obligations.

- **Our citizens are confused and suspicious.**

Citizens repeatedly ask: "Who does what and why?" "Why do you both provide the same service?" "Isn't this a waste of money?" "Why don't you just get together on this?"

IV. Options for Addressing Identified Problems

Oregon provides three options to address the problems identified with maintaining separate City and County governments. Within each option is a variety of implementation choices. Summarized in this section is a brief description of each option and some of the ways in which it can be implemented.

A. Maintain Status Quo

Maintain current efforts between the City and the County. The County and the City currently have a number of jointly funded functions that operate on the basis of intergovernmental agreements. These include the functions of affirmative action, progress board, business license collections, and cable franchise management.

B. Increase Intergovernmental Agreements

Oregon law permits two types of intergovernmental agreements: those that are permanent

functional transfers and those that are temporary contracts. Permanent functional transfers give the receiving jurisdiction full responsibility and authority to provide the assigned functions and often include control over the necessary revenues.

Oregon law is relatively permissive in allowing local governments to contract with each other for services. Virtually any service could become the subject of an intergovernmental agreement unless limited by Charter or State law.

On October 16, 1996, the City and the County established a joint work plan to increase the number of intergovernmental agreements. The intergovernmental work plan includes the following five issues (and their project managers): joint siting of government facilities (Hansen and Kafoury); implementation of 2040 goals (Hales and Saltzman); transfer of Sheriff patrol duties (Katz and Noelle); transfer of emergency/disaster response to the cities (Katz and Collier); public safety system integration (Public Safety Coordinating Council). Progress on these work plan agreements has been adversely impacted by the subsequent passage of Ballot Measure 47.

A variety of additional implementation approaches could be considered to increase the number of intergovernmental agreements. For example, the City Council and the County Board could create a group that is empowered with broad authority to consolidate selected City and County functions. The group's decisions could be conveyed to both the Council and the Board for approval on a strictly "yes" or "no" consideration basis. Or, the group could ask the City Council or County Commission to refer intergovernmental agreement proposal directly to the voters for consideration. This model is a variation on the "bi-partisan" or "non-partisan commission" approach often used by the U.S. Congress to deal with very contentious issues such as social security funding and military base closings.

C. Consolidate Cities and Multnomah County

Oregon Revised Statutes provide for a process to consolidate entire municipal and county governments. It is initiated by the governing body of the County's most populous city or the County Board of Commissioners: an eleven member charter commission is appointed and has up to two years to prepare and publish a draft charter.

An "opt-out" clause exists within the State statutes that allows for the smaller municipalities to remain independent from the consolidated government.

State law offers few choices in implementing this option. However, informal, non-binding implementation actions could be taken by the City Council and County Board during the two years preceding consolidation in anticipation of successful County and City consolidation.

For example, while the Charter Commission's work is underway, the City and the County

can be preparing for consolidation by looking at opportunities to restructure existing services and systems for efficiency, effectiveness, and accountability and to meet the needs of all City and County customers. Also, interim intergovernmental agreements to transfer functions should continue in the interim in the event the Charter Commission consolidation referendum is not approved by voters.

V. Criteria For Evaluating Alternatives

The criteria listed below responds to the identified problems of maintaining separate City and County local governments: Inefficient use of tax dollars, lack of economies of scale, dual accountability, fragmented planning, few results from current efforts and public confusion about roles and responsibilities.

- Improve service quality. Option will improve the quality of services provided to citizens and customers.
- Increase efficiency. Option will produce efficiencies by eliminating duplicate functions.
- Improve effectiveness. Option will increase effectiveness by integrating local government services where appropriate.
- Reduces or avoids costs. Option will demonstrate ongoing cost savings or costs avoided within five years of implementation.
- Increases accountability. Option will provide a single point of responsibility and accountability for providing all local government services.
- Includes citizens in its development. Option will include significant participation of citizens, taxpayers, and key stakeholders as part of its development process.
- Provides "opt out" options to smaller city residents. Option will allow residents of smaller municipalities within the County to choose for themselves whether or not to join in any proposed changes.
- Increases neighborhood services and citizen involvement. Option will increase citizen involvement by increasing the number and scope of neighborhood services.
- Developed on mandated time line. Option will be completed on a time line which is mandated up-front.

VI. Evaluation of the Options

We propose that the problems associated with maintaining separate City and County governments are best solved by enacting the State statutes that allow for consolidation of cities and counties.

We recommend this option after careful consideration of the problems, the criteria and extensive experience with the alternatives.

The option to maintain the status quo of existing intergovernmental agreements and existing areas of cooperation does not respond to the present or future needs of our community, nor is it responsive to the impacts of Ballot Measure 47. It does not adequately meet any of the criteria of this evaluation.

The option to increase the number of intergovernmental agreements performs more successfully in its evaluation against the criteria than the status quo option. However, it suffers across the board in this evaluation because of some fundamental weaknesses. This evaluation highlights two weaknesses.

First, there is a growing perception that the "low hanging fruit," the doable intergovernmental agreements have been "picked" and additional meaningful and significant functional transfer intergovernmental agreements will be difficult to achieve any time soon.

The difficulty in increasing intergovernmental agreements stems from the reality that maintaining a separate city government (to provide urban services) and county government (to provide rural or social services) is an increasingly irrelevant, artificial distinction in the real world of our communities and citizens. Without being able to offer a clear distinction of missions to divide the tasks among two (or more) local governments, rational discussions of which government should do what are difficult, if not impossible.

Second, success within this option is not success overall. Even if more County and City functions are realigned with additional intergovernmental agreements, a future City Council and County Board will have to revisit the question of overall City/County consolidation. By waiting to consolidate the entire County and City, even while taking smaller steps with intergovernmental agreements, we are concerned that the inherent weaknesses of governance separation will mean that we are less ahead of some problems and further behind others.

The option to consolidate City and the County as prescribed by state statutes performs the best of all the options against the criteria in this evaluation for addressing the identified problems. It is the option with the broadest scope of review and therefore with the most

potential to achieve improvements in each of the areas covered by the criteria. It is the only option to that can legally unify both governments. It is the only option that employs a citizen-based effort through the use of a Charter Commission that mandates a time line for completing the work and community involvement. It is the only option that legally protects the independence of the other cities in the County, if they choose to remain to do so.

Concerns about the short-term costs of consolidation are valid. As is mentioned in the companion staff considerations memorandums, however, the cost and benefits of consolidation are dependent on how it is done. This proposal assumes that the resources and energy will be provided to redesign, restructure, rebuild to get more results for citizens. Given the individual and collective strengths of each organization, doing consolidation right is very realistic.

The option to consolidated City and County governments is only a process. Its ability to deliver better governments at the best cost depends upon how it is done and what desired outcomes are identified up-front. This proposal suggests that all efforts and outcomes be guided by some principles established by the cities and County. The following guiding principles are offered consideration:

A. Guiding Principles for the Consolidation Process

- Follow legal requirements
- Operate under a mission statement.
- Include participation from all elements of the community.
- Consider promising practices from other jurisdictions
- Invest in quality leadership and citizen participation.
- Design organizational structures that serve the purposes of the results desired.
- Incorporate the benefits of technology wherever possible and practical.
- Design the structure and programs in light of the responsibilities of other levels of government.
- Build on the strengths of the present system; attempt to avoid its weaknesses.
- Reassess the scope of local governmental services, in light of changes in regional, state, and federal responsibilities and in consideration of the future growth of the community.

B. Guiding Principles for the Consolidation Product

- All programs and services will be designed for the benefit of the citizen.
- Government will plan and budget according to a continuous process of visioning, strategic planning, program design, performance measurement, and plan adjustment.

- Services will be delivered efficiently - the highest quality for the lowest cost.
- Public investments should be made at the point in any system where they can be most efficient. This requires a long term view that accounts for the efficiencies of prevention rather than the more expensive investments in curative measures.
- Privatization of services will be a consideration.
- System design that promotes strong accountability at every level, with decision making led by the closest possible entity to the citizen.
- The consolidated government will focus on RESULTS, not inputs and processes.
- The consolidated government will be designed for flexibility amid changing conditions.

This proposal to proceed with overall County and City consolidation assumes that County and City consolidation, in and of itself, will not negatively impact the ability of local governments to access currently available resources.

This proposal is built on the intention of providing ongoing consultation and involvement of the other cities in Multnomah County, but respects their wishes if they chose to remain independent cities.

VII. Proposed Consolidation Process

Before proceeding with the state mandated process for the consolidation City and County governments, each jurisdiction must be allowed ample time to finish their budget processes; complete the research related to County and City consolidation and consult with other cities in County on the option.

To these ends, we propose a two-step decision making process.

Step one: Enactment in April, 1997 of a "resolution of intent" that memorializes support for proceeding with the city and county consolidation option. Included in this resolution of intent will be a list of questions and issues posed by the Board, the Council, and the other jurisdictions. These questions will be answered and resolved before mid-June, 1997. Work to complete the intergovernmental work plan tasks will proceed. By the end of May, 1997, the Chair and Mayor(s) will also complete discussions with the State House and Senate delegations and report back to the Board and City Councils.

Step two: Enactment in July, 1997 of a resolution required by state law beginning the mandated process to complete County and City consolidation. At, or soon after enactment, the City and County in consultation with the other cities, will develop a two-year work plan to prepare for the integration of services. Some services could be integrated prior to voter consideration of the Charter Commission's referendum. Others

will be prioritized for integration after overall consolidation. Whether the consolidated charter referendum is approved or not, by proceeding with the interim integration efforts, the County and the City services will be more consolidated.

Attachment A

Local Government Evolution

- Oregon Provisional Government formed 1841
- Oregon Provisional Government divided into four districts (Tuality, Clackamas, Yamhill, and Champoeg) 1843
- Washington County created from Tuality District 1849
- Portland incorporated (within Washington County) 1851
- Multnomah County established by State statute 1854
- East Portland incorporated 1870
- Albina incorporated 1887
- Sellwood incorporated 1887
- East Portland consolidated into Portland 1891
- Albina consolidated into Portland 1891
- St. Johns annexed to Albina 1891
- Sellwood consolidated into Portland 1893
- St. Johns detached from Albina 1898
- St. Johns incorporated 1903
- Gresham Incorporated 1905
- Troutdale Incorporated 1907
- Fairview Incorporated 1908
- Linnton incorporated 1910
- City of Portland/Multnomah County consolidation rejected in *statewide* vote 1913
- St. Johns consolidated into Portland 1915
- Linnton consolidated into Portland 1915
- Constitutional amendment to allow City of Portland/Multnomah County consolidation rejected by *statewide* vote 1927
- Wood Village Incorporated 1951
- Maywood Park Incorporated 1967
- Constitutional amendment allowing cities and county to consolidate approved by *statewide* vote 1968
- State legislature enacts consolidation enabling legislation 1971
- Local voters defeat proposal to consolidate cities and County 1974

Attachment B Alternatives

I. Options For Addressing Identified Problems

Oregon law provides three options to address the problems identified with maintaining separate County and City governments. Within each option are a variety of choices. Below is a brief summary of the pros and cons presented for each option.

A. Maintain Status Quo

PRO:

- Could be perceived as "cheaper than change."
- Could prevent erosion of citizens' trust and confidence in local government by focusing efforts on improving current governmental structures as they are now.
- Avoiding interjurisdictional transfer of liabilities would avoid "spreading the pain."
- Least disruptive option in the short term
- State Ballot Measure 47 implementation uncertainties not compounded by uncertainties of changing local government structure.
- The strain the additional workload would place on limited current capacity avoided.
- Issues of intergovernmental control avoided.
- Employees not distracted - continued focus on quality and delivery.

CON:

- Local governments continue to act independently of one another.
- Continued duplication of services.
- Continued operation of disconnected processes/systems.
- Dual accountability of the provision of local government services.
- Citizen trust and confidence in local governments could be eroded by real or perceived nonresponsiveness to public demands to become more efficient, effective, and accountable.
- Lingering local government tax inequities.
- Long standing problems not addressed collectively by local governments

B. Increase Intergovernmental Agreements

PRO:

- Selected duplicate local government services can be eliminated.
- Selected governmental services can be integrated.
- Intergovernmental agreements are legal and enforceable contracts.
- Intergovernmental agreements can mandate and allocate cost savings.
- Intergovernmental agreements can require an improvement in the quality of services provided.

- Changes to existing leadership and management positions are minimized and predictable.
- Considered less threatening to some.
- Change can be focused on priority service areas.
- Contracts can be created by a simple majority vote of the affected governing bodies.

CON:

- Intergovernmental agreements have not recently integrated many government services.
- No mandated time line for completing intergovernmental agreements.
- Negotiating contracts is difficult and contentious.
- In some cases, modest change requires as much energy to resolve issues as does bolder change.
- For intergovernmental contracts, governing bodies cannot ordinarily commit a later elected body to expenditures in future years.
- Contracts don't address equity issue of double taxing City residents.
- Contracts can complicate the lines of accountability to voters.
- Pre-analysis rarely "demonstrates" cost savings.
- Intergovernmental agreements can undermine the independence of other affected jurisdictions.

B. Consolidate Cities and Multnomah County

PRO:

- The voters get to decide whether or not to change local government structure as recommended by the charter commission.
- ORS 199.705-199.775 provides for an "opt out" clause respecting the integrity of residents in smaller municipalities.
- Option with the broadest scope of review and , thus, the most potential for achieving benefits.
- Charter commission can package referendum that eliminates duplication of local government services.
- Charter commission can package referendum that integrates government services where appropriate.
- Charter commission has two years to involve citizens, taxpayers, and key stakeholders in the development of referendum.
- Charter commission can create referendum that transfers delivery of selected services to other regional or local governments.
- Charter commission can create a referendum that decentralizes decision making authority where appropriate to community and/or neighborhood based level.
- Charter commission can create a referendum that mandates cost savings or costs to be avoided within a particular time frame.
- After City or County passage of resolution, a mandated time line in process is enacted.
- Decisions about control are moved outside existing leadership and bureaucracy.

- Charter commission can create a referendum that decentralizes services to community and/or neighborhood based level.
- Outside charter commission process allows existing leadership, management and employees to focus on ongoing responsibilities.

CON:

- Charter commission could choose not to place a referendum on the ballot.
- Option with the broadest scope of review and , thus, the most potential for achieving harm.
- Charter commission process could be "messy" and erode citizens' trust and confidence in their local governments.
- Charter commission process might not address (and possibly should not) long standing operational deficiencies i.e. unfunded pension requirements.
- The Charter Commission members could lack local government expertise and thus create a referendum "that makes things worse."
- Existing cities and County leadership could view potential change as too much and reject option.
- Existing city/county leadership unwilling to "put at risk" current status.
- Potential increased costs to unified government, if not balanced by efficiencies.
- Could be viewed by voters as "bigger government."
- Potential labor leadership consolidation could produce resistance.

Attachment C
 Evaluation Worksheet of Consolidation Options

	Alternatives		
	Maintain Status Quo	Increase Intergovernmental Agreements	Consolidate Cities/County
Criteria			
a. Improves Service Quality			
b. Increases Efficiencies			
c. Improves Effectiveness			
b. Reduces or Avoids Costs			
c. Increases Accountability			
d. Includes Citizens in its Development			
e. Provides "Opt Out" Option to Smaller City Residents			
f. Decentralizes Decisions To Neighborhoods			
g. Developed On Mandates Time line			
Total			

Key						
+3	+2	+1	0	-1	-2	3
Meets Criteria	Likely to Meet Criteria	Possibly Meets Criteria	Neutral Relationship to Criteria	Possibly Does Not Meet Criteria	Likely Does Not Meet Criteria	Does Not Meet Criteria

Attachment D

City and County Employment and Expenditures, 1970-1997

	1970	1980	1990	1997	%Change 1970-1997
City of Portland					
Total Population	377,800	367,500	432,175	503,000	33%
Total Employees	3,974	4,212	4,751	5,157	30%
Employees per 1000 Population	10.5	11.5	11.0	10.2	-3%
Total Expenditures- Current \$	76,500,000	372,000,000	531,000,000	959,000,000	1150%
Total Expenditures - Constant \$ 1970	76,500,000	180,700,000	247,300,000	329,000,000	329%
Per Capita Expenditures Current (1967) \$	203	1013	1229	1908	839%
Per Capita Expenditures Constant (1967) \$	203	492	572	870	329%

Multnomah County					
Total Population	559,600	560,600	581,000	636,000	13.65%
Total Employees	3,299	2,666	2,495	4,104	24.4%
Employees per 1000 Population	5.9	4.76	4.29	6.45	9.46%
Total Expenditures- Current \$	60,700,000	164,600,000	280,000,000	568,000,000*	836%
Total Expenditures - Constant \$ 1970	60,700,000	70,000,000	87,000,000	133,000,000	119%
Per Capita Expenditures Current (1967)\$	108	293	481	893	723%
Per Capita Expenditures Constant (1967) \$	108	125	150	209	93%

Attachment E
Summary of Expenditures In Comparative Service Area

<u>CITY ONLY SERVICES</u> \$444 million	<u>INTERRELATED SERVICES</u> \$285 million		<u>BOTH CITY and COUNTY PROVIDED SERVICES</u> \$338 million		<u>COUNTY ONLY SERVICES</u> \$277 million
Fire Bureau Parks & Recreation Water Environmental Services (Sewers) Licenses Portland Dev. Commission Energy Buildings	<u>Public Safety/ Criminal Justice</u> BOEC Sheriff Police District Atty Community Corrections Juvenile Justice Felon Impact	<u>Housing & Homeless</u> Parts of City's Housing and Community Development & PDC and parts of Co.'s Community & Family Services <u>Workforce Development</u> Parts of City's PDC and parts of Co.'s Community & Family Services & SIP <u>Neighborhood Services To be Determined</u> Includes but not limited to parts of City's ONA & Parks, and parts of Co.'s Community & Family Services, Health, and Aging	General Services/ Facilities & FREDS Neigh. Asso./ Citizen Involve. Transportation Auditor Chair/Mayor City Atty/County Counsel	Finance & Admin / Support Services HCD / Com Action & Devel Planning Commissioners Offices Cable Communications	Health Dept Library Aging Services Behavioral Health Child, Youth, and Family Services Dev Disabilities Animal Control Elections Assess & Taxation TSCC

- NOTE
1. These are preliminary calculations from FY 1996-97 budgets. All non-operating costs (large capital projects, reserves, etc.) to be removed.
 2. These numbers are accounted for in different ways so it is not easy to compare City and County budgets. Similar department names do not necessarily reflect similar services
 3. Analysis of "City and County Services" needs to be completed to show "apples to apples" costs being spent in comparable services.

Attachment F
Summary of Consolidation Legal Requirements

The Oregon Revised Statutes Govern All Local Government Consolidation Efforts:

- 19,331 citizen petitioners, majority of City Council of most populous city or County Board may initiate up to three-year process.
- Eleven member independent citizen Charter Commission created by appointment:
 - Three from County convention of 9 State Senators
 - Three from County convention of 15 State Representatives;
 - Two from most populous City Council
 - Two from County Board
 - One from County convention of other city mayors.
- Governor appoints if any appointing authority fails to do so within 30 days; citizen Charter Commission selects its own chair; Charter Commission provided resources From County Board.
- Charter Commission has one year to publish draft charter and solicit public input.
- Within two years of Commission creation date, Commission prepares a draft charter.
- Proposed charter Referred directly to voters after approval of majority of Commission.
- Approved new consolidated charter implemented on date specified in charter.
- Voters residing within most populous city and unincorporated areas vote on proposed charter once; vote counts twice.
- Voters living in other municipalities vote once on proposed charter; once on whether on not their city should join.

Oregon law also imposes the following legal requirements on City/County consolidations:

- The process for cities and county consolidations are set forth in Oregon constitution and state law.
- City/County consolidation process could fulfill County charter review process.
- Legal uncertainties associated with Ballot Measure 47 and HJR85 apply to City/County consolidation.
- Consolidated City/County physical boundaries would vary for purposes of City functions and County functions.
- New government has all rights of a City and a County.
- New government must provide County services within non-consolidated cities.
- All city governments within the County are subject to consolidation with voter approval.
- Other than the most populous city, voters in other cities may "opt out" of the overall consolidation.
- Opted out cities would receive County services from consolidated City/County.
- Residents of opted out cities would participate in election of governing body of the consolidated City/County.
- Consolidation would extinguish County service districts; could be reestablished by

consolidated City/County

- Employees status, pension, benefits and rights must be preserved as part of any consolidation.
- New government assumes the debt and assets of all the old.
- New government tax base may not be less than combined tax bases of all the old.

- As limited by State law, the new government charter will authorize collection of other charges, taxes and fees.
- Charter Review Commission not required to put referendum on ballot.
- Land use plans not affected by consolidation.
- Proposed charter specifies effective date for new government existence.
- New government charter prescribes transition provisions.
- New governing body nominated and elected in a manner prescribed in new government charter.

Attachment G
 PROPOSED CITY-COUNTY CONSOLIDATION TIME LINE

Tues	March 25, 1997	Cities-County Briefing <ul style="list-style-type: none"> • Mayor & Chair's Vision • Question and Answers on Briefing Information • What other information is needed before vote to proceed with City-County Charter Commission process. • Discussion of public process.
Thurs	March 27	East County Meeting: Gresham, Fairview, Troutdale, Wood Village and Multnomah County
	During week of Mar 31 - Apr 4	City and County to vote on resolutions of intent to move forward with City-County Charter Commission process. Includes: proceed with community input process, TIME LINE for completion of analysis information, date for voting on resolution to start process for City-County Charter Commission.
	April - May	Staff preparation of additional analysis and information.
	April - May	Community input process
Mon	By June 30	Board of County Commissioners and City Council to vote on resolutions to start process for City-County Charter Commission. June 30th deadline used to coordinate with County charter review requirements. June 26 is the actual last regular meeting date for both City and County before June 30. Or a special meeting could be scheduled - separately or jointly. When resolution is passed by either body, the 30-day countdown for appointment of City-County charter commission is started.

The following follows the state requirements for City-County Charter Commission and assumes a June 30th start date.

Sat	July 5	Copies of resolution sent to other cities (5 days after resolution passed)
Wed	July 30	End of 30 day appointment countdown. If appointments not made, goes to governor (additional 15 days for appointments - Aug 14)
Mon	Aug 4	Deadline for scheduling first City-County Charter Commission meeting (5 days after appts.). First Charter Commission meeting to be held 10 or more days later. (<i>Assumes that the governor doesn't need to make appointments</i>)
	Aug 97 - Aug 98	Commission prepares draft charter and holds public hearings.
	Aug 98 - Aug 99	Commissions finalizes proposed charter and sets election date.
	Nov 1999	Next election date.

**Joint Cities-County Informal Briefing
on Consolidation Issues**

DRAFT

**March 25, 1997 9:30 - 11:30
Multnomah County Boardroom
6th Floor, County Courthouse, 1021 Fourth Avenue**

Purpose/Outcomes:

- Discuss "Why Now"
- Discuss consolidation process and timeline.
- Review financial, human resources and legal issues.
- Identify additional information needed prior to vote to proceed.
- Discuss community input process

Agenda

- | | | |
|---------|--|-----------------------------------|
| 5 mins | Welcome
Purpose of meeting. Introductions. | <i>Mayor Katz and Chair Stein</i> |
| 10 mins | "Why Now" for Consolidation Discussion | <i>Mayor Katz and Chair Stein</i> |
| 15 mins | Polling results summary | <i>Adam Davis</i> |
| 30 mins | Elected Officials' Hopes and Concerns about Consolidation
City Council, County Commissioners, East County Mayors, and
Other Elected Officials | |
| 30 mins | Questions & Answers on Briefing Paper <ul style="list-style-type: none">• Proposed consolidation process, timeline and resolution of intent• Legal, Financial, and Human Resources Issues.• Breakdown: City services, County services, interrelated services and City/County services | <i>City & County Staff</i> |
| 15 mins | Identify additional information needed <ul style="list-style-type: none">• Set timeline for additional information | |
| 10 mins | Community Input/Discussion Process <ul style="list-style-type: none">• What is the desired outcome?• Process and schedule options.• East County Meeting on March 27 | <i>Mayor Gussie McRoberts</i> |
| 5 mins | Wrap Up. | <i>Mayor Katz and Chair Stein</i> |



CITY OF PORTLAND
OFFICE OF FINANCE AND ADMINISTRATION
BUREAU OF PERSONNEL SERVICES



Temporary Location:
Interim City Hall, 1400 SW 5th, Rm. 1000
between Columbia and Clay at SW 5th

PHONE (503)823-3572

Mailing Address:
1220 SW 5th Avenue
Portland, OR 97204

FAX (503)823-4156

Vera Katz, Mayor

Tim Grewe, Director

Janice Deardorff, Personnel Director

MEMORANDUM

Date: March 21, 1997

To: Mayor Katz and Chair Stein

From: Janice Deardorff *Janice*
Phone (503) 823-3506, Fax (503) 823-4156
GroupWise PSJanice, Internet jdeardorff@ci.portland.or.us

Subject: PRELIMINARY HUMAN RESOURCES CONSIDERATIONS OF
CITY/COUNTY CONSOLIDATION

This memo is a preliminary review of the human resource issues and questions that need to be considered in a possible City/County consolidation.

While the financial and legal considerations are critical to the success of the consolidation, there are roughly 9,000 employees between the two organizations who will be asking questions in a much more focused vein. Employees will want to know:

- ◆ Why are we doing this?
- ◆ How will the consolidation affect my job, my pay, my benefits, my career, and my life?

Expanding beyond employee concerns, City/County consolidation generates excellent human resources and organizational development opportunities to capitalize and complement each other's quality initiatives; continue and enhance collaborative labor/management relationships; streamline management; create a cohesive vision of the role of local government in customer service and stewardship; take the best of both organizational cultures and consolidate them into one. It will be important to create a new organizational identity which responds to the public's desire for simplified and more efficient government.

It is important that the organizational strategy for managing the consolidation include a transition plan that will answer these key questions and keep employees involved and informed throughout the process.

HUMAN RESOURCES MANAGEMENT

Critical to the success of consolidation will be the melding of the City and County human resources management policies and practices. Both entities maintain strong human resources infrastructures to handle the smooth running of the respective organizations which result in high quality human resources service delivery.

Both organizations operate from similar but different infrastructures. Some of the key areas requiring review will be:

Bargaining Units: The City has seven represented bargaining units. The County has nine. The two largest units are both AFSCME units. By state statute, we would be required to negotiate with the 16 units on matters related to wages, benefits and working conditions. Negotiations would begin in advance, and in anticipation of the creation of the new entity. As of the effective date of the new entity, the new agreements would then be in force.

Both the City and the County have involved labor in a variety of processes and the consolidation provides further opportunity to work collaboratively on shared interests. We will need to seek labor's involvement early in the process and create a meaningful process for full participation.

Challenges in this area will arise, as they typically do, when discussing and negotiating the terms and conditions of the individual bargaining agreements. There is no requirement to "merge" like bargaining units but there may be an interest on the part of the bargaining unit to seek unit clarification for administrative ease and increased strength in size.

Civil Service: The City's recruitment and selection, classification, and suspension and discharge systems for most full-time, regular employees are covered by the City's Charter, Chapter 4, Civil Service.

The Charter provides certain rules, standards, and requirements for these areas, and an appeal process to the Civil Service Board. The Civil Service Board is a volunteer three citizen body which meets to hear appeals.

ORS 242.702-242.824 requires that any jurisdiction without a charter, ordinance or regulation based civil service system for *all* employees of the fire bureau, must create a system described by the law. The system required by the law is substantially more burdensome and restrictive than the current Civil Service system.

The County also has a civil service system and a three-member commission as required by the Multnomah County Code, 7.10-7.30. The commission makes recommendations to the board regarding the personnel policy of the county and hears appeals from classified employees.

In a City/County consolidation, the Charter Review Committee could recommend retention of one of the current civil service systems in the new City-County Charter or changes could be recommended including either the modification of one/both of the existing systems or the abolition of the Civil Service system. Changes would then be included in the vote for the new City-County Charter.

Employee Compensation and Benefits

The City and County each have compensation plans including job classifications and corresponding wage scales. In similar positions, the County appears to have wage rates that are lower than the City's. Challenges presented will be in the merging of these plans into one, including the formal negotiation of new wage rates. Employee concerns may be raised over the decision, if necessary, to "red circle" salaries that are outside the current wage scale for either the City or the County.

Both the City and the County have self-insured medical plans for employees. Opportunities exist for savings created by the economy of scale in a plan with more members. Challenges will be presented in creating a single plan that will meet the acceptance of employees and their respective bargaining units. The City and the County would be required to negotiate any changes to the current benefit levels. How the benefit plan is structured and administered is not negotiable, but would require the merging of the City and County's respective systems.

The City has utilized a successful Labor-Management Benefits Committee to review and make recommendations regarding employee benefits. Continuing collaborative efforts in this area would be encouraged in support of employee involvement.

The City and the County both offer a retirement plan to employees under the Public Employees Retirement System (PERS). At the County, both general employees and public safety employees are covered under PERS. There are some differences in the compensation practices of the City and County related to PERS contributions.

At the City, the majority of public safety employees are covered by the Fire and Police Disability, Retirement and Death Benefit Plan (known as FPD&R). Some former county public safety employees now at the City, opted to remain with PERS so the City has two plans for public safety employees. FPD&R was established and remains in the City Charter, Chapter 5.

A thorough review of both the PERS and FPD&R retirement systems and the effect of consolidation on retirement would be required.

Human Resources Information Systems

Both the City and the County use a variety of separate Human Resources Information Systems (HRIS) in support of hiring, compensation/benefits, and employee related functions (e.g. employee records). Consolidation of the City and the County will require merging the respective HRIS systems and a redesign of salary administration (e.g., payroll) and employee records practices which will feed into the resulting integrated system.

Opportunities exist to create a highly cost and time efficient system in comparison to the fragmented, and often, antiquated systems that both organizations operate with currently. A more highly automated data system will contribute to the goals of more efficient and effective services.

Affirmative Action/Equal Employment Opportunity

The City and County currently have a joint office which provides outreach recruitment, discrimination investigation, diversity training, and the maintenance of the Affirmative Action Plan. A consolidated government will continue the commitment to have a diversified workforce and be reflective of the community.

NEXT STEPS

Our preliminary review shows the need to do the following:

1. Develop a guiding Human Resources (HR) strategy.
2. Design a process for implementing the strategy and dealing with HR issues.
3. Develop criteria for a successful HR transition including:
 - ◆ Involvement of all stakeholders
 - ◆ Assisting employees in transition
 - ◆ Creating cost efficiencies
 - ◆ Structuring operating departments to deliver best possible services
 - ◆ Structuring HR to support organization and the people served
 - ◆ Creating an organizational culture which promotes:
 - ◆ organizational & operational simplicity
 - ◆ stewardship of the public trust
 - ◆ decision making at the lowest effective level
 - ◆ employee empowerment
 - ◆ quality service delivery
 - ◆ civility, trust and enthusiasm
 - ◆ enhanced productivity

4. Define organizational values.
5. Communicate openly with employees and managers
6. Identify HR driven costs and address financial implications

SUMMARY

As can be seen from this brief overview, now is a unique opportunity to reexamine the way we do business. The management of human resources will play an integral role in the success of the consolidation and establish a foundation for high quality service delivery.

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RFA

MEMORANDUM

To: Mayor Katz and Chair Stein

From: Rebecca Marshall Chao
Phone (503)-227-2009, Fax (503)-227-2510;
Internet rebchao@r-f-a.com

Date: March 21, 1997

SUBJECT: REGARDING PRELIMINARY FINANCIAL CONSIDERATIONS OF CITY/COUNTY CONSOLIDATION

Mayor Katz requested that I ponder the fiscal considerations of a possible city/county consolidation into a new entity. Since I serve as a financial advisor to both the City and the County, primarily in the area of capital finance and financial market relationships, I was asked to consider the financial impacts and opportunities.

Overall, in meeting the criteria of improved service quality, efficiency, effectiveness, cost reduction or avoidance, increased accountability, and the other goals of the consolidation effort, the success of the effort will depend heavily upon the process employed to achieve the goals, as well as the practical feasibility of the ends themselves. The end product, consolidation, can save or cost money, improve or thwart service delivery, increase or decrease accountability depending upon the soundness of the planning for the consolidation and the processes used to accomplish that consolidation.

The "master plan" for the consolidation will need staff and citizens from many areas of expertise who carefully analyze each area according to the criteria and who then estimate the fiscal consequences. The planning will need a clear enunciation of and buy-in to the guiding principles. Solutions to problems and challenges must be creative and thoughtful. Innovative attitudes are needed to recognize opportunities amid the present legal and structural constraints. People who fully understand how things work now and people who envision how things might work differently or better are needed; both from internal staff and external citizens and businesses. The implementing process will require sufficient time, perhaps several years, to analyze and to experiment and test assumptions and ideas while maintaining conservative financial principles, such as reserves and fund balances. Financial markets and rating agencies will be far more concerned about the thoroughness of the planning process underpinning the changes than in the final form and will expect the same quality of outstanding management, general and financial, that has preserved the very high ratings of both the City and the County over this past decade.

The following provides a preliminary and high level listing of some of the key financial areas and possible impacts, challenges, opportunities and next steps. Supporting information and numbers are being compiled.

FINANCIAL MANAGEMENT

Most important to the success of the consolidation is the continuance of the outstanding management for which both the City and the County have been recognized. This requires a melding of current policies and practices. Both entities use sound financial management principles, evidenced by their high ratings

- **Policies:** Both the City and the County have written policies addressing such financial areas as Financial Management, Debt, Investments, etc.
- **Forecasting:** A vital part of financial management is the ability to project and anticipate needs. Both entities produce forecasts using differing time periods, assumptions and methodologies. A new system must be designed which accurately represents the new entity and its characteristics.
- **Reporting:** It is essential to provide up to date information so that decisions can be made based upon the current financial status. Since the two entities use different management systems, this would need to be revised.
- **Statutory County Treasurer requirements:** Statutes contain various requirements for County Treasurers - paying agent for school debt, escheats, public liens, lost funds, property tax distribution. The new entity would need to absorb these requirements.
- **Program and Project Authority:** Each entity currently has different statutory or charter authority governing what sorts of services and activities it may pursue; these would need to be revised or created for the new entity.
- **Capital Programs and Budgets:** To meet the service requirements, both entities undertake extensive capital planning programs and budgeting.
- **Governance Differences and Ultimate Form:** The entities have different forms of governing bodies and responsibilities for bureaus or departments. Either one of the two forms must be carried forward or a new form must be devised. This also covers the financial management structure, whether by an Office of Finance and Administration or by a Department of Support Service with a Finance Division that includes a Treasury function.
- **Future Initiative Petitions:** No matter how excellent a job is done in establishing a consolidated entity, future initiative petitions can seriously impair the ability of any entity to manage their financial systems.

Opportunities and Challenges

If this is a new entity rather than a more limited consolidation, it would be possible to design a new form of government which may address real or perceived shortfalls of the current system. This could be financially beneficial, as long as the new structure supports and attracts the same high level of professional managers.

Many revisions and new statutes will be required. If the Legislature fails to approve these, the new entity's viability may be undermined.

Next Steps:

- Each entity has specific authorizations for certain functions. These must be reviewed.
- New charter language and lists of necessary statutory revisions must be made.
- The new form of governance and basic structure needs to be determined and then the effect upon the decision making process and fiscal accountability should be assessed.
- The financial feasibility of a new entity needs to be assessed.
- The new form of governance will need clarification as to its constitutional authority.

CREDIT-WORTHINESS

The financial markets, generally represented by the rating agencies, evaluate the credit worthiness of a municipality for the purposes of borrowing money (generally, debt or bonds or leases). The City issues a wide range of debt, from voter approved general obligation bonds ("G.O. bonds") to revenue bonds of all types. The County issues mostly voter approved G.O. bonds and certificates of participation ("COPs"). The City and the County are at the two highest rating levels for the general obligation bonds: the City's Moody's G.O. rating is **Aaa** and the County's is the next highest, **Aa1**.

- **Current Long-Term Credit Ratings**
 - ◆ **General Obligation** - Voter approved debt. Neither has used this extensively, although the County's last issues exceeded \$108 million. County uses G.O.s primarily for library and corrections construction. City uses G.O.s primarily for parks.
 - ◆ **Limited Tax General Obligation** - As the general fund shrinks due to Measures 5 and 47 and HJR85, the burden of the debt which uses the general fund as security becomes greater. County issues certificates of participation extensively for health, juvenile justice and general facility purposes. City uses limited tax G.O. bonds for Local Improvement Districts, arena, equipment, 911, general facility purposes.
 - ◆ **Debt Ratios** - both entities have not issued very high amounts of debt in relation to assessed valuation or population, which are the debt measures most often used by the rating agencies to assess indebtedness levels.
- **Debt Management** - The City has a formal debt management operation and Debt Manager position. The County handles this in its Finance Division in accordance with its formal debt management policy.
 - ◆ **Ongoing disclosure** - the SEC has now required that debt issuers disclose certain kinds of information annually to investors. The wide variety of debt which the City issues requires substantially more complex annual reporting than that required of the County.
 - ◆ **Rebate compliance practices** - Federal law requires that the issuers of tax-exempt debt track the investment of bond related moneys and provide a rebate

to the federal government. The variety and complexity of the City's debt imposes a substantial burden on staff for this necessary function. The County does not suffer from such difficult tracking due to the nature of its debt.

- **Debt**

- ◆ **Types - Outstanding and Authority** - The City is authorized by state law and by charter to issue many types of debt and to undertake many types of capital projects which entail debt. The County also has a number of such authorities, but fewer. Also, the County has a constitutional debt limitation of \$5,000, which limits its flexibility, as well as statutory limitations; the City does not have such a Constitutional limitation but has a statutory limitation on G.O. debt. In addition to the G.O. and limited G.O. debt discussed above, there are also the following types:

- * **County certificates of participation** have "non-appropriation clauses" which are essentially "walk-away" provisions; these can result in higher interest costs. This is primarily due to the constitutional debt limitation. City's certificates of participation and similar type transactions do not require such provisions due to charter language.
- * **City's Tax Increment Bonds** - the City has a number of tax increment bonds outstanding whose repayment source, tax increment, was severely limited by Measure 5. The general fund of the City has been supplementing the payment of debt service and under Measure 47, this burden could increase depending upon the implementing statutes. The County does not have such bonds.
- * City has many types of **revenue bonds** outstanding. These bonds are retired from revenues generated by the facilities being financed. The County has no revenue bonds outstanding, but is working on an issue on-behalf of Edgefield Children's Center which will have the motor vehicle tax pledged as security for the bonds.

- ◆ **Covenants on Outstanding Debt** - Each debt issue, other than G.O. bonds, carries special covenants or promises which must be observed. Consolidation changes could cause conflicts or violations of some of these covenants, so the resolutions and ordinances which establish the bonds must be reviewed and either the covenants observed or the bonds refunded and the covenants changed.

- **Tax and Revenue Anticipation Note Program versus Budget Carry-Over** - The County uses tax and revenue anticipation notes ("TRANS") to fund its operating deficits which occur in the summer and fall until taxes are collected in November; presently it issues about \$11 million each year. The City uses fund balance carry-overs to perform this same function. If merged, these techniques should be evaluated as to which provides the most cost effective approach for the new entity.

- **Reserves (non-debt)**
 - **General Fund Ending Balances** and policies regarding - rating agencies are particularly sensitive to the levels of general fund balances. Each entity has policies regarding minimum levels and appropriate budgeting. The balances would need to be merged with an eye to the rating impact.
 - **Others** - funds are set aside for various contingencies, such as risk (self-insurance), emergencies, etc. Reserve policies and funding needs would change for a new entity.

Opportunities and Challenges

- Most of the challenges would be legal and technical, since both entities are well managed financially and have high credit ratings.
- The "debt load" upon the general fund could show an increase if the new entity's general fund was less than the combined size of the current City and County general funds. This could adversely impact credit ratings. Thus care should be taken in how the new general fund is structured when establishing other special revenue funds (another Oregon county recently encountered this problem).
- Regarding annual debt disclosure: The County's reporting requirements could be merged into the City's and therefore save County time and expense in meeting this compliance requirement.
- The County's certificates of participation may obtain exemption from the non-appropriation clause, if constitutional requirements for the new entity enable it.
- The larger assessed valuation base and population base of the County will be positive for the City's G.O. debt ratios.
- The City's more formalized debt management operation could save the time of County finance staff.
- Rating determinations will be adversely affected by the state initiative process which makes it difficult to assure the revenue sources needed to fund the new entity.

Next Steps:

- All debt of the City and County need to be reviewed for the legal authority and limitations. New charter language and lists of necessary statutory revisions must be made. Estimates of new revenues will depend upon the wording of these changes.
- All debt authorizing resolutions and ordinances must be reviewed to determine the covenants which may be affected by the consolidation. Ways to conform to these covenants must be listed and incorporated into governing documents. If debt cannot be made to conform, then the debt must be refunded, which could force a higher rate of interest if tax-exempt refunding is not available (Federal law restricts refundings).

REVENUES

The revenue sources for the City are more diverse than the County's but the County has a greater geographic area and population base. Also, each has unique authorizations for specific revenues, for example, the County motor vehicle rental tax, the City's utility revenues, etc. There are also revenues which both receive, for example, hotel/motel taxes, business license taxes/business income tax, gas taxes, etc.

- **General reliance on property taxes** - the County has more programs which rely on the property tax for partial or total funding than the City, either through serial levies or general obligation bonds.
 - ◆ **Serial levies** - The County has two three-year serial levies which were approved in May 1996 which are used to pay library and jail operations (in 1996-97 the library levy was \$14,411,761 and the jail levy was \$27,851,783). Special levies do not provide permanent funding of operations and therefore have special risks, especially for mandated services. The treatment of these levies under Measure 47 is unclear at this time and the purpose of the levy may affect its treatment (Measure 47 "prioritizations").
- **Enterprise revenues** - the City has more revenue generating enterprises than the County, while the County has more service programs which receive state and federal funding. The reliability of these revenue sources and the ability of the City or County to change or increase these revenues according to need vary widely.
- **Contracts/accounts receivable:** Existing contracts with other entities, including other governments, would need to be assigned to the new entity. For example, the County has Juvenile Justice receivables from Clackamas County, Washington County and State of Oregon.
- **Revenue Types:** Each entity has revenue authorizations from either statutes or charter. These authorizations may transfer into the new charter or statutory revisions may be necessary to authorize them for the new entity.
 - **City Only Revenues** - For example: utility franchise fees, tax increment, permit and development fees.
 - **County Only Revenues** - For example: Motor vehicle rental tax, state and federal health, corrections funding, recording fees, marriage licenses, federal marshal fees and district attorney reimbursements.
 - **City and County Revenues** - For example: Gas Taxes, hotel/motel taxes, business license fees/business income tax, liquor taxes and cigarette taxes.
- **Tax rates and other entities within the County** - Under Measure 5, any changes in tax rates affect the other entities within overlapping taxing areas.
- **Tax bases:** The new entity would need to establish a new tax base, if this concept has any meaning under Measure 47 or HJR 85.

Opportunities and Challenges

- Since this is a new entity, it is not clear how Measure 47 or HJR85's methodology for setting assessed valuations and tax rates would apply. It appears that the proposed language will allow the rates to be combined.
- Each entity has specifically approved revenues for certain functions. To obtain these authorizations for a new entity may require new voter approvals, especially to collect these revenues in areas where they do not now exist.
- The City has a more diverse base of revenues than the County, so consolidation would spread the benefits of greater diversification, especially into "enterprise" activities. Financial markets consider greater levels of diversified revenues as a strength.
- The wider geographic area of the County would provide a larger customer base from which to collect revenues or to spread taxes.
- Functions whose operations are funded by serial levies would require continued funding from some source. If a new tax base were approved as part of the new entity, perhaps this operating vulnerability could be absorbed. However, if that does not occur then the need to "reauthorize" these tax levies to maintain existing services introduces additional financial risk to the consolidated government that is presently not shared by the City.
- If statutory revisions are not accepted by the Legislature, then the revenues affected may create significant funding problems.

Next Steps:

- Since this is a new entity, determine the likely assessed valuation and tax rates which would apply under Measure 47 or HJR85 to see if the treatment is adverse.
- All revenues of the City and County need to be reviewed for the authority and limitations. New charter language and lists of necessary statutory revisions must be made. Estimates of new revenues will depend upon the wording of these changes.
- State shared revenues may be reduced under current language in the consolidation enabling statutes. These statutes will need to be revised.
- Existing contracts with other entities should be reviewed. If there is any impediment to assignment, new contracts may need to be authorized and executed.

TECHNICAL/SYSTEM ASPECTS

There are a myriad of financial systems which need to be merged or replaced by one of the existing systems or by a new system. There will be substantial time, effort and potentially cost in reworking the accounting and computer systems to handle the expanded programs and functions of the new entity.

Some of the financial functions which require careful examination, technical evaluation and modification or replacement are:

- **Budgets**
- **Operations** - Daily financial transactions and accounting for general operations
- **Fund Level Accounting**
- **Assessment and Taxation** system changes as a result of Measure 47.
- **Merging Financial Statements**
- **Merging Accounting Systems**
- **Banking Services and Cash Management**
- **Purchasing**
- **Payroll Systems**
- **Year 2000** enhancements
- **Risk Management:** Currently both entities are self-insured in certain areas of risk and purchase insurance in other areas.

Opportunities and Challenges

- Both entities have skilled personnel who have applied creativity and innovation to the financial aspects of their operations or systems. Sharing these ideas and techniques may produce better or more efficient practices, although early in the process the changes will create a greater number of errors and problems than the functioning systems now in place.
- The combination of risk management programs might produce lower amounts needed for the reserves.

Next Steps:

- These are the most complex aspects of consolidation. Integrating systems will require substantial efforts early on by highly trained technicians who understand the functioning of the systems well enough to set forth the pitfalls and solutions.
- There are many laws and code requirements which govern these areas. Lists of the requirements which apply to the existing entity should be compared to a list compiled for the new entity. These lists must be reviewed to assure that essential functions of either the County or the City were not accidentally undermined in the changing to a new entity.
- The insurance needs both for self-insurance and purchased insurance should be evaluated by experts in risk management for adequacy and possible areas of savings.

INVESTMENTS

Both the City and the County have substantial amounts of money to invest. The County has unique responsibilities related to the collection and distribution of property taxes and other taxes.

- **Practices and Policies:** While the state law is the same for both entities regarding permitted investments, each entity has an investment policy which sets the rules and governs the risk by which money is invested. Each entity also has an investment manager whose responsibility it is to see that the funds provide sufficient return while not undertaking undue risk. The risk tolerance of both entities is quite similar.
- **Pooling:** While each entity has large sums to invest, the County has very large sums around November during the property tax turnover period.
- **Tax Collections and County Treasury requirements:** County Treasurers have responsibilities in for investing funds relating to tax collections and also serves as the paying agent for some school district debt, thereby holding and investing the debt service funds.
- **Bonds:** The City has more intricate investment requirements relating to their revenue bonds and the related enterprise operations governed by bond covenants and Federal arbitrage law.
- **Treasury Operations:** Both the City and County manage complex treasury operations. Additionally, the City invests and manages moneys held in over 1,000 trustee accounts.

Opportunities and Challenges

The larger pool of money may make the timing of cashflow needs coincide with a larger amount of money to invest and increase earnings.

Merging treasury operations and integrating these operations with a new accounting system could be a significant and complex undertaking.

Next Steps:

- The investment policies and practices of each entity need to be reviewed and combined.
- Investment restrictions from bond covenants and from Federal arbitrage laws must be addressed.

MANDATES

The state and federal government tend to pass laws which mandate services or establish regulations for cities and counties. The voters have also passed several ballot measures which mandate certain services or punishments that necessitate new corrections facilities. In prior years, judges have required construction of facilities for which the voters denied funding. The new entity must meet those mandates and assure that the revenue sources are available to pay for the operations and capital costs of the services. These include building code revisions which affect the costs for all major maintenance or new construction of the required capital facilities.

- County: Corrections system, including jails, courts
- County: Juvenile justice systems
- County: Assessment and Taxation
- County: District Attorney/Sheriff
- County: Elections
- County: Treasury functions
- City: Combined Sewerage Overflow
- County: Unfunded operating costs of mandated programs, e.g., court facilities
- Federal and State Code requirements regarding seismic upgrades, ADA, environmental liabilities, etc.

Opportunities and Challenges

- Combining capital assets and reallocating their use may provide some additional resources.
- Shared functions may decrease some of the capital or operating needs over those of two separate entities.
- Funding sources or capital resources available to only one of the entities may alleviate some of the needs of the other entity.

Next Steps:

- A review of all mandates should be made, providing an assessment of the scope of the mandate and the associated costs.
- All buildings should be assessed for the potential exposure for code requirements and the schedule for the major maintenance or other events which may trigger these requirements. A multi-year budget for these costs should be prepared.
- Mandated future capital requirements should be assessed and the availability of funding evaluated.
- Operating costs of all mandated programs should be evaluated and permanent funding sources identified where possible.
- Funding packages for mandated services should be reviewed to assure continued funding for the new entity.

UNFUNDED LIABILITIES

The new entity must assume the responsibility for sizable obligations for which no funding has been established, commonly referenced as "unfunded liabilities."

- **City Fire and Police Disability and Retirement Fund:** as of June 30, 1995, the City's independent auditor estimated the unfunded supplemental present value of the fund at \$784 million. The FPDR fund has voter approved full funding from a special

- **Pensions:** The County's share of the OPERS unfunded liability was estimated as of December 31, 1994 to be \$79 million. The City's share as of December 31, 1993 was \$48 million. In addition, the County has a post-retirement medical benefits obligation and a library retirement plan, both of which currently have assets which match or exceed the liability.
- **Vacation, Sick Leave**
- Many of the **mandated items** could also be considered unfunded liabilities, such as seismic upgrades.

Opportunities and Challenges

Combining pension obligations may present challenges which should be addressed by those expert in pension requirements. Consolidation may force options for employees which result in higher costs or exposure for the new entity than those incurred presently.

Next Steps:

- A legal review of current pension requirements and those of the consolidation will be needed.
- All current areas of unfunded liabilities should be reviewed and the exposure quantified.
- Potential new areas of unfunded liabilities for the new entity should be identified, if any.



CITY OF
PORTLAND, OREGON
OFFICE OF CITY ATTORNEY

Jeffrey L. Rogers, City Attorney
City Hall (503) 823-4047

Mailing Address:
1220 SW 5th Ave Rm 315
Portland OR 97204

Temporarily Located At:
1400 SW 5th Ave Rm 600
Portland Oregon

March 21, 1997

To: Vera Katz
Mayor, City of Portland

Bev Stein
Chair, Multnomah County Board of Commissioners

From: Jeffrey Rogers
Portland City Attorney

Sandra Duffy
Acting Multnomah County Counsel

Subject: Preliminary Response to Issues Surrounding City - County Consolidation

Consolidation of Multnomah County and the City of Portland can be accomplished using the procedures contained in ORS 199.705 to 199.775. While consolidation raises issues that must be identified and resolved, the procedure is specifically authorized by law and there are no insurmountable legal obstacles.

This memorandum lists several legal issues that have been identified in connection with a possible consolidation, and provides a preliminary analysis of applicable law. We emphasize that the answers to many legal questions are heavily dependent on the particular facts of a proposal, and that general answers can be incomplete. For example, the impacts of consolidation would be heavily dependent on the terms of the proposed city-county charter. However, this memo provides a starting point for more detailed analysis. This memo is presented in outline form to facilitate additions and refinements as this process develops.

1. Can the County charter review process "defer" to a city-county consolidation process?
 - a. The Charter Review Committee could meet the minimum requirement of the County Charter through some simple procedures and then defer to the City-County Charter Commission which is authorized in Chapter 199 to create a charter for the new city-county government.
 - i. Charter section 12.30 requires that a Charter Review Committee be

DRAFT of March 21, 1997

1

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convened for a "comprehensive study" and "if the committee chooses" submit amendments to the charter to the citizens of Multnomah County.

- ii. Charter section 12.50 requires the committee to "commence study of the charter by all appropriate means including open hearings and meetings, the taking of testimony and interviewing witnesses." There are no specific number of hearings or meetings. The committee is not required to propose any charter amendments. We recommend at least two hearings to meet the letter of the law (more than one hearing). It would be expected that testimony regarding the city-county consolidation would be presented at one or both of these hearings.
 - iii. Charter section 12.60 requires the Charter Review Committee to "report to the people and the board of county commissioners their findings, conclusions, and recommendations including any amendments they propose to the county charter" at least 95 days prior to the primary or general election or both of 1998 (before February 13, 1998 for the May election and before July 31, 1998 for the November election). If consolidation is moving forward, the Charter Review Committee report could find that the county (and city) had passed resolutions to proceed to consolidate the two governments under the provisions of ORS chapter 199 and that the Charter Review Committee would defer to the City-County Charter Commission and would recommend no charter amendments in anticipation of consolidation.
2. Can consolidation occur without the necessity of using the process contained in ORS 199.705 to 199.775?
- a. Consolidation of functions and components can be accomplished by methods such as intergovernmental agreements or individually amending city and county charters. However, for a complete consolidation in the sense of surrendering the city and county charters and forming a new entity with a new charter, the statutory procedure is the only legally certain mechanism. It is uncertain when consolidation of functions or components would become so extensive that the need to employ the ORS chapter 199 process would arise. Identifying that line would require further analysis.
3. Can the City and County transfer authority for selected functions to other jurisdictions, such as Metro or other cities?
- a. Yes. ORS chapter 190 permits intergovernmental agreements by which one party performs a function or activity for another party. ORS 190.010.

4. What would consolidation do to various revenue streams, such as the business income tax?
- a. Ballot Measure 47, and the possible referral of a replacement measure to the voters, create uncertainty about local government finances. City-county finances are not specifically addressed in either the Ballot Measure 47 implementing legislation or the HJR 85 proposals.
 - b. Both Measure 47 and HJR 85 contain provisions that relate to tax authority and other matters on certain historical dates. Since a city-county was not in existence on those dates, it will be necessary to determine how those provisions relate to a new city-county.
 - c. **“Miscellaneous” taxes and fees:** The statutes do not specifically address the question of revenue streams such as the business income tax. Our preliminary assumption is that the city-county charter would describe the entity’s authority to impose most types of taxes and fees. This authority will have to be exercised within the bounds set by state and federal laws.
 - d. **Basic ad valorem property tax levy:** The consolidation statutes address the effect of consolidation on tax bases. ORS 199.765(1) provides: “The charter for a city-county shall specify the initial tax base for the city-county within the meaning of section 11, Article XI of the Oregon Constitution which shall be not less than the sum of the existing tax bases of the most populous city, the county and all special districts automatically extinguished under ORS 222.510 or by ORS 199.705 to 199.775. To raise the revenue authorized within the initial tax base and provide for the administration of differential taxation, the charter may establish districts on the basis of services to be provided by the city-county and prescribe a formula for computing different tax rates for the different districts. The charter shall provide procedure for modification or dissolution of such districts and for changing such tax rate formula, after the first fiscal year in which the city-county levies taxes.”
 - e. **Serial levies and continuing levies:** The consolidation statutes also address the effect of consolidation on serial levies and continuing levies. ORS 199.765(2) provides: “The charter of the city-county may provide that any serial tax levy previously authorized under ORS 280.060 and any continuing tax levy authorized prior to July 21, 1953, and meeting the qualifications of ORS 310.125 by the electors of any consolidating, merging or extinguished government shall continue as if the consolidation had not occurred. The governing body of the city-county may exercise whatever taxing power is thus continued.”
5. Are there any constitutional problems with the statutory process for consolidation?

- a. The primary constitutional issues arise from recent and proposed revisions to Oregon's law governing ad valorem property taxes. For example, HJR 85 would completely eliminate tax bases as part of the property tax system. This would render portions of ORS chapter 199 obsolete.
 - b. If necessary, implementing legislation for Measure 47 or HJR 85 could update ORS chapter 199 to conform with constitutional revisions.
6. What can the City and County do, on an interim basis, during the County's charter review process?
- a. The city and county could plan and, where appropriate, enter into intergovernmental agreements to begin implementation of consolidation.
 - b. The county charter review process will not require an extensive period of time and therefore will not result in delay of consolidation efforts. See discussion above.
7. When would a new charter for a consolidated city and county go into effect?
- a. The new charter would go into effect on the date specified in the charter itself. ORS 199.745(3) provides: "The charter shall prescribe the date on which the city-county comes into existence and shall include necessary transitional provisions. The charter may provide that it will become effective for specified purposes immediately upon the proclamation of the results of the election on the adoption of the charter."
8. What would the physical boundaries be for a consolidated City of Portland/Multnomah County?
- a. The city-county physical boundaries would vary for purposes of city functions and county functions. For county purposes, the geographic boundaries of Multnomah County would not change. However, portions of the city-county that extend into Clackamas and Washington County would be served by the city-county for purposes of municipal services. See ORS 199.760(1), below.
 - b. ORS 199.760(1) describes the boundaries of a city-county as follows:

199.760. Boundaries of city-county; effect of change.

(1) When a city-county is incorporated, for purposes of county functions its boundaries shall be the boundaries of the county that is consolidated into the city-county, and for purposes of city functions:

(a) The boundaries shall include all territory located in any city in the county immediately before the consolidation; and

(b) The boundaries shall exclude all territory in any city extending into the county if more than half of the population in the city is located outside the county immediately before the consolidation.

9. What would be the status of other cities within Multnomah County's boundaries?

- a. Cities that vote not to be part of the consolidated city-county would remain independent cities. See ORS 199.740, below. They would receive county services from the city-county. While we have not located specific authority on the question, we presume that residents of these cities would participate in the election of the governing body of the city-county, since they are still citizens of the jurisdiction for purposes of county services.
- b. The city-county charter could make provision for the method of delivering county services to non-merged cities. For example, it could authorize the use of intergovernmental agreements to assure delivery of county services at specified levels.
- c. Issues relating to the creation of new counties, and the change of county boundaries, are addressed in ORS chapter 202 and in the Oregon Constitution.
- d. ORS 199.740 describes the effect of an election on a city-county charter, and the status of cities if a city-county charter is approved by the voters:

199.740. Effect of election.

(1) The charter shall be approved and the consolidation shall take place if, and only if, the question receives at the election affirmative votes by a majority of those electors of the county voting on the question and also by a majority of those electors of the most populous city in the county voting on the question.

(2) In case the question is approved as provided by subsection (1) of this section, any less populous city in the county shall be merged with and become a part of the city-county unless a majority of the electors of the city voting on the question submitted under ORS 199.735 (2) votes against the question.

(3) A majority vote for the question in a city approving it shall have the effect of approving the surrender of the charter of the city as required in subsection (1), section 2a of Article XI of the Oregon Constitution. The majority vote in the county approving the question shall have the effect of approving the surrender of the charter, if any, of the county. The surrender in both cases shall take effect when the city-county comes into existence.

10. What is the effect of consolidation on existing and future liabilities of the City and County, including bonds, contracts, settlements and causes of action accrued before consolidation?
- a. A city-county would assume the rights and liabilities of the consolidating entities. See ORS 199.775, below.
 - b. The phrase 'rights and liabilities' as used in this answer should not be confused with the concept of 'powers.' As noted above, the governmental powers of the city-county will be defined by its charter.
 - c. ORS 199.775 provides:

199.775. Effect of city-county incorporation.

(1) When a city-county is incorporated, it shall:

(a) Succeed to all the property, contracts and rights of the consolidating cities and county; and

(b) Subject to whatever debt distribution plan the city-county charter prescribes, become liable for all the obligations of the consolidating cities and county.

(2) The officers of the consolidating cities and county shall forthwith deliver to the city-county officers the assets and records of the consolidating cities and county. Uncollected taxes theretofore levied by the consolidating cities and county shall become the property of the city-county upon collection.

(3) Immediately after the effective date of the county boundary changes effected under ORS 199.760, the officers of the city-county and of adjoining counties that the boundary changes affect shall transfer public records, buildings and property in accordance with ORS chapter 202.

(4) ORS 222.510 applies to any district mentioned in that section whenever the entire area of such a district is included within the boundaries of a city-county, as described under ORS 199.760, for either county or city functions.

11. What is the effect of consolidation on labor agreements, on bargaining units, and on future labor negotiations?
- a. ORS 199.770 concerns the status of employees after consolidation. Basically, all wages, rights, privileges and benefits, including pensions and pension rights, which existed prior to consolidation must be maintained. The statute specifically protects employees against "a worsening of their positions with respect to their employment." 199.770(3). The statute also provides for paid training or retraining for any employee whose position is eliminated by consolidation. (ORS 199.770(6)).

- b. Neither the city nor the county have an obligation to bargain over the decision to consolidate. However, during the course of creating a new charter, there will be a number of issues that raise an obligation to bargain. For example, pay rates, benefits and seniority.
 - c. If unions voluntarily consolidated, there could be a substantial reduction in the total number of bargaining units. Otherwise, the new City-County would have to bargain with all 16 bargaining units that existed prior to consolidation. There is no provision under PECBA or in ERB's administrative rules for an employer to file a petition to consolidate bargaining units.
 - d. At this point, we have not found anything in ORS 199.705 to 199.725 that would require offering FPD & R Plan benefits to new hires of the consolidated city-county. However, ORS 236.620 may require such an offer with respect to others who are transferred to the new entity along with city employees.
12. What is the impact of consolidation on other municipalities and service districts?
- a. Existing cities:
 - i. Existing cities, at the time of the consolidation election, can vote on whether to merge with the city-county. ORS 199.735(2). Unless a majority of the electors of the city voting on this issue vote against merger, the city shall be merged with the consolidated city-county. ORS 199.740(2).
 - ii. If a city elects to be excluded, it may not extend its boundaries by consolidation or merger. ORS 199.750(2). The city-county relates as a county to the excluded city until the excluded city disincorporates or merges. Thus, services that counties are mandated to provide county wide would continue to be available in the excluded cities. Whether the city-county would be obligated to provide non-mandated services that the city-county assumed under its charter is not clear, but presumably it would not. The city would vote in county wide elections, and be taxed for city-county purposes in accordance with the service districts established by charter. ORS 199.765.
 - iii. In other respects, the status of excluded cities would remain unchanged. Because the contracts of the consolidated city or cities and the county will be assumed by the new city-county, existing IGAs would remain in place. ORS 199.775, 199.750(3). The excluded city would retain the same authority and the same responsibilities as any other Oregon city under

state law.

b. Existing service districts:

- i. Because of the wide variety of service districts and special districts in the metropolitan area, the following discussion is preliminary only. ORS 199.753 authorizes the city-county to establish service districts as provided in ORS chapter 451. ORS 451 contains the procedures by which a county can establish sewage works, drainage works, street lighting works, public parks and recreation facilities, diking and flood control works, water supply works and services, public transportation, agricultural educational extension services, emergency medical service, library services, roads, emergency communications services and law enforcement services. Chapter 451 also specifies those districts that can be established in the geographical jurisdiction of any local government boundary commission. Multnomah County is part of a local boundary commission including Clackamas and Washington counties. Thus, as to existing county wide districts, the city-county could continue to operate the same districts under its charter as are presently in existence, if it elects to. It can also establish service districts "for any purpose authorized by its charter." ORS 199.753(2).
- ii. ORS 199.765 authorizes the city-county's initial tax base to include the tax bases of "... all special districts automatically extinguished under ORS 222.510 or by ORS 199.705 to 199.775 (the city-county consolidation statutes). ORS 222.510 provides that when the entire area of certain kinds of service or special districts becomes "incorporated in or annexed to a city in accordance to law" that district is extinguished. This appears to indicate that if an entire district lies within the boundaries of the consolidated city-county, it will be extinguished by the consolidation. ORS 451.585 indicates that "whenever a part less than the whole of a district becomes incorporated in or annexed to a city * * * the city may * * * cause that portion to withdraw." Thus, it appears that the consolidated city-county could also incorporate portions of service districts included within its boundaries.
- iii. Taken together, we believe the city-county consolidation provisions contemplate that county service districts will be extinguished by the consolidation, but could be re-established by the city-county. The consolidation provisions also indicate that for the purposes of the application of chapter 451, the "city-county shall be considered a county and the city-county legislative body shall be considered a county court." Thus, the statutes contemplate that those types of districts authorized by

chapter 451 may be created and operated by the city-county in accordance with the procedures set out in chapter 451.

13. Once the commission on City/County consolidation finishes its work, is it required to put something on the ballot?
- a. A narrow reading of the applicable statute suggests that the charter commission is required to place a measure on the ballot only if a majority of the commission approves the final draft of the proposed charter.
 - b. This issue is addressed in ORS 199.730. See the underlined portion of subsection (7), below.

199.730. Functions of charter commission.

The charter commission:

- (1) Shall adopt rules to govern its proceedings.
- (2) May acquire property, avail itself of quarters, enter into contracts necessary for its work, and receive and expend gifts, grants and appropriations.
- (3) May employ administrative, clerical and technical assistance necessary for its work, and may request and secure information and assistance from the county and other units of local government located in the county and officers and employees thereof including the district attorney and the city attorneys and their staffs.
- (4) Within one year after its first meeting shall prepare and publish a preliminary draft of a charter for the city-county.
- (5) After publication of the preliminary draft shall hold public hearings thereon.
- (6) Within two years after the first meeting of the commission shall prepare a final draft of the charter.
- (7) After a majority of the members of the commission has approved the final draft, shall call and fix a date for an election under ORS 199.735.

14. What is the effect of Measure 47, or of HJR 85, on the taxing authority of a consolidated city and county?
- a. Measure 47
 - i. Section 11g (3)(a) of the Oregon Constitution, adopted by Measure 47, provides: "On and after the effective date of this section, there shall be no new or additional ad valorem property tax levies against real property, unless the question of the levy has been approved by not less than fifty percent (50%) of voters voting in a general election in an even numbered

year, or other election in which not less than fifty percent (50%) of the registered voters eligible to vote on the question cast a ballot.”

- ii. Section 11g does not define the phrase “new or additional tax.” We think it likely that ad valorem property taxes imposed by a city-county, for the purpose of replacing ad valorem property taxes that were formerly collected independently by the city and the county, would not be found to be “new or additional.” This issue will probably receive some clarification in the Measure 47 implementing legislation, and might also be clarified through litigation.

b. HJR 85

- i. The current draft of HJR 85 (as of March 18, 1997) addresses the question of mergers and consolidations in section (3)(d), as follows: “If two or more local taxing districts seek to consolidate or merge, the limit on the rate of ad valorem property tax to be imposed by the consolidated or merged district shall be the rate that would produce the same tax revenue as the local taxing districts would have cumulatively produced in the year of consolidation or merger, if the consolidation or merger had not occurred.”
- ii. The language quoted above appears to make consolidation revenue neutral, as far as ad valorem property tax levies are concerned.
- iii. One possible complication arising from HJR 85 is that the bill would eliminate tax bases. This renders ORS 199.765(1) obsolete. If HJR 85 passes, it will be necessary to determine whether any of the matters currently covered in ORS 199.765(1) need to be restated in a new statute.
- iv. If HJR 85 passes, it will be necessary to determine its effect on the levy of ad valorem property taxes to pay FPD & R expenses. HJR 85 exempts such taxes from both the Measure 5 rate limitation, and from the replacement to the Measure 47 limitation. The exemption is phrased as follows: “As used in subsection (11) of this section, ‘local government pension and disability plan obligations that commit ad valorem property taxes’ is limited to contractual obligations for which the levy of ad valorem property taxes has been committed by a provision of the local government charter that is in effect prior to the effective date of this section.” (Emphasis added.)
- v. Note: The above quotations from HJR 85 are taken from the B-Engrossed version of the bill, dated 3/18/97. Newspaper accounts of the conference

committee on the evening of 3/20/97 suggest that some of these provisions have changed. However, the legislative gopher site is not functioning at this time on 3/21/97, so we have not been able to retrieve the latest version of HJR 85.

15. How would the formation of a new entity affect application of Measure 47's 'anti-shifting' provisions?
16. What is the effect of the consolidation on city and county comprehensive plans, and on future land use planning requirements?
 - a. This issue is not addressed in ORS chapter 199. Our preliminary assumption is that the city-county charter would adopt the land use plans of the consolidating entities, and keep them in effect until new planning efforts are completed.
17. Could the county legally expand its mandated charter review to include the city? For example, could the Chair and Mayor initiate the review? What steps would be needed to do so?
 - a. A narrow reading of the Charter Review provisions would allow a Charter Review process that varied from the process set out in the Charter. Since the city-county consolidation process in ORS chapter 199 contemplates a joint City-County Commission which will draft a joint charter, the need for a joint city-county charter review process is obviated.
18. What discretion could be exercised over appointments to the Charter Review Committee? For example, could the county add members of its own choosing?
 - a. Neither the Chair nor the Board of County Commissioners appoint the Charter Review Committee members. They are selected by State Senate District by the senator and two representatives from each district.
 - b. The three member selection team has discretion as to who is appointed to the Charter Review Committee. However, members must meet the qualifications set out in the Charter. (For example, they must be electors of a senatorial district; there cannot be more than two electors from any one district having a majority of its voters within Multnomah County; and the two electors must be registered in different political parties.)
 - c. No additional members of the Committee are authorized by the Charter.

CITY/COUNTY CONSOLIDATION
SUMMARY OF SURVEY RESULTS
MARCH, 1997

Following are the result of a public opinion survey released by Fred Meyer, Inc.

During March 11th and 12th, Davis and Hibbitts, Inc. (DHI) surveyed 450 registered voters in Multnomah County about city-county consolidation. AN ANNOTATED COPY OF THE QUESTIONNAIRE THAT WAS USED IS ATTACHED FOLLOWING PAGE 2.

City-county consolidation has been mentioned by participants in recent budget surveys and public forums as a possible response to the passage of Ballot Measure 47. Usually the concept is referred to generally and described in different ways. This survey was conducted to determine initial reactions to the concept of city-county consolidation.

Consolidation Terminology. Given that the public uses different terms to describe city-county consolidation, the respondents were asked about: "consolidation" (N=150), "merger" (N=150), and "unification" (N=150). No specific definitions of the three terms were given--respondents were expected to supply their own meanings.

A plurality of respondents felt "consolidation" and "unification" is a good idea. Forty-eight percent (48%) rated "consolidation" a good idea (30% as a bad idea), and 51% rated "unification" as a good idea (29% as a bad idea). However, only 35% felt a "merger" is a good idea. About a quarter of the respondents were unsure how they felt about any of the three terms. Among only respondents who said good or bad idea, the percentages for "consolidation" or "unification" being a good idea exceeded 60%.

Sample size limitations prevented detection of statistically significant subgroup variations for factors such as gender, area of residence, age, income, own/rent, length of residence, or children in household.

Arguments Pro and Con. In recent budget surveys and public forums, residents have also mentioned a number of theoretical arguments for and against city-county consolidation that may or may not be factual. In this survey, respondents were asked about these arguments. The reasons mentioned most often in open-ended and closed-ended questions for why consolidation is a good idea were:

- it "would make government less costly by eliminating duplicate functions;"
- it "would reduce the number of paid local elected officials;"
- it "would result in cost savings for taxpayers within five years;"
- it "would make local government work better by bringing together the parts of the same service like law enforcement and jails, which are currently divided between the City and the County;"
- it "would eliminate one local layer of government and reduce central bureaucracy;"
- it "would overcome turf protection and help solve long-standing problems like deferred bridge maintenance that would involve both the City and the County;"

- it “would be led by a citizen-based charter review commission that is independent from the current elected officials;” and
- it “would give more decision-making authority to neighborhood groups.”

Reasons mentioned most often for feeling that city-county consolidation is a bad idea included:

- it “would threaten the independence of smaller cities in Multnomah County;”
- it “is nothing more than local politicians trying to get more power;”
- it “would make local government bigger and reduce a citizen’s ability to have a say in their government;”
- “it would cost more money in the short term because state law requires lower county employee salaries to be brought up to the higher city employee salary level;”
- “trying it would be a waste of money and time because the citizens would never support it;”
- “things are all right as they are; it is not necessary to ‘rock the boat’ and try city-county consolidation;”
- it “is opposed by some public employee labor unions and local elected officials;” and
- it “is not enough; we should instead be looking to bring together all cities and county governments in Multnomah, Washington, and Clackamas counties under one roof.”

Conclusions. Overall, a review of the survey findings suggest Multnomah County residents want a unified local government that reduces duplication in services and saves taxpayers money. Results also suggest that citizens are dissatisfied with things the way they are and do not consider it a waste of time to consider city-county consolidation. On the other hand, they are concerned about preserving the independence of smaller cities in Multnomah County and losing opportunities for public involvement in local government.

At the end of the survey, after hearing the arguments for and against city-county consolidation, respondents again rated “consolidation,” “unification,” and “merger.” Support levels increased for all three terms with majorities feeling that “consolidation” and “unification” are good ideas.

These findings are subject to a margin of error, which represents the difference between a sample of a given population and the total population (here, the population of registered voters in Multnomah County). For a sample size of 150, if the respondents answered a particular question in the proportion of 50% one way and 50% the other, the margin of error would be +/- 8.00%.

DHI employed quality control measures in the design and implementation of the study which included questionnaire pretesting, call backs, and verification.

SAMPLE

450 Multnomah County registered voters
(divided into three replicates of 150 for each change in "wording")

QUESTIONNAIRE

1. What comes to mind when you think about City of Portland – Multnomah County ____?
(OPEN-ENDED) (Version A = consolidation, Version B = merger, Version C = unification)

Responses	Consolidation	Unification	Merger
OK as is	11%	6%	4%
Bad idea	8%	6%	14%
Need information	7%	4%	12%
Overcrowded	6%	4%	5%
Working together	5%	6%	3%
Government conflicts	5%	4%	5%
Good idea	5%	5%	9%
Improvements	3%	2%	1%
Need separation	3%	1%	1%
Higher taxes	3%	7%	2%
End duplication	2%	5%	1%
City of Portland	2%	4%	-
Money	1%	4%	-
Less public/emergency service	1%	1%	3%

2-3. Do you think City-County ____ is a bad idea or a good idea?

Total	<u>Percentages Including Leaners</u>		
	Consolidation	Unification	Merger
Good	48%	51%	35%
Bad	30%	29%	42%
Unsure	22%	21%	23%
Total	<u>Percentages Including Leaners, Excluding Unsuers</u>		
	Consolidation	Unification	Merger
Good	62%	64%	46%
Bad	38%	36%	54%

4. (IF BAD IDEA) Why do you feel City-County ____ is a bad idea? (OPEN-ENDED, PROBE FOR SPECIFICS)

Responses	Consolidation	Unification	Merger
Should stay separate	24%	21%	27%
Too much power	13%	10%	20%
Will make too large	13%	3%	20%
Different political beliefs/government conflicts	13%	13%	8%
Waste of time and money	13%	13%	3%
General Negative	11%	23%	1%
Higher taxes	5%	13%	13%
Population	3%	3%	1%

5. (IF GOOD IDEA) Why do you feel City-County ___ is a good idea? (OPEN-ENDED, PROBE FOR SPECIFICS)

Responses	Consolidation	Unification	Merger
More efficient	25%	10%	8%
End duplication	22%	31%	45%
Lower taxes	16%	15%	23%
Working together, everyone involved	13%	18%	13%
More, better programs	4%	10%	6%
General positive	4%	10%	4%

(ROTATE QUESTIONS 6 & 7, also ROTATE ATTACHED STATEMENTS TO Q. 6,7)

6. I'd like to read to you a list of reasons why some people in the City and County feel that City-County ___ is a good idea. For each one tell me how persuasive you personally find the reason to be: not at all persuasive, not very persuasive, somewhat persuasive, or very persuasive? (ROTATE)

	PERCENTAGES (N=450)				
	Not At All	Not Very	SW	Very	DK
A. City-County ___ would make government less costly by eliminating duplicate functions.	13	18	32	33	3
B. City-County ___ would make local government work better by bringing together the parts of the same service like law enforcement and jails, which are currently divided between the City and the County.	12	22	34	28	5
C. City-County ___ would reduce the number of paid local elected officials.	11	19	35	30	5
D. City-County ___ would eliminate one local layer of government and reduce central bureaucracy.	12	20	34	27	7
E. City-County ___ would overcome turf protection and help solve long-standing problems like deferred bridge maintenance that would involve both the City and the County.	11	20	36	26	8
F. City-County ___ would result in cost savings for taxpayers within five years.	14	20	33	29	4
G. City-County ___ would be led by a citizen-based charter review commission that is independent from the current elected officials.	15	24	28	22	11
H. City-County ___ would give more decision-making authority to neighborhood groups.	18	24	31	20	7

7. Now I'd like to read to you a list of reasons why some people in the City and County feel that City-County ___ is a bad idea. For each one, tell me how persuasive you personally find the reason to be: not at all persuasive, not very persuasive, somewhat persuasive, or very persuasive? (ROTATE)

	Not At All	PERCENTAGES (N=450)			
		Not Very	SW	Very	DK
A. City-County ___ is not enough; we should instead be looking to bring together all cities and county governments in Multnomah, Washington, and Clackamas counties under one roof.	34	29	20	11	5
B. City-County ___ would make local government bigger and reduce a citizen's ability to have a say in their government.	19	26	28	21	5
C. Trying to have City-County ___ would be a waste of money and time because the citizens would never support it.	21	28	26	18	6
D. Things are all right as they are; it is not necessary to "rock the boat" and try City-County ___.	31	26	20	18	5
E. City-County ___ would cost more money in the short term because state law requires lower county employee salaries to be brought up to the higher city employee salary level.	13	27	31	18	11
F. City-County ___ is nothing more than local politicians trying to get more power.	18	31	22	23	7
G. City-County ___ is opposed by some public employee labor unions and local elected officials.	16	28	25	14	17
H. City-County ___ would threaten the independence of smaller cities in Multnomah County.	16	26	25	27	7

8-9. Now that you have heard some reasons in favor of and in opposition to City-County ___, would you say City-County ___ is a bad idea or a good idea?

Total	Percentages Including Leaners		
	Consolidation	Unification	Merger
Good	57%	62%	43%
Bad	34%	35%	45%
Unsure	9%	3%	12%
Total	Percentages Including Leaners, Excluding Unsuers		
	Consolidation	Unification	Merger
Good	63%	64%	49%
Bad	38%	36%	51%

Four Cities of East Metro

Fairview, Gresham, Troutdale & Wood Village

NEWS RELEASE

For Immediate Release

To: Members of the Council for Gresham, Fairview, Troutdale, and Wood Village
Frank Windust, Corbett

Date: March 11, 1997

Subject: Proposed Portland/Multnomah County Consolidation

On Monday, March 10, 1997, Portland Mayor Vera Katz and Multnomah County Chair Bev Stein met with Gresham Mayor Gussie McRobert to discuss a possible consolidation of the City of Portland with Multnomah County. The proposal would create a new entity of the existing City of Portland and Multnomah County. The other east county cities could remain independent within a new county, Multnomah County. Or, the east county cities could merge with the newly consolidated entity, Portland City/County. If the east county cities remain independent, it is possible that they could contract with the new Portland/County entity for services now provided by Multnomah County.

Measure 47 has provided the impetus for this discussion, although consolidation has been considered in the past. Potential cost savings will be a factor in any decision regarding this issue.

There are many issues to be discussed including potential loss of revenue, library services, and home rule. Staff of all east metro cities and the Tax Supervising and Conservation Commission (TSCC) will review financial impacts and state law requirements of counties related to the proposed consolidation. Mayor McRobert contacted the administrators and mayors of Fairview, Troutdale, Wood Village and Frank Windust of Corbett on Monday, March 10, 1997.

The mayors and Frank Windust met this morning and have invited Chair Stein and Mayor Katz to meet with all east metro councils and the public. This meeting is scheduled for Thursday, March 27, 1997, at 7:00 p.m. in Gresham's conference center located at 1333 NW Eastman Parkway.

Please contact Multnomah County Commission Chair Bev Stein at 248-3308, Portland Mayor Vera Katz at 823-4120, or Gresham Mayor Gussie McRobert at 618-2584 with questions.

c: Multnomah County Commission Chair Bev Stein
Multnomah County Commissioner Sharron Kelley
Portland Mayor Vera Katz
Rod Park, Orient
City Manager and Administrators of Gresham, Fairview, Troutdale, and Wood Village



City of Fairview
Roger Vanderharr,
Mayor

City of Gresham
Gussie McRobert,
Mayor

City of Troutdale
Paul Thalhofer,
Mayor

City of
Wood Village
Donald Robertson,
Mayor

Multnomah merger spurs talk of new county

■ The mayors of Gresham, Troutdale, Fairview and Wood Village say their cities run better than neighboring Portland

By KARA BRIGGS
of The Oregonian staff

GRESHAM — The mayors of Gresham, Troutdale, Fairview and Wood Village say they will try to form a new county should Portland and Multnomah County merge rather than be gobbled up by the consolidated city-county government.

"If Portland wants to have the city and county of Portland that's fine with me," said Troutdale Mayor Paul Thalhofer. "I certainly don't

think Troutdale would want to be part of the city and county."

Portland Mayor Vera Katz and Multnomah County Chairwoman Beverly Stein are reviving decades-old discussions about merging the city and county, starting with a visit Monday to broach the idea to Gresham Mayor Gussie McRobert.

Katz and Stein refuse to discuss the issue publicly, saying in a joint statement that they first want to talk to mayors, union leaders and city and county department heads.

The two leaders said concern about shrinking resources in the wake of Measure 47 prompted them to take another look at consolidating such duplicated services as payroll, accounting and human resources.

Tuesday morning McRobert held a telephone conference call with the three other mayors in east Multnomah County and Frank Windust, a Corbett resident.

"We have more questions than answers right now," McRobert said. She said a consolidation would take years to plan and require a vote.

McRobert said the proposal explained to her Monday would go further than previous city-county consolidation plans. She said the plan would create an elected panel to govern city and county, eliminating the Portland City Council and the Multnomah Board of Commissioners. The city of Portland would become a grid of neighborhood zones — similar to New York city boroughs. The

neighborhoods would have elected leaders who would serve on the city-county commission.

The four cities in east Multnomah County could become a borough.

Or as Katz and Stein told McRobert Monday, the four cities could remain independent.

"Most of our cities operate more efficiently already than Portland," Fairview Mayor Roger Vonderharr said. "Large size does not always promote efficiency. This would create an uncontrolled giant."

"I can't see how the finances will work for us to join them," said McRobert, noting that the four cities have lower tax rates than Portland's.

And besides many people who live

in the county's four smaller cities or unincorporated east Multnomah County don't want to be part of a big city.

"Our citizens live in the city of Fairview because they like the smaller size where they have a voice," Vonderharr said. "Our neighborhoods are close enough together that residents know what's going on. They don't suffer from the bureaucracy."

But the small cities can't remain independent without a county.

McRobert said a new county — probably called Multnomah — could be formed from what's left of the old one. Another option is merging the eastern half of the county with Clackamas, but none of the mayors were anxious to do that.

Oregonian, Metro East page, D4. March 12, 1997

Outlook

MARCH 12, 1997

MIDWEEK EDITION - GRESHAM, OREGON

50 CENTS

A new look for the county?

▼ Measure 47 prompts three area leaders to consider county/city consolidation

BY BRIAN MARTIN
of The Outlook staff

As a drastic and far-reaching solution to Measure 47 tax cuts, city of Portland and Multnomah County officials are discussing merging the two governments.

Whether such a complicated, lengthy effort would be successful, and what effect that would have on East County, is unclear.

But Portland Mayor Vera Katz, Multnomah County Chairwoman Bev Stein and Gresham Mayor Gussie



GUSSIE
McROBERT

McRobert started the consolidation ball rolling during a meeting Monday.

The proposal would create a new Portland city/county government. The effort likely would start with a charter committee, which then would put the issue to the voters. That process is determined by state law.

And under that law, East County residents in Fairview, Wood Village, Troutdale, Gresham and

other areas have the option to not join the new consolidation.

East County residents will have a chance to learn

about the proposal later this month at a meeting with Katz, Stein, McRobert and other area leaders.

The public is invited to the meeting at 7 p.m. Thursday, March 27 in the Gresham City Hall's conference center, 1333 N.W. Eastman Parkway.

But even opting out would bring an unclear future, because the East County area then could become Multnomah County and would have to provide some of the services or contract for them with the new city/county government.

But whether the effort will get off the ground was uncertain Tuesday.

McRobert said the proponents do not have financial

TURN TO COUNTY,
Page 3A.

MSD ADMIN

The issue resurfaced in late 1991 in the wake of Measure 5, the property-tax limitation.

In a local consolidation effort around the same time, the Gresham Fire Department started serving Wood Village, Troutdale and Fairview.

Public officials spent several years working on the issue during the early 1970s. Consolidation was strongly opposed and failed in a special election in 1974.

The flurry of questions provoked by the idea Monday is not new. City/county consolidation has been brought up before.

The eastern part of the county also might not have the industrial base to be its own county, he said.

"We're fiercely independent and we want to stay that way. We don't want to be a part of Portland. People in Portland are philosophically different than people out here," he said, adding that people in the city are more liberal.

Resident, Thalhofer said, wants to keep separate identities from Portland.

"The city of Portland would control us," he said. "It would be this 900-pound gorilla."

Troutdale Mayor Paul Thalhofer although willing to listen, said he opposes the idea.

Possible county consolidation raises questions

▼ City, county officials evaluates pros, cons of city, county merger

BY BRIAN MARTIN
of The Outlook staff

Talk of Portland and Multnomah County consolidation has number-crunchers and government staffers scurrying to deal with questions and ramifications.

And it has a lot of people asking why.

According to a draft copy of the staff report the city and county officials will review over the next few days, the two bodies are talking about it because citizens requested it.

Citizens, particularly inside Portland, asked why they are paying for two governments that cover one area.

The weaknesses of the current system, according to the still-unfinished staff report as of Friday afternoon, are:

- Duplicated services;
- Disconnected services that really are interrelated parts of a larger process;

- Lack of a single, overall point of accountability because people do not know if the city or county is responsible;

- Lack of economies of scale, which is similar to saving money by buying bulk;

- Public confusion about which government does what; and,

- Public suspicion that money could be saved if efforts were unified.

That remains a "suspicion" for now because the process is in the early stages.

In the wake of Measure 47, which cut and cap property taxes, Portland Mayor Vera Katz and county Chairwoman Bev Stein are looking for ways to cut costs.

But some remain skeptical that a merger would save money.

Representatives from area cities and the county will meet in an informal session set for Tuesday morning. And they are scheduled to answer questions from the public at 7 p.m. Thursday, March 27, in Gresham City Hall's conference center, 1333 N.W. Eastman Parkway.

The staff report also lays out pros and cons

TURN TO CONSOLIDATION,
Page 3A

Consolidation

CONTINUED FROM Page 1A

of alternatives to consolidation.

Some benefits can be gained through intergovernmental agreements. But the pacts often are not long-term and can be terminated by one side.

The report also discusses "functional transfers," which can transfer government activities from one body to another. Those, the report said, are uncommon and can be difficult to negotiate.

The city and county will judge the alternatives on whether they can improve service, increase efficiency, reduce costs, increase accountability and other factors.

A glance at the draft report shows that the process is in the early stages. Many pages, including a vision statement by Katz and Stein, are blank.

The possibility of consolidation raises many questions for East County, including whether to join the city/county government.

East County cities can opt out of the deal, which would effectively create a county. That county would be made up of areas that did not join the Portland/Multnomah County government.

Gresham Police Chief Bernie Giusto said the idea prompts many questions, such as what would that

new county do for jails and a court system.

The new Multnomah County would be required by law to have a district attorney and sheriff, unless the Legislature made changes to state law or an exception.

And those arrested in Gresham must be tried in their own county, which would rule out any of the courts in Portland, which would be a new county.

"It's a lot of hurdles to overcome," Giusto said.

Sheriff Dan Noelle said he is willing to explore the consolidation. But he said he does not want to lose the current climate of interdepartment cooperation to turf wars caused by consolidation.

Although the questions are many, Giusto said he understands the need to look for cost cuts.

"It's always worth exploring," he said.

The city and county staff report also says the public supports the consolidation idea.

They'll soon find out. A public-opinion survey commissioned by Portland-area businesses should have results to report by the middle of next week.

Gresham Outlook

3-15-97

pg. 1A

City-county consolidation

It's been tested before, but demands for tax savings make this a good time to bring up the idea again

An old idea — city-county consolidation — is being resuscitated by Portland Mayor Vera Katz and her counterpart in Multnomah County, Chairwoman Beverly Stein.

The two leaders took the consolidation message away from the town-hall forums they conducted last month. It's safe to say that the message wasn't universally understood the way Katz and Stein heard it, but citizens did plead for consolidating services — not necessarily governments — to reduce overhead costs and duplication.

Merging services has been tried a lot of times over the years in the Portland metropolitan area. The results have been disappointing.

Savings have been modest and joint ventures not always lasting. Employees of each government often grab their turf back, arguing that consolidated services aren't sufficiently responsive to public needs.

Voters in Portland and Multnomah County have had four chances at total city-county consolidation — in 1913, 1919, 1927 and 1974 — and have said no each time.

Since World War II, more than 50 U.S. counties have held more than 80 elections on city-county consolidation. More than three-fourths of the proposals failed.

Fairview Mayor Roger Vonderharr offers a preview of the debate in his reaction to the idea. "Large size does not always promote efficiency," he said. "This would create an uncontrolled giant."

Gresham Mayor Gussie McRobert wonders how the finances would work for midcounty cities to join a new Multnomah-Portland. Each has a lower tax than Portland's. And Vonderharr adds, "Our citizens live in the city of Fairview because they like the smaller size, where they have a voice."

We doubt that had much to do with

most housing decisions by Fairview's citizens, but it's a nice sentiment. The last time we checked, citizens of Portland had pretty good access to their government, too. And availed themselves of it at least as often, comparatively, as Fairview's citizens.

Stein and Katz rightly point out that a larger government could address those concerns in any number of ways.

Is it better for Fairview's citizens to get their services from the city of Fairview or, say, the Borough of Fairview in the city of Portland? It may depend on your point of view, but the voters have imposed a point of view on Oregon's local government when they adopted Measure 47 in November — efficiency is more important than anything else.

Katz, Stein and their fellow commissioners already have worked hard to merge services to reduce duplication and overhead costs. Their consolidation of city and county business-tax operations is a major success.

Businesses have been relieved of time-consuming, costly and unnecessary paperwork, but the merger hasn't saved much tax money.

And, over the years, many other efforts — to combine policing, planning, roadwork, fleet management, personnel and various support services — have bounced back off bureaucratic walls.

Within those walls are where Katz and Stein initially believed they would start an incremental restructuring plan. But now, buoyed by some positive response to the idea, they're talking about moving rapidly toward city-county consolidation.

It's far too early to say whether the Katz-Stein idea deserves the broad support that it would need to be successful. But it's reasonable enough to flesh out for public discussion.

“If Portland wants to have the city and county of Portland, that's fine with me. I certainly don't think Troutdale would want to be part of the city and county.”

— Paul Thalhofer
Troutdale mayor

Oregonian

3-17-97



PORTLAND

Katz, Stein say future is in merger

They believe Measure 47 means voters want streamlined government, and say city-county consolidation accomplishes that

MICHELE PARENTE

The Oregonian staff

To Portland Mayor Vera Katz and Multnomah County board chairman Beverly Stein, the passage of Measure 47 was more than the citizenry's cry for lower taxes; it was so a mandate for reinventing government.

And their version of reinvention to renew a decades-old call to consolidate the governments they head. Branding the current structure duplicative, inefficient and unaccountable, the two leaders have spent the last several weeks expending their political clout in a behind-the-scenes campaign to win support for consolidation.

Next week, Stein and Katz will reside over the first public discussion of the plan at a joint meeting of the City Council and county commissioners.

Their proposal would convene a

charter revision commission to study a complete overhaul of Portland and Multnomah County's governing structure.

The commission would have up to three years to complete its work; its recommendation would be put directly to voters.

The proposal is more than a blueprint to unify the operations of Oregon's two biggest local governments; it could result in the creation of a new county, likely to be dominated by Gresham, the state's fourth largest city.

Under the statutes governing charter revision, the residents of Gresham, Troutdale, Fairview and Wood Village could vote to opt out of the consolidated government, something those cities' mayors have indicated they'd endorse.

"I don't see Troutdale folks wanting to lose their identity and be joined with Portland and Gresham into one big city," said Troutdale Mayor Paul Thalofer.

Outstanding legal questions abound, such as the fate of residents of unincorporated Multnomah County and whether they could join existing neighboring counties, such as Hood River or Clackamas.

The consolidation proposal is an outgrowth of the intensely synergic relationship between Stein and Katz, former seatmates in the Oregon Legislature in the early 1990s.

After years of what they call piecemeal attempts to merge governmental functions, Stein and Katz said the fiscal reality in the post-Measure 47 era now propels the issue.

"Most change occurs when there is a crisis and often in a financial crisis," Katz said. "We feel really strongly about being able to do this right now."

The impetus came, Katz and Stein said, in the wake of joint community budget forums.

People questioned why, for example, did there need to be two audit offices, two fleet managers, two planning departments and two personnel bureaus.

"We heard them loud and clear," Stein said. "They were saying, 'before you cut our services, we want you to look at a different way of doing business.'"

But because the plan would take years to unfold, services will likely be cut anyway. And neither Katz

nor Stein has done the financial analysis to identify actual taxpayer savings.

"I think it's fair to say there would be savings in the long term, at five years, perhaps," Stein said.

Some, including County Commissioner Sharron Kelley, remain unconvinced of the financial benefits.

Others say that despite the unprecedented unity of Katz and Stein, they have history against them.

"Experience seems to show that this would be a major constitutional change and Portland voters have not been generally supportive of constitutional changes," said Portland historian E. Kimbark MacColl.

Voters have rejected the idea four times since 1913, most recently in 1974.

Over the last 25 years, talk of full-scale consolidation has led to partial mergers as well as heaps of ignored reports.

MacColl said Katz and Stein are misreading the vote on Measure 47.

"I see it essentially as property taxes have gotten out of hand," he said. "I don't see it as any call for reorganization of government. ... I don't think that was particularly in the minds of voters."

But it has been on the minds of the two self-styled government reformers. Katz indicated her consolidation goal in her Jan. 15 State of the City speech — a week before the first citizen budget hearing.

And the mayor's mindset is apparent. Katz last week rankled fellow council members when she refused to talk about the proposal, saying she needed to first "talk to my partners."

Despite criticism, Katz and Stein appear to have backing on both their boards, even though a resolution from only one of them is needed to trigger the charter review.

Weighing in with strong support have been County Commissioner Dan Saltzman and city commissioners Erik Sten and Gretchen Miller Kafoury. Kafoury has pushed the idea of consolidation for years.

Katz said the proposal "doesn't come without political risks."

"There's a lot of people," Stein said, "who've planned their political careers around the current structure."

Kara Briggs and Bill Stewart of The Oregonian staff contributed to this report.

