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PORTLAND <i>City Club</i> BULLETIN	Mayfair Room • Benson Hotel Friday . . . 12:15 p.m.
	Portland, Oregon • March 23, 1973 • Vol. 53, No. 43

THIS WEEK'S PROGRAM:

Discussion of two City Club interim reports which are concerned with vital legislation at the state and county levels now before the 1973 Oregon Legislative Assembly:

(1) Interim Report on

COLUMBIA REGION ASSOCIATION OF GOVERNMENTS (CRAG)

(including discussion of SB 100, the Land-Use bill)

The Committee: Clarke H. Brooke, Ronald C. Cease, George D. Dysart, Don A. Ellis, Baird M. French, Lloyd G. Hammel, Marc D. Kelley, Rodney I. Page, James Pizza, Kenneth Rystrom and Chairman John Huisman.

(The above report was printed and distributed to the membership, March 16, 1973)

* * * *

(2) Interim Report on

CITY-COUNTY CONSOLIDATION

(A critique of the Enabling Act, the Charter Commission's draft charter and proposed legislative amendments)

The Committee: Royald V. Caldwell, David M. Crow, Donald V. Etzel, William R. Lesh, James V. Mitchell, James V. Norlen, William A. Palmer, Harvey L. Rice, Thomas S. Stimmel, Joseph E. Worth and Chairman James A. Nelson.

* * * *

(Members are advised to bring their mailed copies of the reports with them to the meeting Friday for reference during discussion.)

(Note: Guests are welcome to the meeting but only members may participate in the discussion, unless the chair calls upon an expert witness.)

"To inform its members and the community in public matters and to arouse in them a realization of the obligations of citizenship."

ELECTED TO MEMBERSHIP

John A. Rau, Mechanical Engineer, Research Associate, Reed College. Sponsored by Lloyd B. Williams.

Mike K. J. Rumpakis, Principal, Lincoln High School, School District No. 1. Sponsored by E. John Rumpakis.

PROPOSED FOR MEMBERSHIP AND APPROVED BY THE BOARD OF GOVERNORS

If no objections are received by the Executive Secretary prior to April 6, 1973, the following applicant will be accepted for membership:

C. Howard Burnett, Vice President, Executive Department, Union Pacific Railroad Company. Proposed by Randall Kester.

RIVERFRONT STUDY "RECYCLED": ROSENFELD TO CHAIR COMMITTEE

Lloyd B. Rosenfeld, treasurer and plant manager of Sealy Mattress Company, has accepted appointment as chairman of a City Club study on Portland's Willamette River waterfront area, Robert W. McMenamin, first vice president and Research Board chairman, announces. Rosenfeld has previously served on study committees in 1964 and again in 1970.

Chairman Rosenfeld will announce his committee selections shortly. Dr. Burton Onstine serves as research advisor from the Research Board.

The committee project, an outgrowth of a previous committee which had been charged with determining what use should be put to the Harbor Drive area following the razing of the Journal Building site, is asked to survey the riverfront within the City of Portland to determine the following:

- (1) present and historical use of the Willamette riverfront, from the southern limits of the City of Portland to the mouth of the river;
- (2) the most likely future use of the area, if existing conditions are not altered;
- (3) the prospective developmental changes, if any, that would be most beneficial in the public interest, including
 - (a) Portland's Downtown Plan and Willamette Greenway proposals;
 - (b) possibilities of grants from the American Bi-Centennial Commission;
 - (c) CRAG's land use plan for the metropolitan area;
 - (d) plans of the city's Park Bureau, and Public Works department, as well as those of the Oregon State Highway Department;
 - (e) difficulties surrounding relocation of existing structures and businesses, if necessary, and
 - (f) the most reasonable and potentially successful method of effecting any changes recommended.

The earlier "Harbor Drive" committee produced an interim report in August, 1969, when there was general concern that the waterfront area might be heading for an all-highway treatment, a threat which was soon thereafter silenced.

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**INTERIM REPORT
ON
CITY-COUNTY CONSOLIDATION**

To the Board of Governors,
The City Club of Portland:

I. INTRODUCTION

The voters of Portland, as one entity, and the voters of Multnomah County, as the second entity, will be asked, probably in the May, 1974 Primary election, to decide the issue of consolidating their respective governments.

The exact election date is not certain at this time. Neither is it known whether the law may be changed to permit voters in the county's unincorporated area to have a third vote. But, barring a reversal of position by the 1973 Legislature, there will be an election on the issue of City-County consolidation.

A draft charter to accomplish that purpose and to create a consolidated government and define its responsibilities, was presented to the Portland City Council and the Multnomah County Board of Commissioners on November 1, 1972.

That charter is subject to public hearings, and subsequent revision, prior to the presentation of a final draft on November 1, 1973.

This first interim report of your Committee responds to a charge which requires:

(a) A description and explanation of the work of the City-County Charter Commission up to this time, and comment on the strengths and deficiencies of the Enabling Act¹ under which the Charter Commission was established, and

(b) The research committee's recommendations for legislative amendments to the Enabling Act, if any, and

(c) Recommended approaches to be taken by various public agencies, including the Portland Metropolitan Area Local Government Boundary Commission, in responding to proposed boundary changes in the county, if any.

Your Committee is further charged to prepare a second interim report prior to the final drafting of the charter, as well as a final report at the time a final charter is drafted, which third report would include recommendations for or against its approval.

II. SCOPE OF INQUIRY

The Committee interviewed the following persons:

Donald E. Carlson, Executive Officer, Portland Metropolitan Area Local Government Boundary Commission

Kenneth Hampton, Staff Director, City-County Charter Commission

Marc Maden, former Research Assistant, Charter Commission

Kenneth S. Martin, Administrative Analyst, Portland Metropolitan Area Local Government Boundary Commission

A. McKay Rich, Assistant Director, Columbia Region Association of Governments

Jerry Tippens, Chairman, Portland Metropolitan Area Local Government Boundary Commission

Anthony White, Research Associate, Charter Commission

The Committee reviewed the following materials:

Various newspaper articles from *The Oregonian*, *Oregon Journal*, and *The Press*

¹City-County Act of 1971, Oregon Revised Statute (ORS) Chapter 199.

- Reshaping Government in Metropolitan Areas*, Committee for Economic Development, February, 1970
- Report on Portland City Government*, The City Club of Portland, Vol. 41, No. 51, May 19, 1961
- Report on Multnomah County Home Rule Charter*, The City Club of Portland, Vol. 46, No. 51, May 20, 1966.
- Report on Government Consolidation City-County Over 300,000*, The City Club of Portland, Vol. 49, No. 20, October 18, 1968.
- Report on Consolidation Amendment*, The City Club of Portland, Vol. 7, No. 27, April 1, 1927.
- City-County Act of 1971, (ORS Chapter 199).
- Portland Metropolitan Study Commission, Memoranda
- "Nashville, Jacksonville and Indianapolis Examined for Possible Lessons for Future," *Nation's Cities*, November, 1969
- Information Packet*, City-County Charter Commission, November, 1972, Portland, Oregon.

Since the inception of the Charter Commission, with rare exception, one or more members of your Committee has attended the Commission's meetings and public hearings. A one-day conference on City-County Consolidation, sponsored by the business and community leaders, was attended by the majority of your Committee.

III. HISTORY

Attempts by city and county governments to consolidate occurred with some frequency in the United States after World War II. Voter acceptance, initially negative, increased with time. In the 1950s, there were seven attempts, two successes; in the 1960s, sixteen attempts and seven successes; so far in this decade, three attempts have been successful.

Objectives of these consolidations were to eliminate duplicated services, reduce the costs of government—and therefore the increases in taxes—and improve the responsiveness of local government to citizen needs and demands.

The first post-war consolidation (requiring the approval of voters, rather than of a legislature) was achieved with the consolidation of Baton Rouge and East Baton Rouge Parish, Louisiana, in 1947. There followed consolidations involving Nashville, Tennessee; several cities and counties in Virginia; Jacksonville, Florida; Carson City, Nevada, and others.

Most consolidations followed initial failures. Portland has such a history of failures.

An attempt was made in 1913 to create a City-County of Portland within the city's boundaries. This was rejected in a state-wide vote. A constitutional amendment to authorize consolidation of Portland and Multnomah County likewise was rejected, by state-wide vote, in 1927. A similar amendment finally was referred by the legislature in 1967, 40 years later. In 1968 the amendment won a state-wide majority of 58.6 percent, and, in Multnomah County, a majority of 66.3 percent.

The course of the subsequent enabling legislation in the legislative assembly was far from smooth. A bill introduced in the 1969 Legislature failed because of unresolved objections over boundaries. In the 1971 Legislature, a bill prepared by the Interim Committee on Urban Affairs was introduced January 20, 1971, as House Bill 1054. It provided that consolidation would be subject to three votes, i.e., approval by the affirmative vote of the voters in (1) Portland, (2) Multnomah County (including Portland) and (3) the unincorporated area of the county.

A substituted bill under the same title eliminated the so-called third veto and provided, among other changes, that the five smaller cities in the county could "opt out." This meant that if the voters of any of the smaller cities voted against consolidation for themselves, those cities would not become a part of the consolidated city-county. During the course of four public hearings, many modifications were proposed. Ultimately, the legislation (see Appendix A) was adopted in the final, frantic closing session on June 7, 1971.

Pursuant to this legislation, an 11-member City-County Charter Commission was appointed to draft a charter. Three members were appointed by state senators from Multnomah County; three by state representatives from the county; two by the Multnomah County Commission; two by the Portland City Council, and one by the mayors of each of the five smaller cities: Gresham, Maywood Park, Wood Village, Fairview and Troutdale.

The present membership of the commission includes:

Members	Residence	Occupation	Appointing Authority
George M. Joseph, Chairman	Portland (city)	Attorney, Bemis Breathouwer & Joseph	Multnomah County State Senators
Lee Irwin Vice Chairman	Troutdale (unincorporated area)	Owner & Publisher <i>Gresham Outlook</i>	Multnomah County State Senators
Ruth Hagenstein, Secretary	Portland (city)	Civic leader	Portland City Council
William E. Bradley	Portland (unincorporated area)	Personnel Representative, Reynolds Aluminum Co.	Multnomah County State Representatives
Polly Casterline	Troutdale (unincorporated area)	Civic leader	Multnomah County Commissioners
Frank L. Roberts	Portland (unincorporated area)	Professor of Speech, Portland State University	Multnomah County Commissioners
Joseph M. Edgar	Portland (city)	President, Joint Council #37, Teamsters Union	Multnomah County State Senators
Joseph A. Labadie	Portland (city)	Vice President, U.S. National Bank	Portland City Council
Loyal Lang	Portland (city)	Supervising Architect, Bureau of Architectural Planning, City of Portland	Multnomah County State Representatives
Glen Otto	Troutdale (city)	Electrician, State Repre- sentative, Dist. 23	Mayors of Suburban Cities
Morton A. Winkel	Portland (city)	Attorney, self	Multnomah County State Representatives
Former Members	Residence	Occupation	Appointing Authority
Richard Bogle, resigned, May 1972	Portland (city)	Television News, KATU	Multnomah County Commissioners
Sylvia Davidson, resigned, Sept. 1972	Portland (city)	Civic leader	Multnomah County Commissioners
R. W. deWeese resigned, Jan. 1972	Portland (city)	Business Executive	Portland City Council
Earl Klapstein resigned, Jan. 1972	Gresham (city)	President, Mt. Hood Community College	Multnomah County Commissioners

The Commission, whose members are unpaid, has employed a small professional staff. The staff members are Kenneth W. Hampton, director; Ann H. Grand, assistant director; Anthony G. White and Dennis Link, research associates; Joan M. Niemi, secretary and Charlotte Brown, work-study assistant.

IV. WORK OF THE COMMISSION

When Portland Mayor Terry D. Schrunk convened the first meeting of the City-County Charter Commission on November 2, 1971, George M. Joseph was elected chairman and the Commission initiated basic policy on determinations.

The Commission determined that its job was to get out a charter and not to get involved in arguments about the merits of consolidation. It decided that it wanted a government in which the administrative and legislative functions were clearly separated, it wanted a strong mayor, and it wanted a council free to make its own rules of operation.

By way of organization it created three study committees: (1) Government Structure, (2) Civil Service and Personnel, (3) Finance and Taxation.

Within the framework of these committees, the Commission then blocked out a general outline of the charter, determined specific policies through resolutions, and finally converted resolutions into charter language.

The Commission has solicited the experience of other charter commissions from recent city-county consolidation efforts, and it has employed the use of out-

side attorneys and professional consultants in specific areas of expertise. Some major unresolved problems are now in the hands of consultants. Among these are a limited actuarial study of pension programs, a study of personnel integration, and a general government transition study.

The Commission also has prepared amendments to the Enabling Act, to be submitted to the 1973 Legislature, which amendments it feels would strengthen the charter. (See Appendix B)² (As submitted)

Throughout its existence, the Commission's business — heard on a scheduled basis twice a month — has been open to the public. (Appendix C) The public seldom appears, however, and most often deliberations are attended by only one or two persons from a potential constituency of half a million.

V. THE ENABLING ACT

The history of this legislation was controversial, complex, and subjected to many compromises in final drafting. As such, the Act is not ideally drawn to carry out its purposes, contains clauses apparently inserted for purely political purposes, is inaccurate in its definitions, and in some cases appears remote from reality.

Consequently, the task of pointing up its deficiencies is much simpler than pointing out its strengths, with the result that criticism tends to become negative, although not necessarily so intended.

A. Strengths

The obvious strength of the Enabling Act is its existence; there is, in fact, a statute upon which a charter for city-county consolidation can be built.

There is strength in its simplicity and in the freedom it gives the Charter Commission to develop a form of government it feels is best suited to the needs of its community.

A strength, too, is the diversity of commission membership, directed through the appointing authorities established in the Act. This allows the broadest base of input possible for selecting a body the size of the Charter Commission.

Two significant provisions of the Enabling Act may, in the Committee's judgment, be both strengths and deficiencies, because strengths and deficiencies are inherent in each. These are the protection of jobs and job rights, and the provision for differential taxation districts.

The guarantee of employment and of employment rights and benefits "to at least the same extent as they exist at the time of the consolidation" should allay fears among incumbent city and county employes. The experience of other consolidations reveals that skeptical government employes, resistant to change, have become major negative forces. However this guarantee brings with it massive technical problems and a suspicion among many that it will preclude any hope of personnel economies.

The 1971 Legislature's decision to allow the Charter Commission to "establish taxing districts on the basis of services" at different rates is unique in the state. It provides a useful device to solve an obvious problem: How can a government, particularly one which seeks to eliminate numerous service districts, find a tax rate equitable for residents of both Portland and Corbett? The solution adopted, on the Legislature's suggestion, was differential taxation, which the Commission fixed at rates of 100 per cent; 80 per cent and 50 per cent. The deficiencies here involve the question of constitutionality — can this be considered "uniform on the same class of subjects"?³ — and the inevitable problems that come from having, somewhere, to draw tax district lines.

B. Deficiencies

The weakness of the enabling legislation can best be described by reviewing the Act section by section. In commenting on problem areas, the Committee feels

²As of this writing, the Commission reports that the proposed bill has not been numbered or introduced. However, Section 5 amending ORS 199.765 has been separated from the remainder of the bill and will be introduced as House Bill 3089. (Section 5 deals with those districts having differing tax rates, "differential taxation".)

³Oregon Constitution, Sec. 32, Art. 1.

the solutions proposed would strengthen the act as it now stands. (References are made directly to ORS section numbers, with little quotation from the actual text.)

The most serious deficiencies which your Committee found in the Enabling Act were in the areas of tax differentials and personnel. Each of these matters is covered by a specific section in the Enabling Act which is reviewed in detail herein.

(1) Tax Differentials. ORS 199.765 (1)

199.765 TAX BASE; EFFECT OF CONSOLIDATION ON CONTINUING LEVIES.

(1) 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, the charter may establish taxing districts on the basis of services to be provided by the city-county and prescribe different tax rates for the different taxing districts. The charter shall provide procedure for modification or dissolution of such taxing districts and for changing such tax rates, after the first fiscal year in which the city-county levies taxes.

This subsection states that, to raise revenue authorized within the initial tax base, the charter may establish taxing districts on the basis of services to be provided by the city-county, and may prescribe different tax rates for different taxing districts.

The Committee experienced apprehensions here. First, the range of governmental services is so great that it would be impossible to establish any sizable area in which all citizens receive the same and identical services. Second, as it stands, this subsection requires the charter to specify the various tax rates for the taxing districts. This would require stating a dollar figure that would be difficult if not impossible to estimate accurately a year before consolidation takes place.

The Committee recommends that the second sentence of (1) be amended to read:

"To raise the revenue authorized within the original tax base, the charter may establish taxing districts and provide formulae for the different taxing districts."

(2) Employe Rights. ORS 199.770

199.770 STATUS OF EMPLOYEES AFTER CONSOLIDATION. After a consolidation is effected under ORS 199.705 to 199.775, there shall be preserved and continued, to at least the same extent as they exist at the time of the consolidation, the employment status and pension and other benefit rights of the employes of the consolidating governmental units, including, but not limited to:

- (1) Rights, privileges and benefits, including pensions and pension rights and benefits existing under collective bargaining agreements or otherwise.
- (2) Collective bargaining rights.
- (3) Protection of individual employes against a worsening of their positions with respect to their employment.
- (4) Employment of persons employed immediately prior to the consolidation by the consolidating units.
- (5) Priority, as of the time immediately before the consolidation, of reemployment of employes of the consolidating units who have previously been laid off or had their employment terminated.
- (6) Paid training or retraining programs for any employe of a consolidating unit whose position or job is eliminated by the consolidation or by any subsequent administrative reorganization in the city-county.

This section would preserve the employment status, pensions and other benefit rights of all employes of governmental units affected. But consolidation by its nature will result in extinguishing some special service districts. Because reference is made only to "consolidating governmental units", this section would appear to exclude employes of those extinguished districts. To protect their rights the Committee suggests this amendment:

". . . there shall be preserved and continued, to at least the same extent as they exist at the time of consolidation, the employment status and pension and other benefit rights of the employes of the consolidating *and extinguished* governmental units . . . (adding, 'and extinguished'.)"

(3) Additional Comments on ORS 199.770

This section, guaranteeing the employment status, pension and other rights of the consolidating government units, appears on the face of it to be fair, right, and just — and obviously expedient politically. From the standpoint of implementation,

however, it raises nightmarish fiscal and administrative problems. A few statistics gleaned by the Committee from the remarks of Marc Maden, former research assistant for the Charter Commission, in his interview with the Committee, illustrate some of the difficulties.

Consolidation would affect 3,800 employees of the City of Portland, 3,200 employees of Multnomah County, employees of five incorporated cities (exclusive of Portland) should they decide to join, employees of 20 water districts, and employees of the ten rural fire districts. Maden indicates some complications involved:

"The City of Portland, with 3,800 employees, has two pension systems, one for uniformed employees and one for non-uniformed; it has fringe benefits, health and welfare, many things like that; it has a personnel department; it has civil service.

"The county likewise has fringe benefits; it has certain working hours which are quite distinct from the city's; it has a civil service system which operates a little bit differently; it has different retirement systems; it also has two pension systems, one for uniformed and one for non-uniformed.

"So if we deal with these two major public employe bodies who will be affected by consolidation, we are dealing with at least four major retirement programs, many differences in wages, fringes, working hours, conditions. We are dealing with non-unions in the city, and 13 unions in the county."

Presumably an actuarial study can resolve the myriad problems and complications. The Committee suggests, however, that legislation has unduly complicated the situation, and is of the opinion that the Enabling Act might better have provided:

"After a consolidation is effected under ORS 199.705 to 199.775, fair and equitable arrangements shall be made so as to preserve and continue, to at least the same general extent, based on total annual value of remuneration, as they exist at the time of consolidation, the employment status . . . etc. . . ."

Other specific deficiencies of the Enabling Act are as follows:

(4) "Services" or "Functions"? ORS 199.705

Ambiguities result from the failure of the Legislature to define "function", "service", "city function", "county function", "city service" and "county service". Overlapping government entities do not necessarily provide the same services, and it is therefore difficult to define a single service in Milwaukie as a city service, which might be a county service in that part of Portland extending into Washington County. The opted-out cities would be additional examples where distinctions between services and functions would be unclear. The Committee feels that clear definitions should be determined, in line with legislative intent.

(5) Election Date. ORS 199.730(7)

199.730 FUNCTIONS OF CHARTER COMMISSION. The charter commission:

* * * *

(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.

The Committee feels that since it is the obligation of the Charter Commission to present a charter to the voters, it should be obliged to call and fix a date for an election within a definite time after a final draft is prepared, but not necessarily approved by a majority of the Commission. Hence, the Committee recommends that the following language be added at the end of this subsection:

". . . provided, however, that in any event, the Commission shall call and fix a date for an election under ORS 199.735 not less than three months nor more than 12 months after the final draft has been prepared."

(6) Charter Adoption. ORS 199.735 (2) (a) and (b)

199.735 ELECTION ON CONSOLIDATION.

* * * *

(2) At the election the following questions shall be submitted:

(a) To the qualified voters of the county and of the most populous city, the question whether the county and the most populous city shall be consolidated and thus incorporated as a city-county and shall also include all other cities whose voters favor joining in the consolidation as provided under paragraph (b) of this subsection.

(b) To the qualified voters of each less populous city in the county, the question whether that city shall join the most populous city and the county in consolidating into the city-county.

The statute provides only that the question to be submitted is whether the city and the county shall be consolidated. At no place in these sections or elsewhere is it provided that the charter actually be submitted to the voters for approval or adoption. It is suggested that this deficiency could be resolved by adding the words "under the proposed charter:" to ORS 199.735 (2) (a) and ORS 199.735 (2) (b), after the words "city-county" in each subsection.

(7) Tie Vote. ORS 199.740 (2)

199.740 EFFECT OF CONSOLIDATION.

* * * *

(2) In case the consolidation takes place, any less populous city in the county shall become a part of the city-county unless a majority of the voters voting on the question submitted under subsection (2) of ORS 199.735 votes against doing so.

This subsection deals with the choice offered smaller incorporated cities in the county to opt out. As presently worded, each city would automatically become a part of the city-county unless there were a majority vote against doing so. This reverses the traditional concept of decision by a majority vote. The Committee suggests this amendment:

"ORS 199.740 (a). In case consolidation takes place, any less populous city in the county shall *not* become a part of the city-county unless a majority votes to do so . . . (adding 'not')."

The importance of this change becomes apparent in case of a tie vote, a very possible contingency in view of the comparatively few votes which may be cast in smaller incorporated cities.

(8) Boundaries for City Functions. ORS 199.760 (1) (a)

199.760 BOUNDARIES OF CONSOLIDATED 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

This subsection overlooks the right of smaller incorporated cities to opt out of the consolidation of a city-county. The omission could be corrected by adding the italicized phrase to (1) (a):

(1) (a) The boundaries shall include all territory located in any city in the county immediately before the consolidation *except for those cities that have exercised the option not to consolidate provided in 199.740 (2).*

(9) Obsolete. ORS 199.760 (2)

199.760 BOUNDARIES OF CONSOLIDATED CITY-COUNTY; EFFECT OF CHANGE.

* * * *

(2) No boundary change effected under ORS 199.705 to 199.775 shall:

(a) Change the boundaries of a legislative district established by state law.

(b) Deprive any member of the Legislative Assembly of his seat in that body.

The Committee suggests that this subsection is obsolete because of subsequent redistricting legislation and should be deleted in its entirety.

C. Additional Suggestions

(10) ORS 199.775 (1) (a) and (b)

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.

The Committee finds that both these subsections should apply not only to the consolidating cities and county, but also to *extinguished districts* to avoid ambiguities. The Committee also recommends an additional subsection, (1) (c), which would provide that consolidating areas within non-extinguished districts be withdrawn by the City-County as prescribed by law.

(11) ORS 199.775 (3)

(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.

The Committee suggests, as did the Charter Commission, that this subsection is improper, since county boundaries will not be changed.

(12) ORS 199.775 (4)

(4) The effect of incorporation or a city-county on special districts is governed by ORS 222.510 to 222.570 to the extent they are applicable.

The Committee feels that to this subsection there should be added:

“ . . . except that nothing shall prevent a city-county from establishing county service districts within its boundaries.”

Should taxing districts having different tax rates (“differential taxing districts”) be held unconstitutional, this amendment in conjunction with the following would still allow the city-county government to charge different tax rates within the city-county. Consequently, the Committee recommends that an additional subsection be added to ORS 451.010:

“(8) Additional services in a city-county as may be ordered by the city-county governing body.”

VI. BOUNDARY CHANGES PRIOR TO CONSOLIDATION

The Enabling Act specifies that boundaries of “opting out” cities will be frozen and cannot be extended after the date of consolidation. It is therefore preferable to shape the boundaries of these potentially remaining cities into desirable and financially viable limits prior to consolidation.

The Portland Metropolitan Area Local Government Boundary Commission now has veto power over any proposed boundary changes in the area affected by the proposed consolidation. In addition, it may initiate annexations and withdrawals, formation and dissolution, and merger and consolidations of cities and special districts. Recent boundary change activities have included merging several smaller fire districts into Rural Fire Protection District No. 10, which covers a majority of the unincorporated area between the City of Portland and the Sandy River, and includes some of the smaller incorporated cities of East Multnomah County.

On March 1, 1972 the Boundary Commission adopted a three-point policy on boundary changes in East Multnomah County. The first portion of its stated policy was to look with disfavor on significant boundary changes east of the Sandy River until such time as a comprehensive development plan for the area has been prepared and the Charter Commission has completed its proposed city-county charter.

The second item of the policy statement was a request to Multnomah County and all cities within Multnomah County to prepare and submit definitive boundary plans for each city. The plans were to cover a two-year period and were to be submitted by June 1, 1972. Each plan was to designate areas that individual cities would like to annex, describe the city's ability to provide services to those areas, outline the costs and method of financing the extension of services, and outline the probable method of initiating annexation of each area designated. These definitive boundary plans were to be refinements and extensions of previously submitted general sphere of influence plans. To date, only the City of Gresham has responded to the Boundary Commission request. It is expected that the Boundary Commission will allow annexations prior to a vote on City-County consolidation if the boundary plans appear reasonable and desirable.

The third item of the policy statement was to continue investigation of consolidating the four smaller contiguous cities of East Multnomah County: Troutdale, Wood Village, Fairview, and Gresham. Such a consolidation has been discussed by the Gresham area Chamber of Commerce, but has apparently been tabled because of lack of interest.

The Boundary Commission staff described three present activities which conceivably could affect boundary changes prior to a vote on city-county consolidation. The county and the four contiguous smaller cities of East Multnomah County are

presently conducting a study to develop a comprehensive plan for the areas within and surrounding the four smaller cities. This study should be published by July 1, 1973.

It is understood that a petition is being circulated to incorporate the "City of Crown Point" in the presently unincorporated area east of the Sandy River. This is classed as a major boundary change and would require the Boundary Commission to act in some manner within 120 days of filing a valid petition to incorporate.

Rural Fire Protection District No. 10 has requested the Boundary Commission to investigate consolidation of the 12 water districts supplying water to the RFPD No. 10 service area. It is the fire district's contention that the high cost of fire insurance in the area is primarily due to the lack of an adequate water distribution-storage system. The Boundary Commission staff indicates that it will probably consider the fire district's request.

Your Committee feels that the Boundary Commission is proceeding in an adequate and responsible manner and the Committee has no recommendation at this time for changing its proposed course of action.

VII. CHARTER REVIEW

The following review of the draft charter is strictly informational. It is not intended to suggest a position for or against either consolidating the City and the County or the present draft of the charter. It is intended to increase interest in the charter and to encourage City Club members to take an active role in developing the final draft.

Public hearings are being held and will be held through June 1, 1973. The final charter will be presented to the City and County on November 1, 1973. No substantive changes can be made after that date by the Charter Commission.

Chapter I contains introductory provisions that describe the proposed consolidation.

Chapter II relates to powers of the City-County. It is a very general grant of powers that is intended to allow the City-County the broadest reach of legislation available to it. The Charter is to be liberally construed; that is, if a power is not mentioned, it is assumed that it could be available to the City-County. Any limitations of the power of the City-County are stated explicitly within the charter. This chapter has broad effect, especially relating to general taxing powers which it gives to the City-County Council.

Chapter III outlines the structure of the City-County Council. It describes a legislative body of 11 councillors, three elected at large and eight from single-member districts, each with a present population of about 70,000. The Mayor is not a member of the Council. This is the so-called "strong mayor" form of government, with the administrative division under the Mayor separate from the legislative body. The term of office is four years with half of the councillors serving for two years for the first term only. Ordinances may be passed with a simple majority of the members of the Council.

Chapter IV deals with the Executive and Administrative sections of the government. The Mayor is responsible for the administrative departments.

He may introduce ordinances and veto ordinances (in whole or part). He shall prepare an annual budget and appoint all administrative heads and others as listed in the charter. His term of office is four years and is limited to two consecutive terms. A section on disability provides that the Mayor, upon taking office, shall designate, subject to confirmation by the Council, a person to act as mayor if the mayor should be declared unable to perform his duties.

The government would have four administrative departments with the same names as those now set up by the Multnomah County Commission. There would also be an office of Management and Planning, an independent department to assist the Mayor in management planning and budgeting.

Chapter V provides that judicial administration shall continue to be vested in the State Court system.

Chapter VI refers to legislation. The section on initiative and referendum has already been revised to require signatures of 9 per cent for referendums and 11 per cent for initiative petitions, based on total votes cast in the last gubernatorial elec-

tion. Tax ordinances adopted by a two-third's majority of the Council and approved by the Mayor would take effect on the date specified in the ordinance. This could be an immediate date, thus eliminating the opportunity for a referendum. Tax ordinances adopted by less than a two-third's majority would take effect not less than 60 days after the Mayor's approval. Non-tax ordinances take effect on the date specified by the ordinance. Proposed ordinances are required to be published by title in a general circulation newspaper prior to consideration.

Chapter VII generally deals with elections. It specifies that candidates for councillor and mayor positions shall run either as candidates of political parties or as independent candidates.

Chapter VIII deals with elective officers. The only elective officers are the Mayor and the Councillors. They must devote full time to their offices and shall not hold any other lucrative public office or position or pursue any other vocation. The salaries set for the two years after the charter is adopted are \$30,000 for Mayor and \$20,000 for each Councillor. Procedure for filling vacancies is contained in this section. The only unusual feature is that the central committee of the political party of an elected officer who vacates the office is charged with the responsibility of submitting the names of five nominees to the Council. The Council is *required* to choose one of these nominees.

Chapter IX refers to personnel. That portion dealing with continuation of employe rights is essentially taken from the enabling legislation (ORS 199.770). Employment status and benefits of the employes of the consolidating governmental units are retained, as well as the pension benefits of retired employes. Provisions for collective bargaining, grievance procedure and a classified personnel system based on merit are included.

As in the Enabling Act, no mention is made of the status of employes of extinguished governmental units.

Chapter X discusses finance and taxation. Bonded indebtedness is limited to 3 per cent of the true cash value in the City-County. Bonds for several types of facilities are exempted, as provided by state law.

The 1975-76 tax base is not specified at this time because it is required by the Enabling Act to reflect an amount not less than the sum of the existing tax bases of Portland, Multnomah County and the extinguished special districts at the time of consolidation. This figure will be estimated as late as possible prior to November 1, 1973.

Tax differentials are included by defining three taxing districts which would include urban, suburban (80 per cent of the urban rate) and rural (50 per cent of the urban rate). These property tax district boundaries are initially described in the charter but may be changed by the Council after the first fiscal year.

Chapter XI entitled "Miscellaneous Provisions" relates to public access to records, political activities of officers and elections and charter amendments.

The last chapter (XII) contains transitional provisions between the old and the new governments.

VIII. REACTION TO CHARTER

The City-County Charter Commission has striven to elicit public comment on the draft charter through a series of public hearings, special programs and conferences and comment in the newspapers and on television and radio.

In a letter to the Committee dated February 15, 1973, the Commission pointed out those issues which it felt were of most public concern, inasmuch as they were those most frequently raised issues at the various public hearings. Your Committee's comprehensive research to date, including continuous participation in these public hearings, has resulted in concurrence with the Commission's determination of the salient points. These issues, and brief explanations thereof, are set forth herein as a part of this report and are quoted directly from Commission Chairman Joseph's recent letter:

Initiative and Referendum. It became apparent at the first hearing that the charter called for too many required signatures on initiative and referendum petitions. Both the base and the number of signatures have now been reconsidered. The Commission has adopted revised language that would require signatures of nine percent for referendum and eleven percent for an initiative, based on the number of voters who voted for all candidates at the previous election of a governor. Under the original draft both the referendum and the initiative would have required 29,322 signatures (based on present figures); under the new provisions the required signatures would be, respectively, 17,450 and 21,340.

Tax ordinances. The draft charter provides that an ordinance may become effective upon its signature by the mayor if passed by a 2/3 majority of the council. This provision has been criticized because it would make it possible for a tax ordinance to become effective before an opportunity for a referendum by petition, although nothing would prevent the council's referral of the ordinance to the voters.

Absence of emergency provision. The charter does not provide for emergency ordinances as such, and questions have been raised whether there should not be a means by which ordinances can be passed immediately upon the occurrence of an emergency.

Size of the Council. While there seems to have been general acceptance of the principle of district representation, as well as at-large representation, the size of the council (11 members) has been challenged both by those who want a smaller legislative body and those who want a larger legislative body.

Full-time legislators. The idea that councillors should be full-time legislators, instead of part-time, has been both criticized and approved, with the preponderance on the critical side.

Partisan elections. The charter provides for partisan election (as in the present county government) rather than non-partisan elections (as in the City of Portland at present). This provision has been challenged by several witnesses and praised by a few.

Strong mayor—strong legislature. It has been asserted by some that the draft charter will make the mayor too strong relative to the legislature, while others have suggested either that the mayor would not be strong enough or that the charter does not sufficiently define or limit the powers of the mayor or the legislature.

Filling vacancies in elective office. The charter provides for participation of party central committees in the selection of persons to fill vacancies in elective office. This provision has received critical comment.

General powers vs. specific powers. Traditionally, older city charters have listed the government's specific powers. The draft charter provides a general grant of power, as in most modern charters. Some sentiment has been voiced in favor of the older tradition.

Limitation of administrative department to four in number. The Commission's adoption of Commissioner Clark's proposal for the county's reorganization (which is now being implemented) seems to have met general acceptance, al-

though some preference for defining the structure and function of each department by charter has been expressed, and there has been some criticism of both the organization and reorganization powers granted to the mayor and limitations on those powers in the present provisions.

Civil Service and personnel. Provisions of the charter guaranteeing to employees of the old governments their pre-existing employment rights under the new government have been questioned on several occasions, principally because the language would, on its face, seem to lessen the immediate impact of consolidation on a possible reduction of public employment. However, those limitations are imposed by the Enabling Act passed by the 1971 Legislature and are not within the power of the Commission or the charter to change. Knowledgeable people in the existing governments tell us that a hiring freeze between the passage of the charter and its effective date, added to normal attrition, would naturally reduce surplus staffing. A number of technical matters (such as pensions) are under continuing study.

Differential taxation. Taxation, of course, is one of the prime concerns of every citizen. The charter introduces a three level tax differential. Questions have been raised whether the proposal is lawful under the Oregon Constitution, whether the ratios proposed are fair and equitable (i.e., do they adequately reflect services rendered or to be rendered by the new government?) and whether the differential system is workable over the long run. This matter, too, is under continuing study.

Finances. The adequacy of provisions for funding water and sanitary sewer service and bonding have been questioned. The Commission was aware at the time it published the draft charter that the whole matter of finance required much more study than the Commission had been able to give it in the first year.

Respectfully submitted,

Royald V. Caldwell

David M. Crow

Donald V. Etzel

William R. Lesh

James V. Mitchell

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William A. Palmer

Harvey L. Rice

Thomas S. Stimmel

Joseph E. Worth

James A. Nelson, *Chairman*

Approved by the Research Board March 8, 1973 for transmittal to the Board of Governors.

Received by the Board of Governors March 12, 1973 and ordered printed and distributed to the membership for presentation, discussion and action on March 23, 1973.

APPENDIX A

CITY-COUNTY CONSOLIDATION
(Generally)

199.705 DEFINITIONS FOR ORS 199.705 TO 199.775. In ORS 199.705 to 199.775:

(1) "City-county" means a city incorporated under ORS 199.705 to 199.775 and having both city and county functions.

(2) "City in the county" means a city having more than 50 percent of its population in the county.

(3) "Most populous city" means a city of not less than 300,000 population. [1971 c731 §2]

199.710 SHORT TITLE. ORS 199.705 to 199.775 may be referred to as the City-County Act of 1971. [1971 c731 §1]

199.715 CITY-COUNTY CONSOLIDATION AUTHORIZED. By proceeding under ORS 199.705 to 199.775, a county and the most populous city in the county may consolidate to form a city-county, and one or more of the other cities in the county may join in the consolidation. [1971 c731 §3]

199.720 INITIATION OF CONSOLIDATION PROCEEDINGS BY RESOLUTION OR PETITION. (1) Consolidation proceedings may be initiated by resolution of the governing body of the county or of the most populous city in the county. Within five days after adoption of the resolution a true copy thereof shall be filed with the governing body, other than the adopting governing body, of each city that has any territory within the county and of each county in which such a city has territory.

(2) The proceedings may also be initiated by qualified voters of the county and of the most populous city in the county who reside within or outside of the county, filing with the County Clerk of the county a petition signed by a number of such voters equal to six percent of the total number of votes cast in the county for all gubernatorial candidates at the last preceding election at which a Governor was elected for a four-year term.

(3) The form of the petition shall be:

CITY-COUNTY CONSOLIDATION

We, the undersigned qualified voters hereby initiate proceedings for consolidating _____ County, the City _____, and whatever other cities in the County desire to join in the consolidation. We request that a charter commission be appointed, a charter be prepared, and an election on the consolidation be held, all under the City-County Act of 1971.

Names

Addresses

(Here follow 20 lines for signatures)

(4) Before the petition is circulated for signatures, a true copy of it shall be filed with the county clerk. No signature on the petition shall be counted unless subscribed thereon and filed with the county clerk within 180 days after the original filing.

(5) Within 15 days after receiving signatures to the petition the county clerk shall verify the signatures. As soon as he has verified the signatures and whether the number required for the petition have signed, he shall certify that fact on the petition and file the petition. Within five days after the certification he shall forward a true copy of the text of the petition and of the certification to the governing body of each city that has any territory within the county and of each county in which such a city has territory.

(6) The date of initiation of the proceedings shall be the date the initiating resolution is adopted or the date that the county clerk certifies that the initiating petition bears the required number of verified signatures. [1971 c731 §4]

(COMMISSION)

199.725 CHARTER COMMISSION; APPOINTMENT; TERM; FIRST MEETING; CHAIRMAN; APPROPRIATION FOR EXPENSES. (1) Within 30 days after the proceedings are initiated a charter commission comprised of persons each of whom is a qualified voter of the county or the most populous city shall be appointed as follows:

(a) Three members jointly by a majority of a convention of the State Senators elected from the county or any part thereof, one of whom shall be a resident of the unincorporated area of the county.

(b) Three members jointly by a majority of a convention of the State Representatives elected from the county or any part thereof, one of whom shall be a resident of the unincorporated area of the county.

(c) Two members by the governing body of the county.

(d) Two members by the governing body of the most populous city in the county.

(e) One member jointly by a majority of a convention of the mayors of the cities in the county other than the most populous city.

(2) Any of the appointments not made as provided by subsection (1) of this section shall be made by the Governor within 45 days after the proceedings are initiated.

(3) Each appointment made under this section shall be certified immediately by the appointing authority to the mayor of the most populous city.

(4) Members of the charter commission shall serve without pay.

(5) The terms of office of members of the commission shall continue until the charter that the commission prepares is submitted to the voters under ORS 199.730 and 199.735. A position on the commission shall become vacant, however, for any cause specified by ORS 236.010 and may be declared vacant by the commission because of nonattendance at commission meetings. Within 30 days after such a vacancy occurs or is declared, it shall be filled in the manner prescribed by the provisions of subsections (1) and (2) of this section that are applicable to the position vacated.

(6) Within five days after receiving certification of the final appointment to the commission, the mayor of the most populous city shall fix the time and place and give the commission members at least 10 days' notice of the first meeting of the commission. He shall convene the commission and serve as its temporary chairman. At the first meeting the commission shall designate a permanent chairman and organize in whatever other manner it considers advisable.

(7) The governing body of the county proposed to be consolidated shall appropriate for the expenses of the commission:

(a) Not less than \$25,000; and

(b) Additional amounts, aggregating not more than \$100,000, as requisitioned by a majority of the following officials: The chairman of the commission, the chairman of the county governing body and the mayor of the most populous city in the county.

(8) The county and any city in the county may appropriate money to assist the charter commission with its work. [1971 c.731 §5]

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 employes 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. [1971 c.731 §6]

(CONSOLIDATION)

199.735 ELECTION ON CONSOLIDATION. (1) The election shall be held at the same time as a regular primary or general election held throughout the state.

(2) At the election the following questions shall be submitted:

(a) To the qualified voters of the county and of the most populous city, the question whether the county and the most populous city shall be consolidated and thus incorporated as a city-county and shall also include all other cities whose voters favor joining in the consolidation as provided under paragraph (b) of this subsection.

(b) To the qualified voters of each less populous city in the county, the question whether that city shall join the most populous city and the county in consolidating into the city-county.

(3) The commission shall file the call and the charter with the county clerk, who shall arrange for, give notice of, conduct and publicize the results of the election under ORS 254.310 and the general laws of the state governing elections. The county shall bear the expense of the election. [1971 c.731 §7]

199.740 EFFECT OF CONSOLIDATION. (1) The consolidation shall take place if, and only if, it receives at the election affirmative votes by a majority of those voting thereon in the county and by a majority of those voting thereon in the most populous city in the county.

(2) In case the consolidation takes place, any less populous city in the county shall become a part of the city-county unless a majority of the voters voting on the question submitted under subsection (2) of ORS 199.735 votes against doing so.

(3) A majority vote for the question shall have the effect of surrendering or merging the charter of any affected city as required in subsection (1), section 2a of Article XI of the Oregon Constitution if the consolidation occurs. [1971 c.731 §8]

199.745 FIRST GOVERNING BODY OF CONSOLIDATED CITY-COUNTY. (1) The first members of the governing body of the city-county shall be nominated and elected in the manner and at the times prescribed by the city-county charter.

(2) The county clerk shall arrange for, give notice of and conduct the election. The county shall bear the expense of the election.

(3) The charter shall prescribe the date on which the city-county comes into existence and shall include necessary transitional provisions. [1971 c.731 §9]

199.750 STATUS OF CONSOLIDATED CITY-COUNTY. (1) The city-county shall be a city within the meaning of state law, except ORS 221.610 to 221.660, 222.210 to 222.310 and 222.850 to 222.915. In merger proceedings under ORS 222.610 to 222.720 consent by the city-county to the merger may be given by the governing body of the city-county without a popular vote on the merger. No merger or annexation adding territory to the city-county shall change a county boundary. Annexation to the city-county of area in another county or merger

into the city-county of a city in another county shall be for the provision of city services only.

(2) The city-county shall be a county for purposes of Articles IV, VII (Amended), VII (Original) and VIII of the Oregon Constitution and in its relationship to any city in the city-county excluded from the consolidation under subsection (2) of ORS 199.740. That relationship shall continue until the excluded city disincorporates or merges into the city-county, but the excluded city may not extend its boundaries.

(3) The city-county shall have the powers and duties of counties and county officers and cities and city officers under state law and the city-county charter. The charter shall prescribe or make provision for prescribing what officers and agencies of the city-county shall exercise those powers and duties.

(4) The charter may also precribe or make provision for prescribing that state officers elected in the city-county alone shall simultaneously be city-county and state officers and have city-county functions prescribed by the charter or ordinances of the city-county.

(5) The city-county shall be both a city and a county entitled to receive funds under state and federal laws allocating funds to cities or counties or both. [1971 c.731 §10]

199.755 RECEIPT OF STATE FUNDS BY CONSOLIDATED CITY-COUNTY. (1) A city-county shall receive a share of the revenues allocated to counties under ORS 323.455, 366.525 and 471.810. Subject to subsections (2) and (3) of this section, it shall also receive a share allocated under ORS 323.455, 366.800 and 471.810 to cities.

(2) Starting with the first full calendar month after the effective date of the consolidation, a city-county shall receive a share of such revenues allocated to cities on the same basis as a city. In computing such share, population shall be determined as provided by subsection (3) of this section.

(3) For the purposes of this section, population of a city-county shall be determined:

(a) For the calendar year in which the consolidation becomes effective, at 70 percent of the population of the city-county as determined under ORS 190.510 to 190.590;

(b) For the first calendar year following the calendar year in which the consolidation becomes effective, at 73 percent of the population of the city-county as determined under ORS 190.510 to 190.590; and

(c) For the second calendar year following the calendar year in which the consolidation becomes effective, at 76 percent; for the third, at 79 percent; for the fourth, at 82 percent; for the fifth, at 85 percent; for the sixth, at 88 percent; for the seventh, at 91 percent; for the eighth, at 94 percent; for the ninth, at 97 percent; and for the 10th and each succeeding calendar year, following the calendar year in which the consolidation becomes effective, at 100 percent of the population of the consolidated city-county as determined under ORS 190.510 to 190.590. [1971 c.731 §11]

199.760 BOUNDARIES OF CONSOLIDATED 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.

(2) No boundary change effected under ORS 199.705 to 199.775 shall:

(a) Change the boundaries of a legislative district established by state law.

(b) Deprive any member of the Legislative Assembly of his seat in that body.

[1971 c.731 §12]

199.765 TAX BASE; EFFECT OF CONSOLIDATION ON CONTINUING LEVIES.

(1) 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, the charter may establish taxing districts on the basis of services to be provided by the city-county and prescribe different tax rates for the different taxing districts. The charter shall provide procedure for modification or dissolution of such taxing districts and for changing such tax rates, after the first fiscal year in which the city-county levies taxes.

(2) The charter of the city-county may provide that any serial tax levy previously authorized outside the limitation of section 11, Article XI of the Oregon Constitution shall continue as if the consolidation had not occurred. The governing body of the city-county may exercise whatever taxing power is thus continued. [1971 c.731 §13]

199.770 STATUS OF EMPLOYEES AFTER CONSOLIDATION. After a consolidation is effected under ORS 199.705 to 199.775, there shall be preserved and continued, to at least the same extent as they exist at the time of the consolidation, the employment status and pension and other benefit rights of the employes of the consolidating governmental units, including, but not limited to:

(1) Rights, privileges and benefits, including pensions and pension rights and benefits existing under collective bargaining agreements or otherwise.

(2) Collective bargaining rights.

(3) Protection of individual employes against a worsening of their positions with respect to their employment.

(4) Employment of persons employed immediately prior to the consolidation by the consolidating units.

(5) Priority, as of the time immediately before the consolidation, of reemployment of employees of the consolidating units who have previously been laid off or had their employment terminated.

6) Paid training or retraining programs for any employe of a consolidating unit whose position or job is eliminated by the consolidation or by any subsequent administrative reorganization of the city-county. [1971 c.731 §14]

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) The effect of incorporation of a city-county on special districts is governed by ORS 222.510 to 222.570 to the extent they are applicable. [1971 c.731 §15]

CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Robert W. Lundy, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.

Done at Salem, Oregon,
on December 1, 1971.

Robert W. Lundy
Legislative Counsel

APPENDIX B

A BILL FOR AN ACT

Relating to City-County Consolidation; amending ORS 199.725, 199.735, 199.740, 199.750, 199.765, 199.770, and 199.775; adding a new provision and declaring an emergency.
BE IT ENACTED BY THE PEOPLE OF THE STATE OF OREGON:

Section 1. ORS 199.725 is amended to read:

199.725 (1) Within 30 days after the proceedings are initiated a charter commission comprised of persons each of whom is a qualified voter of the county or the most populous city shall be appointed as follows:

(a) Three members jointly by a majority of a convention of the State Senators elected from the county or any part thereof, one of whom shall be a resident of the unincorporated area of the county.

(b) Three members jointly by a majority of a convention of the State Representatives elected from the county or any part thereof, one of whom shall be a resident of the unincorporated area of the county.

(c) Two members by the governing body of the county.

(d) Two members by the governing body of the most populous city in the county.

(e) One member jointly by a majority of a convention of the mayors of the cities in the county other than the most populous city.

(2) Any of the appointments not made as provided by subsection (1) of this section shall be made by the Governor within 45 days after the proceedings are initiated.

(3) Each appointment made under this section shall be certified immediately by the appointing authority to the mayor of the most populous city.

(4) Members of the charter commission shall serve without pay.

(5) The terms of office of members of the commission shall continue until the charter that the commission prepares is submitted to the voters under ORS 199.730 and 199.735. A position on the commission shall become vacant, however, for any cause specified by ORS 236.010 and may be declared vacant by the commission because of non-attendance at commission meetings. Within 30 days after such a vacancy occurs or is declared, it shall be filled in the manner prescribed by the provisions of subsections (1) and (2) of this section that are applicable to the position vacated.

(6) Within five days after receiving certification of the final appointment to the commission, the mayor of the most populous city shall fix the time and place and give the commission members at least 10 days' notice of the first meeting of the commission. He shall convene the commission and serve as its temporary chairman. At the first meeting the commission shall designate a permanent chairman and organize in whatever other manner it considers advisable.

(7) The governing body of the county proposed to be consolidated shall appropriate for the expenses of the commission:

- (a) Not less than \$25,000; and
(b) *Not more than an additional* [Additional amounts aggregating not more than] \$100,000, as requisitioned by a majority of the following officials: The chairman of the commission, the chairman of the county governing body and the mayor of the most populous city in the county.
(8) The county and any city in the county may appropriate money to assist the charter commission with its work.

Section 2. ORS 199.735 is amended to read:

ORS 199.735 (1) The election shall be held at the same time as a regular primary or general election held throughout the state.

(2) At the election the following questions shall be submitted:

(a) To the qualified voters of the county and of the most populous city, the question whether the [county and the most populous city shall be consolidated and thus incorporated as a city-county shall also include all other cities whose voters favor joining in the consolidation as provided under paragraph (b) of this subsection]. *charter shall be adopted as the charter for a city-county.*

(b) To the qualified voters of each less populous city in the county, the question whether that city shall [join the most populous city and the county in consolidating] *merge* into the city-county.

(c) *Should a voter be a qualified voter of both the county and the most populous city, the question presented in subparagraph (a) of this subsection shall appear only on the county ballot for such voter, but it shall be tallied both as a vote of a voter of the county and a voter of the most populous city.*

(d) *The charter may provide for its becoming effective for the purpose of electing city-county officers immediately upon the proclamation of the vote on the charter.*

(3) The commission shall file the call and the charter with the county clerk, who shall arrange for, give notice of, conduct and publicize the results of the election under ORS 254.310 and the general laws of the state governing elections. The county shall bear the expense of the election.

Section 3. ORS 199.740 is amended to read:

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

(2) *In case the charter is approved and the consolidation takes place, any less populous city in the county shall become a part of the city-county unless a majority of the voters voting on the question submitted under subsection (2) (b) of ORS 199.735 votes against doing so.*

(3) *A majority vote for the question shall have the effect of surrendering [or merging] the charter of any affected city as required in subsection (1), section 2a of Article XI of the Oregon Constitution [if the consolidation occurs] and the charter of the affected county when the city-county comes into existence.*

Section 4. ORS 199.750 is amended to read:

199.750(1) The city-county shall be a city within the meaning of state law, except ORS 221.610 to 221.660, 221.210 to 222.310 and 222.850 to 222.915. In merger proceedings under ORS 222.610 to 222.720 consent by the city-county to the merger may be given by the governing body of the city-county without a popular vote on the merger. No merger or annexation adding territory to the city-county shall change a county boundary. Annexation to the city-county of area in another county or merger into the city-county of a city in another county shall be for the provision of city services only.

(2) The city-county shall be a county for purposes of Articles IV, VI, VII (Amended), VII (Original) and VIII of the Oregon Constitution and in its relationship to any city in the city-county excluded from the consolidation under subsection (2) of ORS 199.740. That relationship shall continue until the excluded city disincorporates or merges into the city-county, but the excluded city may not extend its boundaries.

(3) The city-county shall have the powers and duties of counties and county officers and cities and city officers under state law and the city-county charter. The charter shall prescribe or make provision for prescribing what officers and agencies of the city-county shall exercise those powers and duties.

(4) The charter may also prescribe or make provision for prescribing that state officers elected in the city-county alone shall simultaneously be city-county and state officers and have city-county functions prescribed by the charter or ordinances of the city-county.

(5) The city-county shall be both a city and a county entitled to receive funds under state and federal laws allocating funds to cities or counties or both.

(6) *The charter may prescribe or make provision for prescribing which shall be county, city or jointly city-county powers, duties or functions.*

Section 5. ORS 199.765 is amended to read:

199.765 (1) 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, the charter may establish taxing districts on the basis of services to be provided by the city-county and prescribe a formula for establishing different tax rates for the different taxing districts. The charter shall provide

procedure for modification or dissolution of such taxing districts and for changing such tax rates, after the first fiscal year in which the city-county levies taxes.

(2) The charter of the city-county may provide that any serial tax levy previously authorized outside the limitation of section 11, Article XI of the Oregon Constitution shall continue as if the consolidation had not occurred, *notwithstanding* ORS 310.050, 310.090 and 310.395. The governing body of the city-county may exercise whatever taxing power is thus continued.

Section 6. ORS 199.770 is amended to read:

199.770. After a consolidation is effected under ORS 199.705 to 199.775, there shall be preserved and continued, to at least the same extent as they exist at the time *immediately before the city-county comes into existence* [of the consolidation], the employment status and pension and other benefit rights of the employees of the consolidating, *merging or extinguished* units, including, but not limited to:

(1) Rights, privileges and benefits, including pensions and pension rights and benefits existing under collective bargaining agreements or otherwise.

(2) Collective bargaining rights.

(3) Protection of individual employees against a worsening of their positions with respect to their employment.

(4) Employment of persons employed immediately prior to the [consolidation] *time the city-county comes into existence* by the [consolidating] units.

(5) Priority, as of the time immediately before the [consolidation] *city-county comes into existence*, of reemployment of employees of the [consolidating] units who have previously been laid off or had their employment terminated.

(6) Paid training or retraining programs for any employee of a [consolidating] unit whose position or job is eliminated by the consolidation, *merger or extinction* or by any subsequent administrative reorganization in the city-county.

Section 7. ORS 199.775 is amended to read:

ORS 199.775 (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) [The effect of incorporation] *Incorporation* of a city-county [on] *shall effect a dissolution of special districts [is] otherwise* governed by ORS 222.510 to 222.570 [to the extent they are applicable] *the areas of which are entirely within the boundaries of the city-county for county or city purposes, as defined in ORS 199.760, but a city-county shall have the power to establish service districts within its boundaries as provided in ORS 199.705 to 199.775 and ORS Ch 451.*

Section 8. Section 9 of this Act is added to and made a part of ORS 199.705 to 199.775.

Section 9. (1) For the purposes of ORS Ch 451, a city-county shall be deemed to be a county and its legislative body shall be deemed to be a county court, provided that the charter may allocate or provide for allocation of executive and administrative functions in respect to service districts to the chief executive officer and departments of the city-county.

(2) In addition to those districts authorized in ORS 451.010, a city-county may create service districts for any service as may be prescribed by its legislative body.

Section 10. This Act being necessary for the immediate preservation of health, peace and safety, an emergency is declared to exist and this Act shall become effective immediately upon its signature by the governor.

APPENDIX C

HEARING SCHEDULE

The following are the scheduled times and places of the remaining hearings that are being held now to review the Charter.

March 21, 1973, Wed. 7:45 p.m.	District 8	Reynolds High School, 1200 N.E. 201st, Troutdale (co-sponsor, EMCO LWV)
April 4, 1973, Wed. 7:45 p.m.	District 7	Education/Health Center Auditorium (co-sponsor, MCCA) 12240 N.E. Glisan
April 18, 1973, Wed. 8:00 p.m.	District 1	North YWCA, 8010 N. Charleston
May 2, 1973, Wed. 7:45 p.m.	District 4	Central Catholic High School (Oak Street entrance) (co-sponsor, PACT)
May 16, 1973, Wed. 7:45 p.m.	District 6	Madison High School Auditorium, 2735 N.E. 82nd (co-sponsor, School Service Club)
May 19 or June 2, 1973, Sat.	County-wide	Time and Place to be set later