

C O N F I D E N T I A L

SUBJECT: McCall-Straub Salishan Retreat
FROM: William Sanderson
TO: Keith Burns
Ken Fobes
Len Bergstein
John Mosser
Barbara Hanneman

Dec. 7, 1974

THE McCALL STAFF: Ron Schmidt, Nick Peet, Dale Mallicoat, Cleighton Penwell, Doris Penwell, Gene Maudlin.

THE STRAUB STAFF: Keith Burns, Staff Hansell, Ken Fobes, Len Bergstein, Ken Johnson, Barbara Hanneman, William Sanderson.

1. Doris Penwell discussed the handling of telephone calls to the governor.
 - A. 85 per cent of all calls to the governor are 'problems' and are referred to (1) the ombudsman or (2) another appropriate agency.
 - B. Callers with problems do not want to be referred to anyone but the governor. Ms. Penwell avoids using the term 'ombudsman' and refers to that office as "an assistant to the governor".
 - C. Ms. Penwell 'sometimes' gives the caller an appointment with the governor without going through the executive assistant or another assistant.

2. Cleighton Penwell discussed the filing system in the governor's office, suggesting that it 'needed considerable improvement'. He suggested the system needed the services of a management analyst.

Keith Burns replied that a filing system analysis would be underway soon.

3. Penwell outlined deficiencies in the correspondence system.
 - A. He suggested that correspondence sent to agencies for draft replies and a 'response due date' carry a new priority flag so that matters of urgency receive appropriate attention.
 - B. If an agency or a department head becomes lax in meeting response due dates, the executive assistant should assume responsibility for eliminating unnecessary delay.
 - C. Routine responses and form letters need not read like form letters. Such correspondence should not only be responsive but informative and honest. Gov. McCall later called routine correspondence a "most important bother".

- D. Ron Schmidt said the governor's office receives, on the average, about 400 pieces of mail every day. After a preliminary review by a mail secretary, Schmidt decides which correspondence should be forwarded directly to the governor. Other correspondence is forwarded by Schmidt to the appropriate staff member, department head or agency for a draft reply.

4. Schmidt discussed the importance of knowing the whereabouts of key staff people and agency heads at all times. Crises, he said, usually arise at night and on weekends. And, he added, crises at state institutions often occur during the early days of a new administration.

- A. Members of the governor's staff must always leave a telephone number where they can be reached. In each case, a backup staff member should be available.
- B. In addition to leaving a telephone number with secretaries or assistants, key staffers should always be available through the State Police in an emergency.
- C. Schmidt noted that the staff will need a published list of telephone numbers -- and backup numbers -- (preferably wallet-size) for key personnel and agency heads, department directors and their assistants.

5. The discussion turned to agency conferences with the governor, as well as individuals (in and out of government) who meet with the governor.

- A. Such meetings should be attended by the staff assistant who will be responsible for follow-through.
- B. Discussions, when appropriate, should be attended by the agency head as well as a budget officer.

6. Penwell discussed the 'decision-making process'.

- A. Decisions, he said, should be made at the lowest level of capability.
- B. When the governor makes a decision before appropriate lower-level consideration, he often closes all his options.
- C. The 'filtering up' process allows the governor to modify a proposal, free of the constraints of a prior commitment, and offers the governor a range of options in the final decision.

7. The governor's budget(s).

A. Office account.

B. Governor's personal account: \$30,000

1. These funds may be spent by the governor in any manner he chooses. The account is subject to fund accountability.
2. For instance, the legislature allocated \$25,000 for the Western Governors' Conference. Private donations added about \$50,000. About \$6,000 was allocated to the WGC from the governor's personal account. Of the \$6,000, a honorarium of \$2,500 was paid to Ralph Nader.

C. Governor's special allowance (\$1,000 per month).

1. From this fund, the governor pays for household expenses, (a housekeeper, gardener, rent on the governor's state-owned home, etc.) Schmidt said pressures on the governor "takes it all".

8. Credit Cards: The executive assistant and administrative assistant, as well as the governor's driver, have gasoline and telephone credit cards. Others would be well advised to carry personal credit cards for expense account purposes.

9. Governor's honorariums

A. Schmidt said that a complete accounting of governor's honorariums should be published each year. The list should include:

1. The amount
2. Paid by whom
3. Names of those who accompanied the governor

B. Honorariums generally are accompanied by funds to cover out-of-pocket expenses. When Mrs. McCall accompanied the governor (and no staff person did) her expenses, if not covered by the host, were paid from the governor's personal account.

C. Schmidt pointed out that in many cases, public business has been attended to by the governor without any extraordinary cost to the taxpayer because, for instance, the governor was able to combine a speaking appearance in the East at the same time he was required to testify before a Congressional committee in Washington, D. C. In most instances, Schmidt said, the honorarium-plus-expenses covered the cost of attending to public business.

C. The state does not pay any of the costs for political trips. Costs in these instances are shared by (1) private political contributions and/or (2) those attending.

Air T

10. Air Travel: A State Aeronautics Board airplane is at the governor's disposal. It has been used for instate and short interstate trips.

- A. Schmidt estimated that the governor has requested the use of privately-owned aircraft 'not more than a dozen times' in eight years.
- B. In some cases, particularly with private aircraft owned by a public utility company (or some other private industry heavily engaged in state business) use of such aircraft and/or facilities is 'extremely sensitive'. The inference drawn was that such requests (or acceptance of such offers) should be avoided or minimized whenever possible.

11. Hotels, accommodations.

- A. The Hilton and Benson Hotels in Portland have provided complimentary rooms and parking privileges for the governor, his executive assistant and his administrative assistant. Schmidt said the McCall administration has utilized these facilities within the constraints of 'business-only'. Similar privileges have been offered by the Jantzen Thunderbird, but rarely accepted because of its location. Salishan offers special rates for state employees' conferences.
- B. John Mosser asked for an estimate of the total worth of these accommodations. Schmidt and Ms. Penwell agreed on a figure in excess of \$3,000 annually.
- C. Schmidt said that no satisfactory solution has been found for business accommodations for the governor in Portland. A meeting room, described in spartan terms, has been available for the governor in the offices of the Economic Development Commission.
- D. Schmidt and others suggested that the new administration might want to consider a "Portland Governor's Office", a facility that might include ongoing administrative functions, i.e., liaison with local government.

12. The Governor's Automobile: Leased on an annual basis (\$750 per year; insured through GSA) from the Ford Motor Company. When the governor uses the vehicle for personal trips, a 'scrambled' license plate is attached to 'Oregon 1' to provide a modicum of privacy for the governor.

- A. The governor's automobile is equipped with a state police radio receiver.

13. Secretarial Staff, Governor's Office.

- A. A frank discussion; Schmidt began with: "The worst mistake you can make is to keep the secretarial pool."
- B. John Mosser asked if it would be advisable to find eight very competent secretaries instead of settling for 10 persons of moderate ability. Ms. Penwell and Schmidt agreed, with emphasis.
- C. Although these positions are classified by civil service for pay purposes, each serves at the pleasure of the governor and serves without tenure. The governor's office can hire and fire at will.

14. Emergency Apparatus

- A. Penwell outlined the existence of emergency plans and procedures for institutional disturbances.
- B. The Department of Emergency Services has contingency plans for operational responses to natural disasters.
- C. There also exists a 'guidance paper' on labor strikes. Penwell emphasized the document deals with logistics rather than counterplay.
- D. He suggested that existing emergency preparedness plans be pulled together in a comprehensive document. Nick Peet added that the new administration will need - and very soon - comprehensive emergency plans from OSP, OSI, and appropriate top administrators because, historically, institutional unrest often takes advantage of a new administration.
- E. In the event of an institutional crisis, Peet added, the governor should be briefed in depth to avoid the possibility of an over-committment from which there may be no withdrawal.
- F. Schmidt offered a briefing on other emergency components: Room 20, an emergency command post with full facilities for communications; the Oregon Association of Broadcasters emergency communications component by which the governor can speak with the citizens within 45 minutes after a disaster or an emergency. Schmidt also recommended staging mock disasters from time to time to test the preparatory

time the preparedness and responsiveness of various state agencies. He said such a mock disaster can be accomplished in from 4 to 5 hours.

15. Protocol

- A. The files should include complete obituary material on the governor.
- B. The files now include general guidelines on state funerals.
- C. Major Leland Johnson, Oregon National Guard, has been consulted on matters of protocol by the governor's office.
- D. State police and National Guardsmen have been used 'two or three times' by the McCall Administration, for functions in which proper protocol was prudent.

16. VIP Treatment

- A. Visiting dignitaries of the rank of governor or cabinet officer are extended VIP privileges which include a car and driver.
- B. If the visit is of a purely political nature, a state policeman may be assigned but the vehicle is donated by private parties.
- C. Reciprocal privileges are extended by and should be accepted from other states. Schmidt, with an anecdote, explained why the governor, when visiting another state, should be provided with a police driver rather than a political supernumerary. These arrangements should always be made in advance by Governor Straub's staff.

At this point, the meeting broke for lunch. Following lunch, the press attended an informal session during which the governor and the governor elect discussed priorities and problems. The afternoon session, at which the press was not present, involved frank discussions of the Energetics Office, the governor's Washington, D. C., office and the Pacific Northwest Regional Commission.