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July 1, 2008

Dear Chief Administrative Official,

As part of the League's revamped policy process, the Board asked the policy committees to propose specific legislative actions to assist in developing a pro-active legislative agenda. The committees have worked very diligently to develop specific proposed legislative actions, both for the League's legislative policies and for consideration in developing the League's action agenda for the 2009 Legislature. (The committees have also undertaken a review of the Oregon Municipal Policy that will be presented for membership consideration at the 2008 LOC conference in Salem.) The policy committees have identified 24 legislative outcomes that are fully set forth in the sheets following the enclosed input form. Those 24 outcomes span a wide array of issues and differ in the potential resources required to seek their achievement. As the Board adopts a legislative agenda, a prioritization is required in order to focus resources. The final legislative agenda may well encompass all of the committee recommendations, but identify some as priorities for 2009 (and in some cases as multi-year strategies), some for future years, and others as outcomes to be sought as opportunities and circumstances permit.

Each city is being asked to review the recommendations of the policy committees and provide input to the Board as it considers the adoption of a legislative agenda for 2009. Your city's input is sought on the enclosed form. After your city council has had an opportunity to review the 24 proposals and discuss the proposals with staff, please return the form with the top four issues that your city council would like to see the League focus on for the 2009 session. The League Board of Directors will review the results of this survey of member cities, along with the recommendations of the policy committees, as part of its adoption of the legislative policies for 2009 and the focused legislative agenda of outcomes to be actively pursued. Your city's participation in providing its input will assist the Board in creating a focused set of specific legislative targets that reflect the issues of greatest importance for cities. Thank you for your participation and thank you also to the many city officials who gave many hours of their time and expertise to develop the proposals. Rosters of the policy committees can be found on the LOC web site under the tab "About Us" followed by "Policy Committees".

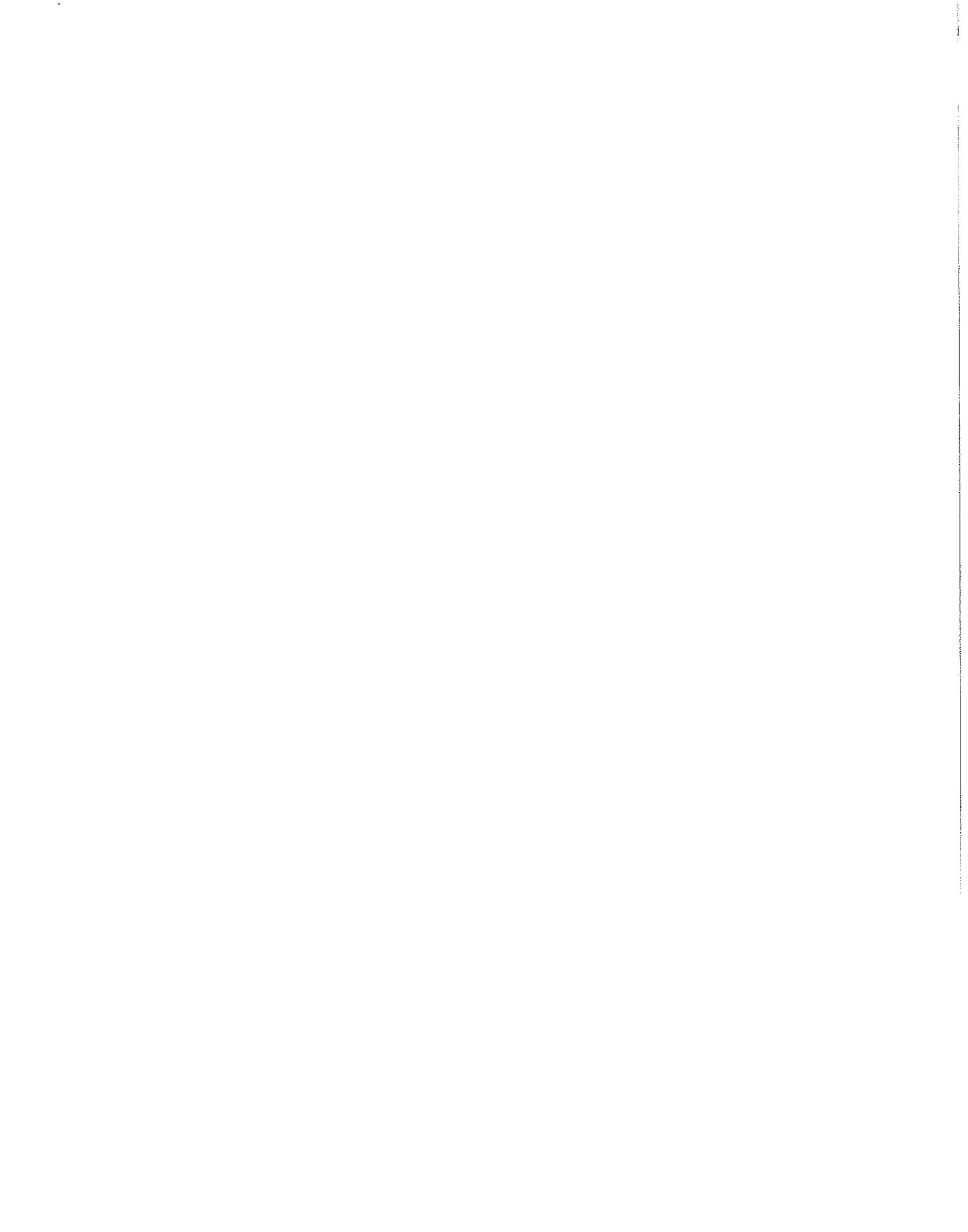
If you have any questions, please contact me or any of the intergovernmental relations staff members.

Sincerely,

Michael J. McCauley
Executive Director

Enclosures

"Getting it done for Oregon's cities!"



City of: _____

Please mark 4 boxes with an X that reflect the top 4 issues that your city recommends be the priorities for the League's 2009 legislative agenda.

Community Development

- A. Recapitalize the Special Public Works and Water/Wastewater fund with a minimum level of funding of \$80 million for local infrastructure projects.
- B. Fund the Regional Investment Board program with a minimum level of funding of \$15 million- providing an allocation of \$2 million per each of 7 regions, plus a maximum of \$1 million for administrative expenses.

Energy

- C. Initiate legislation to ensure that cities may collect franchise fees from all electricity providers that utilize city owned rights-of-way.
- D. Ensure that any carbon reporting legislation introduced be neither burdensome to cities administratively or financially and provides reliable data.
- E. Support climate change legislation that promotes the use of financially viable clean renewable resources and provides financial and technical assistance to cities for energy efficiency projects.

Finance & Taxation

- F. Support changes to the property tax system that maintains stability and predictability, while providing greater sufficiency for needed city revenue, and minimizing inequities for property owners.
- G. Support statutory changes to allow increased flexibility of the use of transient lodging taxes to offset expenditures for tourism related services.
- H. Support new, statutory authority to allow cities to create service districts within city boundaries, establish a permanent property tax levy, and fund specific urban services within the district.

General Government

- I. Work towards an ethics policy that protects the interest of the public but is clearly understood by all and does not intrude into the private lives of Oregon's city leaders.
- J. Initiate legislation to allow local government to restrict the possession of a firearm in publically owned buildings.
- K. Work with other stakeholders to pass legislation to make it more difficult for thieves to profit from metal theft.
- L. Pursue legislation that ensures city leaders are represented on the governance structure of the Oregon Wireless Interoperability Network and advocate for a funding level that will allow all public safety first responders to communicate seamlessly.

Human Resources

- M. Advocate for a funding level for the Employment Relations Board that will allow the Board to resolve cases in a timely manner.
- N. Amend ORS 243.746(4)(a) to read "Interest and welfare of the public as determined by the governing officials of the jurisdiction"
- O. Initiate legislation to require labor arbitrators to consider the total cost to the employer of salary and benefit awards instead of benefit provided to employees.
- P. Work to ensure that labor arbitrators must use the same type and size of jurisdiction as comparables when comparing compensation and benefit packages.

Telecommunications

- Q. Move to an alternative revenue system for telecommunications providers and oppose preemption of city franchising, rights-of-way and taxing authority.
- R. Support a statewide broadband policy for Oregon.

Transportation

- S. Support a city transportation package for preservation funding shortfall (as outlined in the full Transportation Committee recommendation)

Water/Wastewater

- T. Recapitalize the Agriculture and Community Water Act (SB 1069, 2008 session) - Support the Water Resources Department's Policy Option Package #118. \$5,279,000 General Fund, 2 FTE.
- U. Establishment of a Water Supply, Conservation, and Reuse Construction Fund - Support the Water Resources Department's Policy Option Package #119. \$50,000,000 Lottery Backed Bonds.
- V. Climate Change and Basin Yield Analysis - Support the Water Resources Department's Policy Option Package #108. \$470,000 General Fund, 1 FTE.
- W. Establish a Statewide Drug Takeback Program - Support the Drug Takeback Task Force Recommendations
- X. Oppose legislative attempts to require end of pipe standards by preempting mixing zones.

INSTRUCTIONS

1. Each city should submit one form that reflects the consensus opinion of its city council on the **top four** legislative priorities for 2009.
2. Simply place an X in the space to the left of the city's top four legislative proposals.
3. The top four do not need to be prioritized.
4. Return by August 15th via mail, fax or e-mail to:

League of Oregon Cities
P.O. Box 928
Salem, Oregon 97308
Fax – (503) 399-4863
info@orcities.org

Thank you for your participation.

LOC Policy Committees' Legislative Recommendations

Priority	Description
Community Development	
A. Recapitalize the Special Public Works and Water/Wastewater fund with a minimum level of funding of \$80 million for local infrastructure projects.	The state's Special Public Works Fund and the Water/Wastewater Fund are used to finance water and sewer systems, public buildings, road construction, downtown revitalization, energy and communications facilities, land acquisition, environmental clean-up, and port facilities. There has not been a significant re-investment by the state in the fund for several biennia, despite growing infrastructure demand.
B. Fund the Regional Investment Board program with a minimum level of funding of \$15 million-providing an allocation of \$2 million per each of 7 regions, plus a maximum of \$1 million for administrative expenses.	The Regional Investment Program, a state-funded regional economic development and diversification program received minimal funding in the past session. The regional boards seek to develop strategies for economic development in each region of the state, focusing on investments that contribute to the creation/retention of jobs and the leverage of short and long term investments. Historical funding amounts have ranged from \$7-22 million per biennium.
Energy	
C. Initiate legislation to ensure that cities may collect franchise fees from all electricity providers that utilize city owned rights-of-way.	In 1999 the Oregon Legislature passed a law to deregulate the electricity market, meaning that large utility customers were allowed to purchase their electricity from an energy provider other than Portland General Electric or Pacific Power and Light. The Legislature had intended to protect city franchise fees by allowing cities to utilize an alternative calculation method for computing franchise fees based on power volume as opposed to gross revenue. An unforeseen flaw in the proscribed calculation method has resulted in significant franchise fee reductions in some Oregon cities.
D. Ensure that any carbon reporting legislation introduced be neither burdensome to cities administratively or financially and provides reliable data.	Legislation requiring carbon emitting entities to report their emissions failed during the 2008 February Special Session but is widely expected to return in 2009. Existing carbon reporting systems in other states have proven to be confusing for filers and may not provide accurate data for policy makers and the public.
E. Support climate change legislation that promotes the use of financially viable clean renewable resources and provides financial and technical assistance to cities for energy efficiency projects.	It is anticipated that that Governor Kulongoski will introduce legislation to promote additional energy efficiency and renewable energy production as well as a carbon "cap-and-trade" system. A cap-and-trade system would establish a maximum limit on carbon emissions but would give credits to entities that produce less than the limit that could be sold to businesses that are unable to or unwilling to reduce their emissions. A portion of the "carbon credit" sales would be placed in a fund to assist with energy efficiency and conservation projects. Making these funds available to cities would allow cities to continue to pursue energy and cost saving projects that benefit all rate and tax payers.

LOC Policy Committees' Legislative Recommendations

Finance & Taxation	
F. Support changes to the property tax system that maintains stability and predictability, while providing greater sufficiency for needed city revenue, and minimizing inequities for property owners.	Local government's ability to raise revenue is severely restricted by Measures 5 and 50, which have also imposed strict limitations on the ability of local governments to respond to changing fiscal conditions and to adequately fund essential services. Modifications to the property tax system may require a long term, multi-session effort, with revisions to the Oregon Revised Statutes and/or the Oregon Constitution.
G. Support statutory changes to allow increased flexibility of the use of transient lodging taxes to offset expenditures for tourism related services.	Many cities incur substantial service expenditures necessitated by out-of-area residents or tourists. This proposal would allow additional use of transient lodging tax revenues to offset expenditures for tourism related services, in addition to the current use of tourism related facilities.
H. Support new, statutory authority to allow cities to create service districts within city boundaries, establish a permanent property tax levy, and fund specific urban services within the district.	Federal funding for major infrastructure improvements has steadily declined for the past several decades. Existing state and local resources barely keep up with the need for replacement infrastructure for existing development, with no consideration to areas that are rapidly urbanizing with new development and needed infrastructure. The formation of city service districts, located solely within city limits, to provide urban services would increase the "tools" cities have to provide needed services.
General Government	
I. Work towards an ethics policy that protects the interest of the public but is clearly understood by all and does not intrude into the private lives of Oregon's city leaders.	Oregon's current ethics laws require public officials to disclose the names of family members to the Oregon Government Ethics Commission and extend gift limits and prohibitions to the family members of public officials. Additionally, gift limits, exemptions and reporting requirements are not clearly understood by public officials or the public at large.
J. Initiate legislation to allow local government to restrict the possession of a firearm in publically owned buildings.	Current law prohibits municipal governments from prohibiting the holders of concealed weapons permits from carrying a weapon into a public building but allows private building owners to prohibit such conduct. The General Government Committee believes that it should be left to the discretion of the city government as to whether or not it should be permissible to carry weapons in public buildings.
K. Work with other stakeholders to pass legislation to make it more difficult for thieves to profit from metal theft.	Metal theft has become a common method for drug addicts to support their addiction and has resulted in significant losses to the utility and construction industries as well as to public works departments. A coalition of industry and public safety stakeholders have proposed legislation that will require scrap metal dealers to mail checks to sellers instead of paying in cash, make it unlawful for scrap buyers to purchase obviously stolen material and require dealers to keep records of transactions and make those records available to police.
L. Pursue legislation that ensures city leaders are represented on the governance structure of the Oregon Wireless Interoperability Network and advocate for a funding level that will allow all public safety first responders to communicate seamlessly.	The Oregon Wireless Interoperability Network (OWIN) is a proposed communication system that will allow all emergency workers to communicate across agency lines. The league endorsed the project in 2006 with the condition that cities be included in the governance structure of OWIN, that subscription to OWIN be voluntary and that OWIN provide service to the entire state.

LOC Policy Committees' Legislative Recommendations

Human Resources	
M. Advocate for a funding level for the Employment Relations Board that will allow the Board to resolve cases in a timely manner.	The ERB is currently understaffed and the pay scale for board members is below the market for labor attorneys. A fully staffed ERB would be able to resolve labor disputes more quickly and improving the salary range would make board positions more attractive to qualified candidates.
N. Amend ORS 243.746(4)(a) to read "Interest and welfare of the public as determined by the governing officials of the jurisdiction"	Labor arbitrators are required to consider the interest and welfare of the public when resolving contract and labor disputes but current state law allows an unelected arbitrator to define what that interest and welfare are.
O. Initiate legislation to require labor arbitrators to consider the total cost to the employer of salary and benefit awards instead of benefit provided to employees.	Current collective bargaining statutes require arbitrators to consider the ability of an employer to pay before awarding a decision on salary and benefit packages but arbitrators typically use the amount paid to an employee to determine cost as opposed the to the total cost to the employer when making such a determination.
P. Work to ensure that labor arbitrators must use the same type and size of jurisdiction as comparables when comparing compensation and benefit packages.	Currently, it is common practice for an arbitrator compare rural cities to large metropolitan special service districts that also reach into rural areas thus inflating personnel costs beyond the ability of a city to pay. Additionally, arbitrators often compare larger Oregon cities to other West Coast cities that have larger populations and higher costs of living. Requiring arbitrators to compare Oregon's smaller and mid-sized cities to other Oregon small and mid-sized cities and allow larger Oregon cities to be compared to cities of similar size and cost of living regardless of what region of the United States they are in would provide a more accurate comparison.
Telecommunications	
Q. Move to an alternative revenue system for telecommunications providers and oppose preemption of city franchising, rights-of-way and taxing authority.	Technology has advanced rapidly in the last decade and will continue to evolve in ways that cities cannot predict. This has led to significant implications for city rights-of-way authority and telecommunications revenues. Cities have experienced an onslaught of challenges to franchising, rights-of-way, and taxing authority through local referrals, state and federal legislation and litigation. Meanwhile, the predominate system of franchising telecommunications providers has not kept pace with technology. In particular, the shift from landline telephones to wireless technologies has resulted in an erosion of telecommunications revenues. To protect city rights-of-way authority and preserve critical telecommunications revenues, cities need to consider moving to an alternative revenue system. The alternative revenue system proposal developed by a task force of city officials is a gross revenues tax specific to telecommunications providers. The League anticipates beginning discussions during the 2009 legislative session, but that this issue would be a multi-session effort. For additional information, please access the "Telecommunications Tool-Kit" located on the Premium section of the League's Web site.
R. Support a statewide broadband policy for Oregon.	Access to broadband services has become essential to Oregon's ability to compete in a global economy. While individual communities have been proactive in pursuing broadband technologies, to ensure Oregon remains competitive, Oregon must undertake a statewide comprehensive approach to meet the infrastructure and service demands of citizens and businesses. The benefits of a statewide broadband policy reach far beyond the economic gains of attracting businesses and workforce productivity to applications that are integral to peoples' quality of life. From applications such as telemedicine to distance learning, implementation of a statewide broadband policy has the unparalleled potential to reach rural and underserved areas—to change how people communicate and provide every Oregonian with the opportunity to participate in the information age.

LOC Policy Committees' Legislative Recommendations

Transportation

S. Support a city transportation package for preservation funding shortfall that contains:

- New resources need to be provided to cover a substantial portion of the \$160 million annual shortfall (2007 cost pricing) for city transportation system funding.
- The state funding formula for new resources should be distributed on the basis of "50-30-20" – 50 percent to the state, 30 percent to counties, 20 percent to cities.
- "Off-the-top" funding proposals – appropriating state highway funds prior to formula distribution – should be avoided as they reduce the ability of cities and counties to meet their existing needs.
- Maintaining city authority for creative transportation system funding with continued flexibility on how the funds are used – without referral to voters – is a vital component of the funding scheme.
- Index the state fuel tax for inflation or allow for other comparative cost adjustment factor.
- Identify new resources for urban and rural transit.
- Support the existing constitutional provisions regarding the use of the state highway funds and cost responsibility.
- Support the development of new, environmentally-friendly funding sources for maintenance/modernization/operations/multimodal, such as carbon emissions fees, VMT charges, and tolling new or existing transportation facilities.

Well maintained city streets provide vital vehicle, freight, pedestrian, bicycle, and transit connections in our communities. Local roads are falling into disrepair because:

- The state gas tax has not increased since 1993;
- Road and bridge repair costs have increased by 70 percent since 1993;
- City revenue from the gas tax is shrinking as city populations grow;
- The state has shifted costs to cities to pay for state-highway improvements; and
- The property tax limits enacted in the 1990s have forced cities to focus tax dollars on public safety- removing a historic source of local road funding.

Cities need legislative action that will provide new revenues and policies that will aid in maintaining and protecting this vital asset. In 2007, it was estimated that the funding gap for municipal maintenance needs is \$160 million per year – and will rise considerably as the cost of oil continues to rise. Cities, counties and the state cannot address the challenges of Oregon's transportation system alone – we must work together, as partners, to meet those challenges by finding efficiencies, raising revenues and preserving local revenue tools.

LOC Policy Committees' Legislative Recommendations

Water	
<p>T. Recapitalize the Agriculture and Community Water Act (SB 1069, 2008 session) - Support the Water Resources Department's Policy Option Package #118. \$5,279,000 General Fund, 2 FTE.</p>	<p>The legislature passed SB 1069 in the 2008 February session which established a grant fund for the up-front study costs of water supply, conservation, and reuse projects. While the original bill called for \$10 million to be placed in the fund, the Legislature only allocated \$1.25 million. Assuming those funds will be committed in 2008; this priority seeks to recapitalize the fund at \$5 million.</p>
<p>U. Establishment of a Water Supply, Conservation, and Reuse Construction Fund - Support the Water Resources Department's Policy Option Package #119. \$50,000,000 Lottery Backed Bonds.</p>	<p>The Water Resources Department is introducing a Policy Option Package to establish a fund for the construction of water supply, conservation, and reuse projects. The fund would issue both loans and grants for project construction and would be funded through the issuance of \$50 million in lottery backed bonds.</p>
<p>V. Climate Change and Basin Yield Analysis - Support the Water Resources Department's Policy Option Package #108. \$470,000 General Fund, 1 FTE.</p>	<p>The Committee believes it is imperative to gain an understanding of our changing hydrograph. This package seeks to dedicate \$300,000 in research funds to model how surface water hydrographs will change in Oregon's rivers and streams as a result of decreased winter snowpack, early seasonal run-off, and other effects of climate change. This package would also provide funding for one surface water hydrologist to estimate the volume of water per month that runs off of each basin in Oregon. This information will help water providers project their water demands in the future and better understand the effects of climate change.</p>
<p>W. Establish a Statewide Drug Takeback Program - Support the Drug Takeback Task Force Recommendations</p>	<p>The Committee supports a toxics reduction and source prevention approach to reducing bio-accumulative toxins in the environment in lieu of implementing expensive wastewater treatment technologies. One of the areas of concern is pharmaceuticals entering the waste stream. A task force has been working on the potential of developing legislation to institute a drug take-back program based on the model of the electronic waste take-back program instituted by the 2007 legislature. The Task Force is targeting this fall for a timeframe to release the specifics of such a proposal.</p>
<p>X. Oppose legislative attempts to require end of pipe standards by preempting mixing zones.</p>	<p>Mixing zones are zones of dilution for wastewater discharges which allow wastewater treatment plants to meet Clean Water Act permit requirements. Over the last two legislative sessions certain interest groups have introduced legislation to eliminate the use of mixing zones in Oregon. These proposals would require municipal wastewater treatment plant to remove discharges into rivers and streams or implement very expensive, energy intensive technologies. Municipalities have instead focused on toxic reduction and source prevention as the most effective way to remove toxics in the environment.</p>

