

COUNCIL DEVELOPMENT MATRIX – FULL TEXT

CURRENT STATUS

_Stature/Independence/Growth _Board Liability _Staff Liability _Retaining Staff _Funding Sources _Council Culture _Status of Membership _Requirements/Responsibility

- **Description:**

Currently, the Council is a citizens group recognized by the County Commissioners. There is a volunteer Steering Committee comprised of 12 people, which is responsible for making most of the decisions for the Council (contract with CPRCD?). Without a formal organization, the council cannot directly hire employees; therefore the group relies on independent contractors to fulfill the positions of Coordinator and Projects Coordinator. The Council also has a fiscal agent, Cascade Pacific RC&D (a non-profit), that processes grants, as well as provides some oversight and legal advice.

- **Stature/Independence/Growth:**

This current structure has seemed to work for the Council to this point. The Council has grown and developed extensively since its inception. One area in which the Council is growing most rapidly is in its taking on of a greater number of restoration projects. Projects have significant liability issues which must be addressed in order to maintain the Council's development.

The Council has been able to maintain a high degree of autonomy/independence with this current Council structure. The Council's fiscal agent does provide some oversight; however, for the most part, the Council Steering Committee is responsible for making all decisions.

- **“Board” Liability**

The Oregon Department of Administrative Services (DAS) provides liability insurance coverage to watershed councils and any “officers, employees and agents” of the council. The Steering Committee, as “officers” of the council, would be covered by this DAS insurance. However, this insurance coverage, which is limited to \$200,000 is potentially very weak as it may not cover the cost of legal defense. The Council is still awaiting a professional opinion by a lawyer as to the adequacy of this coverage.

- **Staff Liability**

The Council Coordinator, as an agent of the council would be covered by the DAS insurance. It is not clear as to whether the Projects Coordinator is covered in general, as well. Again, the coverage is potentially very weak and would not cover project implementation. Because of the weakness of available coverage, contractors currently required to purchase their own liability insurance. Currently, contractors are not charging the cost of their assuming liability in perpetuity.

- **Retaining Staff**

Currently, the independent contractors doing the work of the council are responsible for all of their insurance and other “benefits.” In addition, because they are bound by contracts, they are responsible only to the work outlined in those contracts. Council has been fortunate that contractors currently provide many

bonus tasks. Having staff as employees of the council could possibly provide a more competitive employment situation in terms of benefits and liability coverage. In addition, it may give the Council more direction over the work of the staff.

- **Funding Sources**

Because of state uncertainties and the growth of projects, it is clear that the council needs to diversify its sources of revenue. One area of funding, which has not yet been pursued is foundation money. It is not clear whether or not the current Council structure of citizens' group with fiscal agent adversely affects the Council's ability to raise money, particularly from foundations. Many foundations do require grant money to go to a 501(c)3, but, at least in some cases, this requirement can be fulfilled by having a fiscal agent with non-profit status.

The OR DEQ will not grant any more money without the Council becoming its own non-profit. DEQ currently funds the water quality monitoring program.

- **Status of Members**

Membership to the Council is inclusive and all members have the right to vote on decisions.

- **Maintenance of Council Culture**

The Council has created a unique organizational culture that we desire to maintain and expand. The Council has a broad "grassroots" feel, and a very inclusive membership. Also, by using consensus to reach decisions, the Council fosters cooperation and understanding among its members. Any changes in the organizational structure of the Council would have to be examined to see how they would affect this culture.

- **Requirements**

If the Council kept the current organizational structure, the issues of liability (esp. for projects) and for funding would have to be addressed.

PERSONNEL SERVICES

_Stature/Independence/Growth _Board Liability _Staff Liability _Retaining Staff _Funding Sources _Council Culture _Status of Membership _Requirements/Responsibility

- **Description**
The Council would pay a personnel service to provide employees to fulfill the needs of the council.
- **Stature/Independence/Growth**
It is not clear how using a personnel service would affect the Council's stature/independence/growth. Who or what would the "staff" ultimately be responsible to? Conceivably, the "staff" would not have as much investment in or understanding of the goals and direction of the Council.
- **"Board" Liability**
The Steering Committee is covered by the Oregon Department of Administrative Services Watershed Council Insurance. The issues would be the same as with the "current structure."
- **Staff Liability**
The personnel service would be responsible for staff liability. The Council would assume all costs for liability.
- **Retaining Staff**
This structure would probably not be conducive to retaining staff, as there would be less loyalty to the Council.
- **Funding Sources**
The questions over diversifying funding would be the same as with the "Current Structure."
- **Status of Members**
Same as with "Current Structure."
- **Maintenance of Council Culture**
This structure would probably have little or no effect on Council culture.
- **Requirements**

Cascade Pacific RC&D

_Stature/Independence/Growth _Board Liability _Staff Liability _Retaining Staff _Funding Sources _Council Culture _Status of Membership _Requirements/Responsibility

- **Description**
The staff of the council would be employees of Cascade Pacific.
- **Stature/Independence/Growth**
This may affect the independence of the Council to a certain degree, because employees would be answering to Cascade Pacific.
- **Board Liability**
The Steering Committee is covered by the Oregon Department of Administrative Services Watershed Council Insurance. The issues would be the same as with “Current Structure.”
- **Staff Liability**
Cascade Pacific could possibly hold liability for staff, but it is questionable as to whether liability for projects would be covered. The Council would assume all costs for liability coverage.
- **Retaining Staff**
It is not clear how this structure would have an effect on retaining staff. This structure could provide better benefits for staff. The structure could also possibly create “two bosses” for staff.
- **Funding Sources**
The questions over diversifying funding would be the same as with the “Current Structure.”
- **Status of Members**
Having less independence could affect the range of decision making for members of the Council.
- **Maintenance of Council Culture**
Losing some autonomy of the Council could have an effect on the Council Culture.
- **Requirements/ Responsibility**
To consider this option, a formal letter of inquiry must be submitted to CPRC&D. It is not certain that Cascade Pacific would agree to have employees for the Council.

BENTON/E. LANE SWCD

_Stature/Independence/Growth _Board Liability _Staff Liability _Retaining Staff _Funding Sources _Council Culture _Status of Membership _Requirements/Responsibility

- **Description**
Council staff would be employees of a Soil & Water Conservation District. Would the SWCD also become the council's fiscal agent.
- **Stature/Independence/Growth**
The Council may lose some independence in going with this structure because employees would be ultimately responsible to the SWCD.
- **Board Liability**
The Steering Committee is covered by the Oregon Department of Administrative Services Watershed Council Insurance. The issues would be the same as with "Current Structure."
- **Staff Liability**
The SWCD could possibly hold liability for staff, but it is questionable as to whether liability for projects would be covered. The Council would assume all costs for liability coverage.
- **Funding Sources**
The questions over diversifying funding would be the same as with the "Current Structure."
- **Maintenance of Council Culture**
Losing some autonomy of the Council could have an effect on the Council Culture.
- **Requirements/ Responsibility**
To consider this option a formal letter of inquiry must be submitted to E. Lane SWCD.

“FRIENDS OF” GROUP

_Stature/Independence/Growth _Board Liability _Staff Liability _Retaining Staff _Funding Sources _Council Culture _Status of Membership _Requirements/Responsibility

- **Description**

The “Friends of” organization would be a separate non-profit, and the Council would remain a volunteer group. The non-profit would be the actual employer of Council staff, and would have a separate Board of Directors from the Council’s Steering Committee.
- **Stature/Independence/Growth**

The Council would maintain – probably increase its independence, as well as its potential for growth. Staff would be directly responsible to the council.
- **“Board” Liability**

The “Friends of” Board would ultimately be liable for the Council. Oregon Law extends some special protection from liability to “Qualified Directors” - they cannot be sued by anyone for negligence, but only for gross negligence and intentional acts (*Oregon Non-Profit Handbook*, p. 278). In addition, having a defined “Board” and/or organization would allow the council to purchase insurance that would staff and those serving on the board from lawsuits. This protection would only be extended to those on the Board of the non-profit.
- **Staff Liability**

The “Friends of” group would hold liability for the council and staff.
- **Retaining Staff**

Having employees of the Council would create a more competitive employment situation in terms of benefits and direction as well as liability issues. This structure could potentially create “two bosses” for staff members.
- **Funding Sources**

The “Friends of” organization would be responsible for fundraising for the Council. Having a non-profit status would resolve any questions over the Council’s eligibility for foundation grants or money from DEQ.
- **Status of Members**

This structure would probably not affect the structure of the Council itself.
- **Maintenance of Council Culture**

This structure would probably not affect the culture of the Council.
- **Requirements**

Must file Articles of Incorporation and register with the Department of Justice. Must apply for Federal Tax ID Number (for 501(c)3 status. The organization must file annual report with state and annual tax report with the federal and state governments. There must be regular board meetings and minutes for each meeting must be kept. The Board of Directors for the “Friends of” organization would ultimately be responsible for the group.

STEERING AS BOARD

_Stature/Independence/Growth _Board Liability _Staff Liability _Retaining Staff _Funding Sources _Council Culture _Status of Membership _Requirements/Responsibility

- **Description**

The Council would become a non-profit, with the Steering Committee taking on the duties of the board. The Council would directly hire employees to fulfill the needs of the Council.
- **Stature/Independence/Growth**

The Council would maintain – probably increase its independence, as well as its potential for growth. Staff would be directly responsible to the council.
- **Board Liability**

Oregon Law extends some special protection from liability to “Qualified Directors” - they cannot be sued by anyone for negligence, but only for gross negligence and intentional acts (*Oregon Non-Profit Handbook*, p. 278). In addition, having a defined “Board” and/or organization would allow the council to purchase insurance that would protect those serving on Steering from legal liability.
- **Staff Liability**

Available liability insurance for watershed councils through the Oregon Department of Administrative Services would cover staff from liability. Having an “insurable organization” and purchasing insurance would greatly reduce the legal risks for staff.
- **Retaining Staff**

Having employees of the Council would create a more competitive employment situation in terms of benefits and direction as well as liability issues.
- **Funding Sources**

Having an official non-profit status would resolve any questions over the Council’s eligibility for foundation and DEQ grants.
- **Status of Members**

The Council would have to chose between becoming a membership or non-membership corporation. With a non-membership corporation, only Board members have the right to vote on decisions. If the Council chose to become a membership corporation, the membership of the Council would have to be more defined – members would have to consent to being members. In addition, there are many other requirements for a membership corporation.
- **Maintenance of Council Culture**

Council would be forced to either have a more formal membership, or no membership at all.

- **Requirements**

The organization must file Article of Incorporation, write by-laws (basically, the Charter), and register with the Oregon Department of Justice. In order to obtain tax exempt status, the organization must apply to the IRS for a Federal Tax ID Number. The organization must file an annual report with the state and an annual tax report with the Federal and State governments. The Board of Directors must hold regular meetings and minutes must be kept. These requirements could increase the work load for Steering Committee members.

EXECUTIVE COUNCIL

_Stature/Independence/Growth _Board Liability _Staff Liability _Retaining Staff _Funding Sources _Council Culture _Status of Membership _Requirements/Responsibility

- **Description**
The Council would become a non-profit with a subset of Steering Committee taking on the duties of the board.
- **Stature/Independence/Growth**
The Council would maintain – probably increase its independence, as well as its potential for growth. Staff would be directly responsible to the council.
- **Board Liability**
Oregon Law extends some special protection from liability to “Qualified Directors” - they cannot be sued by anyone for negligence, but only for gross negligence and intentional acts (*Oregon Non-Profit Handbook*, p. 278). In addition, having a defined “Board” and/or organization would allow the council to purchase insurance that would protect those serving on Steering from legal liability.
- **Staff Liability**
Available liability insurance for watershed councils through the Oregon Department of Administrative Services would cover staff from liability. Having an “insurable organization” and purchasing insurance would greatly reduce the legal risks for staff.
- **Retaining Staff**
Having employees of the Council would create a more competitive employment situation in terms of benefits and direction as well as liability issues.
- **Funding Sources**
Having an official non-profit status would resolve any questions over the Council’s eligibility for foundation and DEQ grants.
- **Status of Members**
See Status of Members under “Steering as Board.”
- **Maintaining Council Culture**
See Council Culture under “Steering as Board.”
- **Requirements/Responsibility**
The organization must file Article of Incorporation, write by-laws (basically, the Charter), and register with the Oregon Department of Justice. In order to obtain tax exempt status, the organization must apply to the IRS for a Federal Tax ID Number. The organization must file an annual report with the state and an annual tax report with the Federal and State governments. The Board of Directors must hold regular meetings and minutes must be kept. This could increase the workload for those Steering Committee members on the Executive Council.