



STATE OF OREGON

INTEROFFICE MEMO

TO: Governor

DATE: October 28, 1981

FROM: Gerry Thompson

SUBJECT: Daily Report

We continue to have the ongoing Jean Smith saga. Bob Oliver and myself met with Jean Tuesday morning as a result of the AM Northwest fracas. Jean was very excitable, defensive and almost caustic. As a result of that meeting I gave Jean the assurance that I would familiarize myself with both her contract and the law as it speaks to her position. We will meet again next Monday at which time we intend to resolve once and for all Jean's alleged negative attitude and the problems she creates for the Governor's office. In the meantime, Bob is very quietly researching Jean's relationships with those who have had to work with her. We will be prepared to deal with specifics and instigate corrective steps where necessary.

Met with Dick Small, executive director of the Fire Standards and Accreditation Board. I believe Shirley Woodrow, as a result of a previous conversation with Dick, has made arrangements for a brown bag lunch for you and his board some time in January. As a result of the conversation Shirley had with Dick, I invited Dick to come over and visit with me for more or less just a get acquainted session. In the course of the conversation he expressed a lot of concern about the fire services' lack of confidence in the Governor's support, that the Governor is perceived as not in favor of fire standards and accreditation and most particularly, the alleged miscommunications on the fire commission bill and the resultant veto. Seems to be a lot of confusion about the board's relationship to the Governor, relationship to the Department of Commerce and communications in general. I give you this information in preparation for your brown bag lunch.

Roger Martin visited me regarding House Bills 2048 and 5018, the in-lieu of payroll tax for the transit districts. Apparently he has picked up on a rumor that the Executive Department is trying to scuttle the funding issue going to the Emergency Board in December. It has particularly the Salem Transit District in a panic mode because if the funding is not available by at the latest March, Salem Transit District will have to go out for further loans which would put them in horrible financial straits.

— Oliver



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Further, if the rumor is true, it positions the Governor not in keeping his promise to the transit districts. Roger's concern is that you, the Governor, are now regarded as very progressive in matters that relate to transit districts and he is doubly concerned. I assured him I would meet with all parties involved early tomorrow and get back to him as soon as I become aware of whatever the situation might be.

Visited with Les Zaitz. Another get-acquainted session. However, it is obvious that he is getting more and more curious about the Workers' Compensation problem. I let him know we are waiting for further audit reports of the Williams Service and we would not be taking our final look at the situation until such time as that audit report is received. This only confirms my suspicions that there is more to come down on the Workers' Compensation Department and Jim Russell and I will work diligently in resolving any problems there may be, keeping you posted all the way.