



## MEMORANDUM

TO: Honorable Mayor and Oregon City Commission  
CC: David Frasher  
Nancy Ide  
Ed Sullivan  
FROM: William K. Kabeiseman  
DATE: January 4, 2013  
RE: Insurance and Neighborhood Associations

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### INTRODUCTION

A number of citizens who have been involved in neighborhood associations in the City have expressed concern about insurance coverage for their activities. This memorandum is intended to provide some background to the City Commission about the neighborhood associations and present the Commission with a choice about whether to provide insurance to those associations.

### DISCUSSION

The City of Oregon City has 11 formally recognized neighborhood associations. The City's Comprehensive Plan assigns some role to the neighborhood association, but recognizes the Citizen Involvement Council ("CIC") as the City's formal method of ensuring citizen involvement:

"Utilize neighborhood associations as the vehicle for neighborhood-based input to meet the requirements of the Land Conservation and Development Commission (LCDC) Statewide Planning Goal 1, Citizen Involvement. The Citizen Involvement Committee (CIC) shall serve as the officially recognized citizen committee needed to meet LCDC Statewide Planning Goal 1." Policy 1.1.1 of the Oregon City Comprehensive Plan.

Thus, the City looks to the neighborhood associations as a more informal, neighborhood based means of obtaining input from citizens as opposed to the more formal CIC. This informality also allows the neighborhood associations to perform a number of other actions in addition to its role of providing input into City programs. For example, neighborhood associations have undertaken activities in the past including garage sales, beautification projects, fund raisers and social activities. In contrast, the CIC is focused on solely one thing – ensuring citizen involvement in the City's decision making.

Because of the myriad of potential activities that the neighborhood associations undertake, as well as the intention that neighborhood associations are to provide independent advice to the City, the

City has understood that neighborhood associations to be separate entities from the City. Although the standard agreement between the neighborhood associations and the City required the neighborhood associations to follow some formalities, such as abiding by the public records and meetings laws, the standard agreement did not limit the activities of the neighborhood associations or otherwise prevent them from taking on whatever tasks or events were chosen by the neighborhoods.

A result of the independence of the neighborhood associations is that the members of the neighborhood associations do not have City-provided insurance for activities that they undertake because they are not instrumentalities of the City. Recently, several people have recognized that the neighborhood associations do not have insurance protection and have asked that the City provide it by making the neighborhood associations official instrumentalities of the City.

Such a course could have some benefits; in particular, it may encourage some citizens to serve on neighborhood associations who would not otherwise have served and it may protect those members who do serve from potential threats. However, those benefits would come with some significant effects as well. One significant detriment is the additional staff time and cost to administer the neighborhood associations as instrumentalities of the City. The City has an obligation to ensure that it acts consistent with state law, including not just public records and meetings, but public contracting, non-discrimination, free speech and other concerns. To ensure compliance with those laws would require significant trainings and staff assistance. In addition, several activities currently undertaken by neighborhood associations could be limited.<sup>1</sup> Finally, inclusion of neighborhood associations as City instrumentalities could compromise the independence of these bodies. The Commission should consider whether increased oversight of the groups would serve to change the ability of those groups to speak independently.

## **CONCLUSION**

The Commission is not faced with a legal question in this situation, but a policy question involving volunteers, costs, staff time and independent advice. The City could choose to include the neighborhood associations as instrumentalities of the City and thereby extend insurance coverage to those members who participate in those organizations. This may have some limited increased insurance costs, but would have significant increased costs in staff time to ensure that the neighborhood associations adequately complied with all relevant requirements. Perhaps more importantly, the Commission should consider whether the City's assumption of running the neighborhood associations will impact the independence of the input that the City receives from these groups.

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<sup>1</sup> For example, events held by neighborhood associations would be subject to free speech protections, meaning these events would be open to all viewpoints, and garage sales might well be limited because of public contracting concerns.