

CABINET -- September 7, 1984

Kunzman - Counties, growers putting \$'s into apple maggot program along with state money. Working cooperatively with State of Washington on any quarantine program.

Possibility of quarantine on Christmas trees because of gypsy moth in Lane County. Possible problem also with timber coming out of Lane County. Committee of Forestry, OSU, Christmas tree and nursery people will immediately begin meeting.

Taiwanese Procurement team in on 9/24. Looks like only for grain, but if more will let us know.

Hansen - EPA sanctions announced for Medford area. Set up time for discussing DEQ's plans with Governor.

EDC took independent action about parking in Medford without any coordination with DEQ. Wolfe will check and report.

Mike Miller - IDB loan to an individual to revamp a mill in Tillamook to process alder. Because IDB issued by state individual now feels state should provide the alder. Per Wolfe, a loan to the Port. The port is the problem. Pressure on Forestry from local legislators.

Talbot - Advisory Committee on Historic Preservation will come to Oregon on Oct. 26. Asked Dave to work closely with me so high level publicity can be obtained.

Still working on Givens property.

Sexon - PUC - no report.

Young - Winchester Dam contract changed from 18 years to 35 years without any notification. Full ownership runs full term of power contract. Courts agree Water Resources Department is correct but problem now rests with department on validity of contract.

Zajonc - Tongue Point issue now closed with E. Board satisfactorily.

Frank - No final findings on Malin co-generation plant. Still working on it and will apprise Eldon Johnson.

Wolfe - IM Onyx leaving Medford area. Major contract with IBM was cancelled. Affects 150 jobs.

Epson America announced for Washington County area.

Shute Road issue resolved.

Cabinet - September 7, 1984 (cont.)

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Ross - Handed out listing of acknowledged jurisdictions. 49 left - with 6 more to be acknowledged next Friday.

Helvetia Road -- overpass at Highway 26, just outside urban growth boundary. Statement of no significant impact which was not the case. Could have caused problem with expansion of UGB. Thought only draft letter -- turned out to be final letter. So statement is included. Will be clarified and corrected thru Fred and Jim.

Barbara Carey - discussed and encouraged blood drawing on behalf of Senator Ripper.

STAFF -- September 10, 1984

Ede - Health, Fitness and Sports driving everyone crazy. Working with Fred Heard on Board of Accountancy.

Barbara - Oregon Food Share, Governor's reception Oct. 18. Ripper blood drive going well -- lots of interest.

Kay - Equity in the '80's moving along. Oct. 17-21, KOIN and Oregonian will highlight efforts and what is left to be done. Will do a feature with Governor when he returns.

Couple of complaints out of the Dept. of Education.

Working on putting Duncan and Prophet in touch with "Cities in Schools" project.

Annual report should be completed by end of month.

Jeff - Computer proposal being reviewed by Exec. Dept. Should be back to us by Wednesday.

Senior Citizens handbook soon in draft form for review.

Bob O - Rajneesh still status quo. Oregon State Police monitoring and working closely with non-Rajneesh residents. Antelope water shut off during weekend. Rajneesh say was a shortage -- no one knows for certain.

Staff - September 10 (cont)

Bob O - Cont.

Hordes of people are not coming to Rajneesapuram like expected. Two buses in; one bus out.

Mediator will be on the ranch Wednesday.

"Siletz Zoo" -- private citizen who has a large assortment of wild animals. Gentleman is a drunk and out of money. May be arrested this week for cruelty to animals. Then comes question, "What will happen to animals?" Have enlisted City of Portland to negotiate with Portland Zoo.

Bob S - Weekly summary (attached). See items marked in particular.

Gerry - reminded all task forces reports need to be completed.

Jeff and Barbara volunteered to work up plans for Governor's meeting with Republican caucus for December.

September 11 - Tuesday Cabinet

Leo - Experienced strong discussion at E Board which was favorable toward better separation between executive and legislative branches. Came out of E Board with everything asked, plus \$1 million more for Fairview to finance community services.

Employment rate: Raw 8.8 July to 8.0 August
 Seas. Adj 9.3 July to 8.8 August

1 1/2 point lower than
a year ago

Across the board improvement, but seasonal improvement only (firefighters, etc.)

Discussed letter from feds regarding Fairview (see attached).

Putman - Major victory with E Board over the structuring of grants.

Hazel - no report

WCD - ruling to allow SAIF's 6 district office

Grant - discussed Oregon Health Council activities toward dignity in dying.

Cabinet - September 11 cont.

Miller - Still working on Shute Road problem. Up to County Commissioners now.

Helvetia Road problem complicated by letter from LCDC requiring EIS. Looks like can be resolved amicably.

Port of Entry decision to be made Oct. 9 in Ashland. Also received letter from LCDC requiring EIS. New problems -- not blaming either LCDC or ODOT but need to better coordinate staff work. Ross & Miller will work on.

East Troutdale site will probably be decided as inappropriate. Staff will probably find acceptable sites of The Dalles, Hood River and Cascade Locks. No idea how commission will decide.

Bob S - no report

September 17 - Monday Staff

Pat - Meeting with Greg Baker on statewide port authority. I requested alternatives be drafted and discussed with Governor.

Kay - Asked for status of minority initiative. Waiting for discussion with Gene Chao.

Bob O - Siletz zoo takeover went fine. Portland Zoo providing food for animals.

Bob S - Weekly report (see attached).

Four interviews for Chang Sohn's position. Decision expected next week.

September 18 - Tuesday Cabinet

Leo - Discussed long term care waiver situation. Still waiting for confirmation of meeting with Heckler. Leo has been developing numbers of impact without waiver. Currently 1,900 in the community -- so what happens to them? These are the mentally retarded of which 900 can be converted to a nursing home for the mentally retarded. The remainder are in like day programs at small cost; some in foster care and would not be converted. All of these would be back to general fund with a net cost to feds of \$4000,000; \$25 million to general fund.

9/18 Tuesday Cabinet (cont)

Leo (cont) - The waiver for the elderly is by far more significant. 4,210 have been diverted to community care plus 3,110 relocated from nursing homes. Without waiver, only 764 can be served in community. Remainder will be left without alternatives. 710 more could be put back in nursing homes. Convert 4,000 to personal care under feds with higher cost to feds. 1,544 would not have anything available. Also population in nursing homes would begin to accelerate. Would also cost the state more general fund (\$3.7 million 1st year, \$6.8 million 2nd, \$9.5 million 3rd year). Been fighting since June. Will be in DC next week. Also attend a strategy meeting in October of other states. Wyden, AuCoin and Packwood all informed.

Southwell - Rumors that Voc Rehab is closing offices all over the state. Simply not true. No closure and strengthening management team.

Education - 58 school levys pending. Math and science teachers being lost. Total of 900 teachers lost in the last 2 years and simply not enough math and science teachers.

Brown - retroactive reserve to pay old disability claims with adjustment for current costs. Decision to come Oct. 1 of whether or not to include inflation rate of 2 years ago. Even without increase, will be paying out more than taken in. Could transfer funds from another reserve, but could cause long term problem. Without increase will be short \$300,000 per quarter. Still studying. If increase not provided it will be because not enough money, but will cause a "political flap."

ECC - no report

ODOT - studs will be allowed from Nov 15 to April 15.

Higher Ed - no report.

CABINET - Wednesday, September 19, 1984

John Williams - marijuana report of considerable crop in Wasco County.

Also reported on "Pig Bowl" -- football benefit between media and OSP. OSP won 48-6. Proceeds go to handicapped children.

Arrests for murder up to 52; last year 16. Additional criminal specialists are being called on frequently by local communities. Carefully monitoring "street people" arriving in Rajneeshpuram. Puerto Ricans now also arriving.

General Services - opened bids yesterday for statewide telecommunications. Bidders were Northern Telecom, First Tel (Pacific NW Bell), AT&T, GTE. Three month analysis will now begin.

Dean Smith - new draft of rule for private clubs. Coors Beer lawsuit filed yesterday (see attached).

Attended ORBA convention at which Mayor-elect Bud Clark was featured speaker.

Lynn Hardy - Developing new internal operating procedures for emergency operations center. Federal dollars to turn State Police mobile home into a mobile operations center. Will be appearing at both League of Oregon Cities and Association of Oregon Counties annual meetings.

Ken Maul - Passed out newsletter (see attached). National recruitment underway for permanent director.

Gil Bellamy - Reported on further drunken driving efforts, i.e., local involvement in providing cab service.

Vet's Affairs - Staryl at a national meeting plus vacation. Not to return until Oct. 8. Tax note sale 10/9 for \$109 million.

Revenue - Rich at a national meeting. Received an award from Lung Assn. for "stop smoking" efforts.

Will announce bid winner next week for new computer system.

Fred Heard - Housing Bond sale this morning.

Beginning interviews for new underwriting team. Morgan Co. upset because not included. Housing prefers West Coast based team because need to understand Oregon situation. Arthur Kalita of Morgan had called me. I immediately asked that he communicate directly with Fred. Morgan truly is exerting undue pressure.

9/19 Cabinet cont.

Fred Heard (cont) - 33 Commerce Department employes have signed up for special blood drive for Ripper.

All quiet in Commerce Building. Windows will be sealed except for Corporations Division.

General Services is concerned delay will cause need for new buildings. Jane previously agreed would not move ahead without full concurrence of Fred. Now being ignored. General Services conducting interviews with all employes.

CABINET - Wednesday, September 26, 1984

Ken Maul - employees off work for extended time should notify PERS. Employees who terminate after 20 years or more should be advised to consult with PERS before withdrawing funds. Neutral third party evaluation of computer underway.

Jane Huston - Telephone bids -- Northern Telcom rejected because of major omission in bid. Three bidders left: AT&T, FirstTel, GTE. On vacation next two weeks. Yunker asked about budget. 42% added for increased costs. Not sure how firm this figure is. Will meet Friday to resolve.

John Williams: OSP plane flying over Rajneeshpuram prompted lots of media inquiries. Was there in cooperation with Rajneeshees as well as local law enforcement agencies. Done as surveillance because of threats of "invasion" by youths from Medford.

\$100,000 grant to OSP from Oregon Traffic Safety for overtime costs to continue sobriety program. E. Board may be concerned not brought to them. Did so on advice of Exec Dept.; Exec Dept notified E. Board. No questions so far.

New mustang autos (29) for patrol have been received very favorably by troopers.

General Miller - Wien Airlines negotiations for Portland at stalemate. Last word is that corporate headquarters will be in Seattle. No official confirmation yet.

Told story about the guy who went to the unfinished furniture store and was sold a tree.

Fred Heard - met with bankers -- have agreed to support program to welcome Canadian currency. Merchants will be encouraged to also accept coins in stores. Will be used for good will advertising. Will also meet with gasoline dealers to more prominently display Canadian flag.

Met earlier in the week with counterpart in State of Washington to share ideas & programs. Gained lots of information and ideas.

Starting speech classes next week. Will be beneficial to those who will be working with legislature. 47 employes signed up.

Union activity is waning. Only 20 showed up for meeting. Employee who started activity has resigned.

"How to Go into Business in Oregon" brochure will be ready next week.

Rich Munn - Met with interim committee last week about tax restructuring. House members want to restructure income tax into flat tax. Also discussed abusive tax shelters. Discussed Revenue's departmental legislative package.

Proofing tax forms for final print and mailing December.

Review of industrial assessment going very well.

Last week in Boise meeting with other tax administrators. Full discussion of unitary tax. California discussed their problems. Suddenly huge issue in Utah. A revived issue in Colorado.

Very concerned about telephone rates as it pertains to their heavy usage. Pleaded for more information.

Vet's Affairs - Court invalidated urle adopted last year which allowed collection of interest on taxes paid for mortgates by the dept. Dept. had acted on advice of Atty Gen'l March of last year.

Court went further than petition of Oregon Vets Assn. Says must collect over the period of amortization of loan. Will affect cash flow and tax notes. Decision rendered yesterday. Have to study closely. Has 35 days to appeal & probably will. May possibly need legislation.

9/26 Cabinet cont.

Yunker - Still missing budgets: legislative & judicial, mental health & education.