

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Ratification of Intergovernmental Relations Committee Minutes of June 30, 2010

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Meeting Date: December 13, 2010  
Department: City Manager's Office  
*www.eugene-or.gov*

Agenda Item Number: 2C  
Staff Contact: Brenda Wilson  
Contact Telephone Number: 682-8441

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### **ISSUE STATEMENT**

This is an action item to ratify the recommendations of the Intergovernmental Relations (IGR) Committee meeting of June 30, 2010.

### **BACKGROUND**

As a matter of procedure, the City Council is routinely asked to ratify the actions taken by the Intergovernmental Relations (IGR) Committee. This is done by submitting the minutes of each committee meeting to the council.

### **RELATED CITY POLICIES**

Ratification of IGR Committee actions is the making or affirming of the City of Eugene's policy with respect to Federal and State legislative issues or such other matters as may come to the council from the committee.

### **COUNCIL OPTIONS**

The council may ratify or decline to ratify the IGR Committee's actions as set forth in the minutes of the committee's meeting.

### **CITY MANAGER'S RECOMMENDATION**

The City Manager recommends ratification of the IGR Committee's actions as set forth in the minutes of the committee's meeting.

### **SUGGESTED MOTION**

Move to ratify the IGR Committee's actions as set forth in the minutes of the June 30, 2010 IGR meeting.

### **ATTACHMENTS**

A. IGR Committee Minutes of June 30, 2010

**FOR MORE INFORMATION**

Staff Contact: Brenda Wilson

Telephone: 682-8441

Staff E-Mail: [brenda.s.wilson@ci.eugene.or.us](mailto:brenda.s.wilson@ci.eugene.or.us)

MINUTES

Council Committee on Intergovernmental Relations  
McNutt Room—Eugene City Hall  
777 Pearl Street—Eugene, Oregon

June 30, 2010  
1:00 p.m.

PRESENT: George Poling, Chair; Andrea Ortiz, Betty Taylor, members; Brenda Wilson, Jessica Mumme, City Manager's Office; Kitty Piercy, Mayor; Mary Cronin, Brett Garson, Jim Smith, Smith, Dawson & Andrews.

**1. Call to Order and Review Agenda**

Mr. Poling called the meeting of the Council Committee on Intergovernmental Relations (CCIGR) to order at 1:21 p.m. and asked if there were any additions or changes to the agenda. There were none.

**2. League of Oregon Cities Legislative Priorities**

Ms. Wilson explained that in any odd-number year, the League of Oregon Cities (LOC) convened a set of policy committees, as follows: Community Development, Energy, Finance and Taxation, General Government, Transportation, Telecommunications, Human Resources and Water and Wastewater. These policy committees were made up of elected officials, city managers, city attorneys and other staff throughout their membership, which consisted of all 242 cities in the State of Oregon. The policy committees met for several months and discuss issues that faced municipalities across the state (both big and small), including legislative actions that did and did not go well in previous sessions and other things that need to be changed. Each policy committee came up with a set of recommended legislative actions that could be taken by the LOC. This was a new process that had been started, and was the second attempt at this for a regular legislative session. After policy committees come up with recommended actions, the LOC sent out the proposed legislative priorities to all member cities and asks for prioritization. This year, the LOC requested that each member city send what they believed were the four priorities the LOC should concentrate on during the upcoming legislative session, which would begin in January 2011. This did not mean that the other priorities that were not on the list the LOC sent would not be taken care of by the LOC. It just meant that the LOC would not be looking for legislation to be introduced on their behalf.

Ms. Wilson explained that she sat on five of these policy committees, to bring forward the City of Eugene (COE)'s priorities based on the direction provided to her. She also talked to staff about issues the COE was facing, and what would be helpful for Ms. Wilson to bring forward for the LOC to address. She related that as CCIGR members knew, the state was facing a huge budget deficit. With the last revenue forecast, the state discovered that the deficit totaled about \$500 million. As a result, the state government had instituted across-the-board cuts to all state agencies in the amount of nine percent of their remaining budget for the 2009-2011 biennium, because of the constitutional requirement to balance the budget. This meant that the upcoming legislative session would be all about revenue – how to raise it, keep it and who to take it from. One of the challenges Eugene faced as a city was to hold onto any revenue tools or incoming revenue.

Ms. Wilson directed committee members' attention to a document in their packets titled *LOC 2011 PROPOSED LEGISLATIVE PRIORITIES*, which included some of the discussion policy committees had related to the description of each priority as well as staff comments. She stated that she did not want to presuppose what the CCIGR's priorities might be, but went through and highlighted some of the priorities in gray. These, she felt, could not be accomplished in this upcoming legislative session or were something that the LOC already prioritized. For example, under Finance and Taxation, priority G.: "Maintain and strengthen the state's historic commitment to the state shared revenue funding and any additional taxes; surcharges must be incorporated in the current formula so cities may continue to provide services related to these revenues." She explained that this was a priority, but that should the situation arise, the LOC would already take that action.

***a. Priority E - Business Energy Tax Credit (BETC)***

Ms. Wilson stated that she did highlight priority E: the Business Energy Tax Credit (BETC). She explained that the BETC came under attack during the last legislative session because of some groups' view that it was being abused, especially in the wind energy industry. One of the issues that kept coming up, in every hearing and discussion, even though legislative leadership said they were not going to address it, was the passthrough that municipalities used. She said that the COE used the passthrough for some of their energy projects, and if the passthrough went away or was capped, it would significantly impact the COE's ability to implement some of those energy programs. The COE also had projects where it would lose the American Recovery and Reinvestment Act (ARRA) funding if the passthrough went away, because the tax credit was needed in order to complete certain projects. She related that this was her only recommendation for inclusion in the COE's priority list as far as the LOC priorities.

***b. Priority A - Overhauling the urban growth boundary rules and Priority F - policies overhauling the state's property tax system***

Ms. Wilson explained that priorities A (Overhauling the urban growth boundary rules and policies) and F (Overhauling the state's property tax system) would require multiple legislative sessions. She said that she recommended the priorities that she had not highlighted more than the ones she had highlighted in gray.

***c. Priority I - 9-1-1 tax for pre-paid cell phones***

The non-highlighted priorities, priority I, Ms. Wilson explained, would also impact the COE's ability to maintain revenues or would provide additional tools to generate revenues. For example, she brought the CCIGR's attention to priority I, "9-1-1 tax for pre-paid cell phones" (under general government). She explained that buying minutes for a pre-paid cell phone did not require an account or paying a 9-1-1 tax. However, these phones could dial 9-1-1. The 9-1-1 tax for cell phones with plans was 75 cents per month. This tax was not enough to support the 9-1-1 system, and there was a growing number of pre-paid cell phones coming on the market. The State of Washington had just enacted a tax on these wireless telephones, and other states were going after pre-paid cell phones that would provide additional revenue to their 9-1-1 systems.

Ms. Taylor asked Ms. Wilson if she wanted the CCIGR to choose their top four priorities for the LOC.

Ms. Wilson stated that this was correct.

Ms. Taylor asked if requiring multiple sessions to occur should preclude the CCIGR from choosing some of

the priorities on the list.

Ms. Wilson stated that this was not the case, but that she was just pointing out that priorities A and F would require multiple legislative sessions to be completed.

Ms. Taylor said that the 9-1-1 tax sounded important, but she wondered if it was too small an issue to make a priority.

Ms. Wilson reiterated that the 9-1-1 taxes currently being collected were not sufficient to support the system.

Ms. Taylor stated that she understood that, and wondered if it should be selected as a priority for the LOC.

Ms. Wilson explained that the CCIGR would submit their four priorities, as would other LOC members. Whichever four from these collections rose to the top, the LOC would choose as their four legislative priorities for the upcoming session.

Ms. Taylor asked if the CCIGR would select the priorities, or if they needed to get their selections approved by City Council.

Ms. Wilson explained that the CCIGR would select the priorities under their usual process.

Mayor Piercy asked if Ms. Wilson had any sense of the legislature's perspective on the proposed priorities.

Ms. Wilson explained that, in priority F, "Overhauling of the state property tax system," a task force was put together in 2008 to study the tax system and come up with some alternate proposals. In that case, the legislature had directed a study of the system.

*d. Priority O - work to achieve healthcare cost containment*

Ms. Wilson stated that in the case of priority O, "Work to achieve healthcare cost containment," the state legislature would have to address the federal mandates on health care during the upcoming legislative session. If LOC members selected this as a priority, the LOC would work to make sure that however the legislature addressed those federal mandates, costs to local government would be considered, and local authority on decision making for health care costs would be protected.

*e. Priority P – Allow employees to choose alternative retirement options*

Ms. Wilson explained that there was some movement to reform the Public Employee Retirement System (PERS) (priority P) again. PERS rates would go up beginning July 1, 2012. The average across-the-board rate increase would be about five percent, and could not be more than six percent (on top of the employer rate already being paid, not including the six percent member payment). She explained that there had been some talk, especially by Representative Richardson, who was the author of the PERS reform, to go through another reform. Whether or not the political will to do that existed, Ms. Wilson was not sure. She said that there were several lawsuits that were still pending.

*f. Priority U – Advocate for sustainable alternatives to fuel taxes*

Ms. Wilson said that some of the priorities she had highlighted in gray she did not consider unimportant but felt that they were already being addressed. For example, priority U, “Advocate for sustainable alternatives to fuel taxes,” she said that she knew the Oregon Transportation Commission (OTC) and the Oregon Department of Transportation (ODOT) were already examining that issue, and a task force already existed.

*g. Priority W - Seek additional funding, efficiencies and program support for multi-modal transit and rail projects*

In the case of priority W, “Seek additional funding, efficiencies and program support for multi-modal transit and rail projects,” Ms. Wilson explained that ODOT would submit a legislative concept that would call for permanency for ConnectOregon (at the current time it was session-by-session). She said that in addition, an off-the-top amount for multi-modal and rail was being considered and Mayor Piercy was on a committee that was looking at the spending of federal flexible funds. She said that these items were just for CCIGR members' information – if they wanted to suggest them as legislative priorities for the LOC, that was fine, but there were already other efforts going on that addressed those issues.

Mayor Piercy stated that this was a time of limited revenues and limited ability to take on new big projects. Because of this, it seemed to her that, despite Ms. Wilson's explanation that some of the items listed would happen whether or not the LOC prioritized them, it made more sense for the CCIGR to look through the ones that were already happening to see what the CCIGR thought to be most important than to start something new (unless the CCIGR decided that something was hugely important to the COE). She reiterated her point that it made more sense to encourage the LOC to leverage projects that were already ongoing.

Ms. Wilson said that the LOC had the ability to have bills introduced. She said that it was not that the LOC would not engage in some of the listed priorities, for instance, overhauling state property taxes. Should that come forward as a recommendation to the legislature from a task force, the LOC would engage in it anyway, and would hold the line on what members normally asked them to do (for example, no pre-emption, protection of home rule, no smaller bucket of money, additional tools for cities). These priorities would be for the LOC to take a proactive action, and actually have bills introduced or have the legislature direct a work group or task force to address some of these issues even though they were already ongoing.

Ms. Wilson stated that, for example, it would be difficult for the LOC to have a bill introduced that would address priority W, “Efficiencies and program support for multi-modal transit and rail projects.” The LOC would expend energy ensuring an amount was taken from ConnectOregon (which is usually funded at \$100 million) to go towards multi-modal and rail projects (at this time this was not occurring), rather than asking that a ConnectOregon bill be introduced. This was not to say that if this was not one of LOC's priorities, they wouldn't do it anyway.

Ms. Wilson related that the CCIGR could suggest six priorities, or one, or none, but some direction needed to be given to the LOC addressing where the COE thought they should spend their energy. She reiterated her point that she expected the next legislative session to be quite serious for local government, specifically cities. Cities would need to do everything they could to ensure their revenues were not attacked, that their home rule authority remained intact, and that no additional preemptions were adopted against them. She stated that the COE should in fact do what they could to lift preemptions already in place.

Ms. Ortiz asserted that she understood what Mayor Piercy was saying, but she said that she was comfortable with Ms. Wilson's suggestions. She said that she hoped that she would look at them through the lens of

what Mayor Piercy wanted, and believed she had done that when she made her suggestions.

Ms. Wilson said that this was true, the COE might oppose bills that the LOC supported as a result of the priorities the CCIGR indicated should be prioritized. If specific bills came out of specific priorities the COE supported, staff would still review the bills for their impact on the COE, inform the CCIGR of these impacts and ask for direction.

Ms. Ortiz declared that priority I, “9-1-1 tax on pre-paid cell phones,” would impact the immigrant community. Nevertheless, she supported it, agreeing that it was a good idea, not only from an equity standpoint.

***h. Priority R – Address tax equity issues in the context of state telecommunications laws including removing existing preemptions that had led to declining revenues***

Ms. Wilson noted that there was only one priority under Telecommunications – priority R, “Address tax equity issues in the context of state telecommunications laws including removing existing preemptions that had led to declining revenues,” and that she had grayed it out. She said that if this was one of LOC's priorities, they would also work toward an alternative tax system, and that it would most likely take more than one session. The COE's only interest in legislation that would come out of this priority would be for the COE to be grandfathered in. The COE was one of one four cities in the state that taxed wireless, and the COE had its own telecommunications tax and fee structure, which the COE would protect at all costs.

***I. Priority Q – Eliminate the requirement for employers to provide identical health benefits for retirees as they do for active employees***

Mr. Poling mentioned priority Q, saying that his feeling about it would depend on the answer to his question. He asked if the elimination would pertain to current retirees, or current employees who were considering retirement.

Ms. Wilson said that it affected both current retirees and current employees who were considering retirement. At this time, there was a requirement that employers provide identical healthcare to retirees as they did employees.

Mr. Poling said that he might have to declare a conflict of interest as a current retiree.

Ms. Wilson said that it was very difficult to retroactively change employee benefits, and she imagined the legislation would impact only those employees who had yet to retire.

***J. Priority H – Allow local governments a more flexible use of transient lodging tax to meet the increased demands placed both on essential services and infrastructure created by tourism activities.***

Mr. Poling asked if more transient room tax funds were taken and put back into general fund monies, how would it affect Travel Lane County, for example. Would they get less in their budget if this occurred?

Ms. Wilson said that this would depend on how the bill was structured. She said that it would give the COE more flexibility to use the funds already received. The purpose of this particular legislative concept was to provide more control to local governments rather than increase the funds they received.

Mr. Poling said that it would be interesting to see what happened. He mentioned that he was on the Travel Lane County board and could say without a doubt that without organizations like it, tourism money would not be in the state in the first place. He said that his vote would depend on how the bill would be written.

***K. Priority AA – Recapitalize state municipal infrastructure funds to fully meet local demand and Priority BB – Protect existing and future water rights from conditions that would prevent municipalities from meeting current of future demands***

Mr. Poling asked for more history on priority AA, “Recapitalize state municipal infrastructure funds to fully meet local demand” and on priority BB, “Protect existing and future water rights from conditions that would prevent municipalities from meeting current or future demands.”

Ms. Wilson iterated that at this time, municipalities were required to submit their water management conservation plans and because of a lawsuit that was filed in 2005, the State of Oregon was currently looking at the issue of hoarding of water. The state was putting additional restrictions on municipal water right holders for water right permits for municipal or quasi-municipal use. The State of Oregon currently had a permit that had been applied for on the McKenzie River for 34 cubic feet per second (CFS). The state would issue that permit to the Willamette Water Company for quasi-municipal use, but would put a restriction on the amount of flow that would be required in the summertime, so much so that in the summertime, that water right would be shut off. The problems municipalities were having was that there was a 20-year planning window, but municipalities could not plan for 20 years – they needed to plan for much longer. However, some believed those water rights needed to be perfected within five years, which did not allow for municipal planning. This concept was to work with the Water Resources Department to make sure municipalities had the flexibility to do long-term planning for their water needs so they did not lose water rights permits applied for. She said that there had been a lot of talk of getting in the “back of the line.” There was no “back of the line,” she explained – the COE could get back in line but the chances that the state would issue another permit for even half the amount of water that existed in the COE’s 1961 permit without restrictions (where water would still be available in the summertime) were slim. There were 208 water rights on the McKenzie today that were applied for and granted after the 1961 permit. This meant that if the COE got in line tomorrow, we would be number 209.

Mr. Poling said he would like to put priority BB on the top of the list of the CCIGR's priorities suggested to the LOC.

Mr. Poling mentioned priority AA.

Ms. Wilson said that this referred to the state revolving fund. During the last regular session in 2009, the legislature had shored that fund up, but it was still significantly below what it needed to be in order to supply municipalities with the amount of funds necessary to keep their infrastructures going. For example, EWEB expected to lose an average of about seven percent over the next 20 years through evaporation due to deteriorating infrastructure. This revolving fund provided funds to municipalities in order to keep their infrastructure up to date. She said that this had been a priority of the LOC.

Mr. Poling stated that he thought priority AA should also be included in the CCIGR's recommended priorities to the LOC. He said that this priority addressed not only drinking water but also wastewater. Metropolitan Wastewater Management Commission (MWMC) was going through a major facilities upgrade as part of their 20-year master plan.



Ms. Taylor asked how the CCIGR would vote for priorities they wanted to put forward to the LOC.

Mr. Poling said that he wished to vote to put forward priorities AA and BB. He said that he knew Ms. Ortiz had expressed interest in priority I (“9-1-1 tax for pre-paid cell phones”).

Ms. Taylor said that the priorities she wished to put forward were priorities O (“Work to achieve healthcare cost containment and protect local decision making authority in benefit design”) and W (“Seek additional funding, efficiencies and program support for multi-modal transit and rail projects”).

Ms. Ortiz said that priority W was also one of her top four priorities.

Ms. Taylor, seconded by Ms. Ortiz, moved to forward priority W to the LOC as one of their legislative priorities.

Mayor Piercy said that she supported priorities AA, BB, W, I, E (“Reauthorize the Business Energy Tax Credit) to leverage local investments in energy conservation, fuel conservation, renewable energy projects, as well as recruitment and expansion of renewable energy resource equipment manufacturing facilities,” and F (“Take an active role in facilitating and promoting processes and measures to bring about an overhaul of the state property tax system ...”).

Mr. Poling said that it sounded as if all members were in agreement. He offered a friendly amendment to Ms. Taylor's motion, that the CCIGR add priorities E, F, I, O, AA, BB and W for forwarding to the LOC.

Ms. Taylor accepted Mr. Poling's amendment.

Ms. Wilson mentioned that the COE was the second-largest municipality as a member of the LOC, and if they decided to submit seven priorities for consideration to the LOC, they should be able to.

The motion, as amended, passed unanimously, 3:0.

### **3. Items from Members and Staff**

Ms. Taylor remarked that all CCIGR members should attend the LOC Convention this year because it would be in Eugene. All agreed.

Ms. Wilson said that she and the mayor had been hammering out some of the details related to that. She said that they were trying to convince the LOC to give CCIGR members free admissions. She said she would let the CCIGR know once she heard about that.

Mayor Piercy said that an early letter should be sent to the Council letting them know the COE was hosting the LOC Convention.

Ms. Wilson said that it would occur from September 23-25. She said that City Hall Week was also in September. She said that the COE alternated with Springfield, and this year it would happen in Springfield, from September 13-17. The actual City Hall Day would be Thursday, September 16 from 1:30-2:30 at Springfield City Hall. She said that all had been invited to a joint town hall on that day.

Mayor Piercy asked that Council be introduced during the opening ceremonies of the LOC Convention.

#### **4. Meeting with Smith, Dawson & Andrews – Federal Update**

Mr. Smith and Mr. Garson introduced themselves.

Ms. Wilson explained that Smith, Dawson & Andrews (SDA) was the COE's federal public affairs and lobby firm, and had been helping the COE for over 25 years. She said that the first project they worked on for the COE was to help the COE get funding for the Eugene Airport.

Ms. Wilson directed CCIGR members' attention to the document that showed United Front's (UF) projects that they had on their FY 2011 Federal Appropriations Request, titled *2010 UF Appropriations*. She directed their attention to the far-right column, titled "Senate." She explained that this column showed the appropriations requests that Senators Wyden and Merkley had submitted jointly on United Front's behalf, and the amounts they submitted. She then directed their attention to Congressman DeFazio's requests on UF's behalf. She noted that Senators Wyden and Merkley had submitted all UF's requests except for one, and that they had had a discussion with Willamalane about that. Congressman DeFazio had submitted nine requests out of 18. She noted that Congressman DeFazio had received over 200 requests, and had submitted 55. Of those 55, nine were UF requests, which was positive.

Mr. Smith thanked the CCIGR for having his firm at the meeting. He introduced Mr. Garson and Ms. Cronin. He noted that Mr. Garson supported the UF effort. Ms. Cronin was the newest member of the SDA team and had joined them in March. She had worked on Capitol Hill for the Chair of the Transportation Committee, James Oberstar, for seven years. He said she had run a bipartisan caucus for Mr. Oberstar that focused on the Northeast and Midwest, and had worked on many of the same programs and issues that were dear to the Eugene/Springfield/Lane County region. He said that SDA was happy to have her. He explained that Kirk Bailey had decided to leave SDA to pursue a new career path. Ms. Cronin would be picking up much of his portfolio.

Mr. Smith repeated what Ms. Wilson had said, that SDA was successful in getting a vast majority of UF's projects approved by the delegation this year. He said that this was not always an easy process because of statewide competition. He said that it was significant that nine of the 55 requests Congressman DeFazio had put forward were UF's. He said that the level of support UF had received from Senators Wyden and Merkley was also significant. He said that this was a reflection of staff work, the collaboration of UF partners, and the research that went into identifying good projects, and projects that matched up well against federal programs and federal government priorities.

Mr. Smith said that he was going to update the CCIGR in terms of where SDA's work for the COE was in this legislative session. He said that nearly seven months of the calendar, and a significant portion of the legislative calendar, had already passed. Congress, however, had not made as much progress in a lot of the areas important to the COE as SDA would have liked them to. It was no surprise that there was a partisan gridlock in Washington, D.C. This spilled over into many different areas, including many of the programs and initiatives important to the COE. As a result, one of SDA's highest priorities over the last 18 months had been the reauthorization of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) legislation. Eugene and the UF had done very well under this program over the years. The COE had a number of major requests pending in that reauthorization bill. The program had expired last September and Congress was unable to get a full authorization approved. As a result, they had extended it on a temporary basis, and the program was now extended through the end of December. It

was highly unlikely that Congress would be able to complete it before the end of this legislative session or the end of the calendar year. Under Congressman DeFazio, the House Subcommittee had reported on the bill last year, but it hadn't gotten any farther. It never got through full committee and the Senate had never taken it up. Financing continued to be a problem.

Mr. Smith explained that the federal transportation program was funded primarily by the federal gasoline tax, and that model no longer worked. The federal gas tax was at 18 cents per gallon, and for the last nearly three years, the receipts of the trust fund had not been able to keep up with expenditures. As a result the trust fund had been operating in a deficit mode. Congress had been forced to backfill that with general appropriations and needed to find a new model for funding the program going forward. Many different scenarios had been discussed, from private financing to vehicle miles traveled tax. There had not been enough attention paid to the financing side to develop any kind of consensus. There would not be a transportation bill this year, and it would be spilled over into 2011. He said that a new Congress would be beginning in January.

Mr. Smith explained that the same was true with the Water Resources Development Act (WRDA), the Army Corps of Engineers water program that funded many projects locally, including the West Eugene Wetland, Amazon Creek, and Delta Ponds. The House had moved forward with a WRDA reauthorization bill and had put out a request for projects. The COE had submitted projects. The Senate had also put out a request for projects. The COE brought a project to the Senate recently, but it was unlikely the reauthorization would be passed this year.

Mr. Smith explained that the projects listed on the 2010 UF Appropriations document were submitted as part of the federal fiscal year 2011 appropriations process. They were approved by the delegation and put forward, and were under consideration. The House had just begun marking up some of the bills in subcommittee that week and would continue to do so over the course of the summer. Congress would go out for recess during the month of August, and would come back after Labor Day. They had targeted early October for adjournments so members of Congress could go home to run for re-election. Unfortunately, Congress would not finish the appropriations bills before the end of the fiscal year, and would put them off until after the election. This meant the earliest the appropriations process would be complete would be December. He explained that SDA was continuing to press on these projects and were closely monitoring subcommittee markups. There was a chance that the Transportation, HUD and subcommittee might markup the DOT bill on July 1. He said that SDA would be watching the projects to see if they do projects at subcommittee or whether they wait and do projects at full committee.

Ms. Wilson said that this put UF in a strange situation, because the end of June and early July they would be making their list for the next round of federal appropriations. The UF may not know which projects would be funded until the end of the year, but that was too late for the UF to decide. As a result, they would go through their internal process where they started to gather information for projects on the chance that some of them would be funded, and whether any of them needed to come off the list. One of the golden rules for the UF was once a project was on the list, it was left on the list unless they had a really good reason to take it off because their Congressional delegation was already working on these requests. Some of them, like Forest Legacy, continued each year. UF was very lucky to have Senators Wyden and Merkley submit so many of their appropriations request, because this was not traditionally how that process worked. UF would continue to work on the local and regional level to make sure their projects were higher up on the list. Even though UF would not know the fate of some of the projects until the end of the year, Ms. Wilson would still begin the process. She said that she was drafting an email to the executives, Mayor Piercy and Eugene City Council to let them know that now was the time to start sending her their ideas and their wish lists. UF would work with SDA to see if there were funding opportunities that fit those projects or ideas. They would also examine why there were no funding opportunities that existed if that were the case.

Ms. Wilson mentioned the Transportation Reauthorization bill. She said that a Congressman DeFazio staff person had said that if it wasn't done by the end of the year, she would send out a call for new projects. She said that it had been quite a lengthy process for the UF to come up with projects for that. The UF would go through that process again because now some of the projects on the list were already beyond the point of the funding UF requested in the first place. As a result, the UF would be modifying the list.

Mayor Piercy said that she was very committed to issues related to transit even though the COE did not have oversight of it. From her perspective, she wanted to see the UF do everything in its power to support funding for operations for transit. She said that the COE wanted to play its role and speak loudly in support of high speed rail in the Northwest.

Mr. Smith said that both of these issues were important. He said that funding for transit operations was a major challenge for LTD and transit authorities all over the U.S. because of declining revenue bases, which were forcing transit authorities to cut services and lay off employees. SDA worked closely with the Oregon Congressional delegation, particularly Senator Wyden, to get him interested in the issue. As a result he co-sponsored legislation that was introduced a few weeks prior that would provide temporary emergency operating assistance to transit authorities across the country. SDA had hoped that that legislation might get attached to the Emergency War Supplemental appropriations bill because it was unlikely to pass Congress on its own. It did not make it onto the War Supplemental bill but SDA was continuing to push it. There was a recognition across the capital that this was a major problem that needed to be addressed.

Mr. Smith said that high speed rail was a major priority for the Obama Administration, and they had put a lot of money into it for construction and planning. Many states were far along in the process, and some had formed bi-state compacts and had been successful in securing the first round of funding. He said that his only advice on this issue would be to work with local partners in the state, such as ODOT, as well as other communities up and down the line. As soon as the COE thought it was ready, SDA could help guide them in accessing some of the planning dollars they would want to begin the process and get to the point where it had a project and was ready to spend construction dollars.

Ms. Wilson reminded Mr. Smith that Mayor Piercy was the Co-Chair of the Advisory Committee to the OTC. The COE would be monitoring the issue and would be very much engaged in the process. The second and third rounds of funds were announced, but the COE did not have the match, which would be \$17 million.

Mr. Smith asked what project this was for.

Ms. Wilson said it was to build a layover platform and a layover track, because as it was, the COE did not have a track for trains to pull over. If the COE had either of these, they would be better set up to have more frequent trains coming into the depot.

Mayor Piercy said that the COE was in a lot of conversation with the chairs for the State of Washington and Vancouver, BC. All of Cascadia, from Vancouver south to Eugene, were actively involved. As a result, the COE just had to leverage whatever the rest of the corridor had going. If there was more activity from municipalities south of Eugene, Eugene would be between Vancouver and San Francisco, which was an advantage.

Mr. Smith asked if there was a focal point inside ODOT for this effort.

Mayor Piercy said that there were three people in ODOT.

Ms. Wilson said that up until last year, ODOT had been regulatory and therefore had no planning people. That was why the OTC was reaching outside of the agency to set up the authority to make those policy recommendations.

Mayor Piercy said that the Discovery Institute's Cascadia Center for Regional Development was trying to put together three committees – one from Eugene to Portland, one from Portland to Seattle and one from Seattle to Vancouver; which would work towards some kind of agreement/authority.

Ms. Wilson said that the effort was being funded by the, and that the region was very lucky to have that resource. She said that Cascadia would be co-hosting the transportation conference in Portland in September.

Mayor Piercy said that there was a lot going on, but not soon enough and not fast enough.

Mr. Smith said that they had to start somewhere, and if there was anything SDA could do, to call on them. He said that SDA tracked these issues closely, and had met with Joe Szabo, the Federal Railroad Administrator a couple of times.

Mayor Piercy said that Oregon was ready to talk about the issue, but it was a matter of where and how it could happen. She said that the more successful they were with one, the more pressure they would put on freight. At that point there would be a dual conversation occurring about freight and passenger rail capacity.

Mr. Smith said that high speed rail could not be talked about without talking about freight.

Ms. Wilson said that they were lucky that freight rail's public affairs director for the Northwest was heavily engaged in this conversation.

Mr. Smith asked if she was referring to Union Pacific. When she said that she was, Mr. Smith said that Union Pacific's lobbyist was a good friend of his, and he was telling Mr. Smith that they had been very engaged in discussions with the Federal Railroad Administration (FRA) and the Administration was using all the leverage they had to get freight railroads to be more cooperative.

Mayor Piercy said that she was on the committee that was dealing with flexible funding options, and would work towards that goal as well.

Ms. Wilson asked CCIGR members to start thinking about projects they had in mind, and to send them to her. She said that they did not need to be well-vetted, and could consist of just one sentence. She asked CCIGR members to pass this information on to their fellow Councilors, who also had the ability to submit those to her.

Ms. Taylor said that she believed the rail and bus projects were the most essential as far as legacies were concerned, but everyone knew that something had to be done about transportation. She asked if a request could be made for the matching funds.

Ms. Wilson said that the recent funding announcements were the second and the third rounds that came out for rail funding and they required a very high match.

Ms. Taylor asked if they could get a grant for the match.

Ms. Wilson said that the state did not have the match, but one of the conversations that was going on at the state level for ConnectOregon was to take that amount off the top and allow it to be used as match against federal funds.

Mayor Piercy said that this was why it was important for the COE to keep ConnectOregon going as a priority group, through LOC.

Mr. Garson mentioned that federal monies could not be matched with federal monies.

Ms. Wilson said that that was why the state was the only place the COE could get the match dollars. She said that she had asked staff to think of ways the match could be found.

Mayor Piercy said that the whole notion was that the COE had to show local commitment to the project.

Mr. Smith agreed.

Ms. Wilson said she would be in touch with CCIGR members throughout the summer and early fall to make sure they were addressing the UF list, and that she would keep them up to date on how the appropriations were going. She said she would also be in touch to find out when they wanted to have their weekly meetings during the legislative session (assuming they would each be on the CCIGR).

Ms. Wilson handed CCIGR members a document titled *Project Requests Submitted by Congressman DeFazio to the House Committee on Appropriations in Fiscal Year 2011*.

Mr. Poling adjourned the meeting at 2:17 p.m.

*(Recorded by Katie Dettman)*