

Board of Directors

Monday, October 10, 2011
2:00 p.m. or close of Legislative Committee meeting

Local Government Center, Room 113
1201 Court Street NE
Salem, Oregon

Agenda

2:00 p.m.

- 1. Call to order** AOC President Janet Carlson
- 2. Agenda approval (Action)** President Carlson
- 3. Items moved from Consent Agenda (Possible Action)** President Carlson
2:05 p.m.
- 4. Consent Agenda (Action) page 2** President Carlson
 - 4.1 Minutes from September 12, 2011 meeting page 3
 - 4.2 Financial Report for period ending September 30, 2011 page 6
 - 4.3 Recommendations & Appointments2:10 p.m.
- 5. Revised '12 Forest Management Subcommittee Budget (action) page 15** Gil Riddell
2:15 p.m.
- 6. Intergovernmental Agreement with ODOT (action) page 17** Mike McArthur
2:20 p.m.
- 7. Proposed AOC Bylaw Revisions (action) page 18** Mike McArthur
2:25 p.m.
- 8. Deferred Compensation Plan Addition (action) page 25** Mike McArthur
2:30 p.m.
- 9. CREA Intervention in PUC Docket #UE235 (action) page 26** Mike McArthur
2:35 p.m.
- 10. Resource Consultants Agreement (action) page 27** Mike McArthur
- 11. Other business** President Carlson
 - 10.1 Update on Comcast v. Oregon Department of Revenue
 - 10.2 Nomination process for Juniper Removal Project

- 12. Adjourn** President Carlson

Next AOC Board meeting: December 12 (at Oregon Convention Center, Portland)
1201 Court Street NE, Suite 300 | P.O. Box 12729 | Salem, Oregon 97309 | 503.585.8351 | www.aocweb.org

Date: October 10, 2011
To: Board of Directors
From: Mike McArthur, executive director
Subject: Consent Agenda
Staff: Cara Fischer, deputy executive director

Should a director wish to move an item off the consent agenda for general discussion and action that may be done immediately following approval of the meeting agenda.

4.1 Minutes from September 12, 2011

Requested action:

Accept the minutes as represented, on next pages of this agenda packet.

4.2 Financial Report for period ending September 30, 2011

Requested action:

Accept the financial report as represented on document attached to this agenda packet.

4.3 Recommendations & Appointments

Requested actions:

1. Recommend appointment of Deschutes County Commissioner Alan Unger to the Oregon Freight Advisory Committee (OFAC). The OFAC advises the Oregon Department of Transportation director and the Oregon Transportation Commission on issues, policies and programs that impact multimodal freight mobility in Oregon. This position was previously held by Benton County Commissioner Linda Modrell.
2. Recommend appointment of Lane County Commissioner Faye Stewart to the Land Conservation and Development Commission (LCDC) for its consideration to fill the position previously held by Coos County Commissioner Nikki Whitty on the Local Officials Advisory Committee (LOAC).

Association of Oregon Counties
Board of Directors

Tuesday, September 12, 2011
1:30 p.m.

Local Government Center
Salem, OR

Present: President Janet Carlson, Commissioner Tammy Baney, Commissioner Mary Stern, Judge Pat Shaw, Commissioner Leslie Lewis, Commissioner Annabelle Jaramillo, Commissioner Kathy George, Commissioner Tony Hyde, Judge Dan Joyce, Commissioner Tim Josi, Commissioner Wayne Fording, Commissioner Bill Hansell, Commissioner Sam Brentano, Commissioner Simon Hare, Commissioner Jim Bernard, Sheriff Jack Crabtree, Treasurer Laurie Steele, Administrator Ralph Wyatt

Via telephone: Commissioner Patricia Roberts

Staff and consultants: Mike McArthur, Cara Fischer, Gil Riddell, Emily Ackland, Joann Hendrix

President Janet Carlson called the meeting to order at 1:40 p.m.

Agenda Approval

Administrator Ralph Wyatt moved to approve the agenda of August 9, 2011, with the addition of "Letter to Congress Regarding Secure Rural Schools," seconded by Commissioner Mary Stern. Motion carried.

Consent Agenda

Accept the minutes as presented from August 9, 2011.

Receive the financial report as presented for period ending August 31, 2011.

Recommendations & Appointments

1. Endorse the Governor's nomination of Yamhill County Commissioner Mary Stern to the Oregon Criminal Justice Commission.
2. Appoint Multnomah County commissioner Deborah Kafoury as AOC's representative to both the Advisory Committee on Court Facilities (ex officio member) and Joint Committee on State Courts Revenue Structure (member).

Commissioner Tim Josi moved to approve the consent agenda, seconded by Commissioner Wayne Fording. Motion carried.

Proposed AOC 2012 Budget

Mike McArthur reported that the budget committee forwarded the proposed 2012 AOC Budget to the board. Mr. McArthur requested that the board recommend the proposed 2012 AOC Budget to the membership for consideration at the annual business meeting in November.

Commissioner Josi moved to recommend the 2012 AOC Budget to the AOC membership for consideration at the association's annual meeting, seconded by Commissioner Tony Hyde. Motion carried.

Contract with BP7, Inc.

Mr. McArthur requested the board authorize the executive director to enter into a personal services contract with BP7, Inc. for the *2011 County Road Manual Update*.

AOC conducted a formal Request for Proposal (RFP) for the road manual project. Three proposals were received and evaluated by Mike McArthur, Jon Oshel and Darrin Lane, Linn County roadmaster. All three reviewers ranked the BP7, Inc. proposal substantially higher than the other two proposals. Bill Penhollow is the principal member of BP7, Inc.

Mr. Wyatt moved to authorize the executive director to enter into a personal services contract with BP7, Inc. for the *2011 County Road Manual Update* project, seconded by Commissioner Bill Hansell. Motion carried.

2011 Supplemental Budget

Mr. McArthur requested the board authorize the executive director to transfer \$25,000 from the 2011 Business Enterprises Fund to the 2011 General Fund for the purpose of market adjustments to AOC employee compensation.

The AOC Budget Committee at its August 7, 2011 meeting recommended that \$25,000 be transferred from the 2011 Business Enterprises fund to the 2011 General Fund to make market adjustments in AOC employee compensation.

Discussion ensued regarding the request of \$25,000 and if that dollar amount was justified to fund AOC employee compensation. Mr. McArthur stated that the \$25,000 would be for the remainder of the 2011 fiscal year and that these adjustments are reflected in the 2012 AOC Budget.

Mr. McArthur reported that AOC has retained the services of the Local Government Personnel Institute (LGPI) to complete a comprehensive compensation and classification study for non-represented AOC positions. The AOC Budget Committee, at its August 7, 2011 meeting, requested this study be conducted prior to any adjustments in non-represented staff salaries.

The executive director's salary has been compared to peers twice in the last four years; the represented staff positions went through a comprehensive compensation and classification study in 2008. As far as AOC management can tell, non-represented staff positions have not received a compensation and classification study since 1999.

Commissioner Hyde moved to authorize the executive director to transfer \$25,000 from the 2011 Business Enterprise Fund to the 2011 General Fund for the purpose of market adjustments to AOC non-represented employee compensation, seconded by Commissioner Jim Bernard. Motion carried.

Market Adjustment for Executive Director Compensation

President Janet Carlson requested the board to direct AOC fiscal staff to increase the executive director's compensation by \$5,000 effective September 1, 2011 as a market adjustment.

President Carlson reported that LGPI conducted a salary comparison study for the AOC executive director position as part of Mike McArthur's annual performance review. The League of Oregon Cities, Special Districts Association of Oregon and the state associations of counties in Idaho, Washington and Utah were used as comparables for the study.

The LGPI report shows that the current AOC executive director salary is 17.97 percent below the market average. The AOC Executive Committee recommends a \$5,000 market adjustment, which would bring the executive director's salary to 13.18 percent below market average with an additional \$5,000 adjustment in the 2012 fiscal year.

Commissioner Hyde moved to direct AOC fiscal staff to increase the executive director's salary by \$5,000 effective September 1, 2011 as a market adjustment, seconded by Commissioner Josi. Motion carried.

Other Business

Proposed Revisions to AOC Bylaws

President Carlson reviewed proposed revisions to the AOC Bylaws recommended by the AOC Executive Committee. The revisions include:

- Making clear that members participating in meetings (other than membership meetings) by phone or video conference are considered present for purposes of parliamentary rules;
- Allowing district chairs to name an alternate member of the district to AOC Budget Committee;
- Adding the chairs of steering committees to the Special Operations Committee;
- Removing the representatives from the metro counties from Special Operations; and
- Removing Special Operations Committee members from the Board of Directors.

The revisions and full explanation will be presented to the board at its October 10 meeting.

Letter to Congress Regarding Secure Rural Schools

Mr. McArthur reported that Alex Cuyler, intergovernmental relations manager of Lane County, has developed a letter that would be signed by Oregon legislators and sent to Congress endorsing reauthorization of the Secure Rural Schools Act.

Mr. McArthur requested that the board give authority to President Carlson to approve the letter's content and form.

Commissioner Hansell moved to grant authority to President Carlson to approve content and form of this particular letter to Congress regarding reauthorization of the Secure Rural Schools Act, seconded by Commissioner Hyde. Motion carried.

With no further business, the meeting adjourned at 2:25 p.m.

**Association of Oregon Counties
General Fund
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$362,754.00	\$497,682.00	(\$134,928.00)	137.2%	
County Dues		552,862.00	445,604.21	107,257.79	80.6%	552,862.29
Contract Payments	3,500.00	96,500.00	44,600.00	51,900.00	46.2%	71,711.02
Insurance Annuities		18,792.00	18,792.00		100.0%	16,792.00
Staff Services	19,946.00	226,235.00	176,534.00	49,701.00	78.0%	192,465.16
Interest Earnings		5,000.00	1,069.36	3,930.64	21.4%	3,309.38
Misc. Revenue		5,000.00	408.50	4,591.50	8.2%	32,462.52
Mental Health		22,000.00		22,000.00	0.0%	21,045.60
CLHO			100.00	(100.00)	0.0%	75.00
Human Services Contract	5,246.98	62,000.00	23,611.41	38,388.59	38.1%	60,763.32
PERS Contribution		60,000.00	44,864.00	15,136.00	74.8%	64,125.00
Video Lottery Defense Fund		20,000.00	19,842.64	157.36	99.2%	38,226.75
Grant Revenues			127,360.00	(127,360.00)	0.0%	
OACES Contribution		10,000.00	10,000.00		100.0%	10,000.00
Revenue Exchange		325,000.00		325,000.00	0.0%	320,000.00
Change in Investment in LGCT					0.0%	3,771.00
Total Revenue	<u>28,692.98</u>	<u>1,766,143.00</u>	<u>1,410,468.12</u>	<u>355,674.88</u>	<u>79.9%</u>	<u>1,387,609.04</u>
Expenses						
Personal Services						
Salaries	61,996.18	694,904.00	550,015.41	144,888.59	79.1%	752,390.98
Payroll Assessment	19,692.79	258,030.00	192,113.22	65,916.78	74.5%	228,884.53
Employee Insurance Annuities	1,566.00	18,792.00	14,094.00	4,698.00	75.0%	16,792.00
Total Personal Services	<u>83,254.97</u>	<u>971,726.00</u>	<u>756,222.63</u>	<u>215,503.37</u>	<u>77.8%</u>	<u>998,067.51</u>
Materials and Services						
Travel	990.00	70,000.00	64,338.61	5,661.39	91.9%	100,260.45
Contract Services	41.43	94,100.00	63,209.30	30,890.70	67.2%	87,219.06
Postage, Printing & Supplies		20,000.00	12,346.95	7,653.05	61.7%	20,801.51
Communications	1,110.00	21,000.00	16,714.07	4,285.93	79.6%	20,628.63
Audit & Insurance		9,000.00	6,624.12	2,375.88	73.6%	8,875.80
Auto Expense	44.40	15,000.00	6,881.25	8,118.75	45.9%	17,544.14
GF Staff Services	2,350.00		21,150.00	(21,150.00)	0.0%	10,195.16
Building Expense	3,507.80	75,000.00	53,335.45	21,664.55	71.1%	79,301.00
PERS Expense		50,000.00	2,430.00	47,570.00	4.9%	24,712.00
Legislative Expense		5,000.00	7,973.13	(2,973.13)	159.5%	978.56
CRP I.S. Services		4,000.00	10,819.12	(6,819.12)	270.5%	3,312.51
Misc. Expense		3,000.00	4,340.47	(1,340.47)	144.7%	3,274.05
Video Lottery Defense		20,000.00	2,506.70	17,493.30	12.5%	5,434.12
Grant Expenses			127,963.65	(127,963.65)	0.0%	727.27
Data Processing		28,000.00	4,371.85	23,628.15	15.6%	4,375.27
Contingency		50,000.00		50,000.00	0.0%	
Capital Outlay		6,000.00	7,393.44	(1,393.44)	123.2%	3,636.67
Depreciation Expense					0.0%	29,113.22
Total Materials and Services	<u>8,043.63</u>	<u>470,100.00</u>	<u>412,398.11</u>	<u>57,701.89</u>	<u>87.7%</u>	<u>420,389.42</u>
Total Expenses	<u>91,298.60</u>	<u>1,441,826.00</u>	<u>1,168,620.74</u>	<u>273,205.26</u>	<u>81.1%</u>	<u>1,418,456.93</u>
Current Year Excess/(Deficit)	<u>(62,605.62)</u>	<u>324,317.00</u>	<u>241,847.38</u>	<u>82,469.62</u>	<u>74.6%</u>	<u>(30,847.89)</u>
Budgeted Carryover						
Year End Balance		138,426.00		138,426.00	0.0%	
Year End Balance - Video Lottery Defense		39,969.00		39,969.00	0.0%	
Year End Balance - PERS Fund		100,787.00		100,787.00	0.0%	
Year End Balance - Operating Reserves		45,134.00		45,134.00	0.0%	

**Association of Oregon Counties
Public Lands
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$59,512.00	\$67,338.00	(\$7,826.00)	113.2%	
County Dues		156,959.00	128,951.43	28,007.57	82.2%	152,419.13
Staff Services	2,200.00	26,400.00	19,800.00	6,600.00	75.0%	26,400.00
OSACA Contribution		6,000.00		6,000.00	0.0%	6,000.00
OACTC Contribution		2,000.00		2,000.00	0.0%	2,000.00
Total Revenue	2,200.00	250,871.00	216,089.43	34,781.57	86.1%	186,819.13
Expenses						
Personal Services						
Salaries	7,920.00	95,040.00	71,280.00	23,760.00	75.0%	95,040.00
Payroll Assessment	2,753.17	43,606.00	29,024.18	14,581.82	66.6%	42,419.96
Total Personal Services	10,673.17	138,646.00	100,304.18	38,341.82	72.3%	137,459.96
Materials and Services						
Travel		17,000.00	8,123.36	8,876.64	47.8%	17,680.23
Contract Services	3.77	200.00	291.76	(91.76)	145.9%	929.07
Postage, Printing & Supplies		1,200.00	729.51	470.49	60.8%	893.83
Communications	150.00	2,780.00	1,020.12	1,759.88	36.7%	1,322.38
Audit & Insurance		1,000.00	715.83	284.17	71.6%	932.26
Auto Expense		850.00	624.41	225.59	73.5%	2,004.30
GF Staff Services	2,211.00	26,530.00	19,899.00	6,631.00	75.0%	25,764.00
Legislative Expense		1,800.00	711.55	1,088.45	39.5%	61.80
Misc. Expense		100.00	249.45	(149.45)	249.5%	124.51
Data Processing		848.00	316.56	531.44	37.3%	227.02
Contingency		15,000.00		15,000.00	0.0%	
Capital Outlay		333.00		333.00	0.0%	253.80
Total Materials and Services	2,364.77	67,641.00	32,681.55	34,959.45	48.3%	50,193.20
Total Expenses	13,037.94	206,287.00	132,985.73	73,301.27	64.5%	187,653.16
Current Year Excess/(Deficit)	(10,837.94)	44,584.00	83,103.70	(38,519.70)	186.4%	(834.03)
Budgeted Carryover Year End Balance		44,584.00		44,584.00	0.0%	

**Association of Oregon Counties
CFTLC
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$22,857.00	\$38,606.00	(\$15,749.00)	168.9%	
County Dues		<u>56,400.00</u>	<u>53,386.00</u>	<u>3,014.00</u>	<u>94.7%</u>	<u>56,401.13</u>
Total Revenue		<u>79,257.00</u>	<u>91,992.00</u>	<u>(12,735.00)</u>	<u>116.1%</u>	<u>56,401.13</u>
Personal Services						
Materials and Services						
Contract Services		30,000.00	1,969.68	28,030.32	6.6%	15,493.82
PL Staff Services	2,200.00	26,400.00	19,800.00	6,600.00	75.0%	26,400.00
Misc. Expense		<u>1,300.00</u>		<u>1,300.00</u>	<u>0.0%</u>	<u>768.60</u>
Total Materials and Services	<u>2,200.00</u>	<u>57,700.00</u>	<u>21,769.68</u>	<u>35,930.32</u>	<u>37.7%</u>	<u>42,662.42</u>
Total Expenses	<u>2,200.00</u>	<u>57,700.00</u>	<u>21,769.68</u>	<u>35,930.32</u>	<u>37.7%</u>	<u>42,662.42</u>
Current Year Excess/(Deficit)	(2,200.00)	21,557.00	70,222.32	(48,665.32)	325.8%	13,738.71
Budgeted Carryover Year End Balance		21,557.00		21,557.00	0.0%	

**Association of Oregon Counties
Roads Fund
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$480,000.00	\$544,119.00	(\$64,119.00)	113.4%	
Contract Payments	29,500.00	74,000.00	30,750.00	43,250.00	41.6%	59,000.00
Road Revenue Exchange		1,265,000.00	1,265,000.00		100.0%	1,305,000.00
Interest Earnings		3,000.00	1,694.84	1,305.16	56.5%	4,186.70
Misc. Revenue		1,000.00		1,000.00	0.0%	150.00
CRP Services to AOC		4,000.00	12,674.83	(8,674.83)	316.9%	3,665.10
Total Revenue	<u>29,500.00</u>	<u>1,827,000.00</u>	<u>1,854,238.67</u>	<u>(27,238.67)</u>	<u>101.5%</u>	<u>1,372,001.80</u>
Expenses						
Personal Services						
Salaries	57,790.82	710,000.00	517,327.82	192,672.18	72.9%	676,372.04
Payroll Assessment	17,972.60	275,000.00	186,889.44	88,110.56	68.0%	250,234.24
Total Personal Services	<u>75,763.42</u>	<u>985,000.00</u>	<u>704,217.26</u>	<u>280,782.74</u>	<u>71.5%</u>	<u>926,606.28</u>
Materials and Services						
Travel		76,000.00	26,940.68	49,059.32	35.4%	44,949.82
Membership					0.0%	396.00
Contract Services	30.14	81,000.00	3,258.91	77,741.09	4.0%	56,365.21
Postage, Printing & Supplies		8,000.00	4,576.96	3,423.04	57.2%	5,166.18
Communications	1,110.00	14,000.00	7,023.42	6,976.58	50.2%	9,675.56
Audit & Insurance		9,000.00	5,976.63	3,023.37	66.4%	7,787.18
Auto Expense		20,000.00	8,723.56	11,276.44	43.6%	13,887.65
GF Staff Services	7,858.00	96,000.00	67,742.00	28,258.00	70.6%	79,622.00
Building Expense	2,338.53	65,000.00	30,036.38	34,963.62	46.2%	45,917.59
Technology Transfer		109,000.00	109,000.00		100.0%	109,000.00
Legislative Expense		5,000.00	3,146.17	1,853.83	62.9%	347.18
Misc. Expense		2,000.00	3,543.98	(1,543.98)	177.2%	1,591.79
Data Processing		20,000.00	6,013.77	13,986.23	30.1%	9,977.91
Contingency		100,000.00		100,000.00	0.0%	
Capital Outlay		27,000.00	5,641.45	21,358.55	20.9%	3,096.36
Training		10,000.00	6,575.79	3,424.21	65.8%	7,989.40
Total Materials and Services	<u>11,336.67</u>	<u>642,000.00</u>	<u>288,199.70</u>	<u>353,800.30</u>	<u>44.9%</u>	<u>395,769.83</u>
Total Expenses	<u>87,100.09</u>	<u>1,627,000.00</u>	<u>992,416.96</u>	<u>634,583.04</u>	<u>61.0%</u>	<u>1,322,376.11</u>
Current Year Excess/(Deficit)	(57,600.09)	200,000.00	861,821.71	(661,821.71)	430.9%	49,625.69
Budgeted Carryover						
Year End Balance		200,000.00		200,000.00	0.0%	

**Association of Oregon Counties
Forest
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$41,553.00	\$118,872.00	(\$77,319.00)	286.1%	
County Dues		218,669.00	181,336.00	37,333.00	82.9%	140,056.16
Interest Earnings		500.00	181.13	318.87	36.2%	391.21
Misc. Revenue					0.0%	16,296.00
Total Revenue		260,722.00	300,389.13	(39,667.13)	115.2%	156,743.37
Personal Services						
Materials and Services						
Travel		3,000.00		3,000.00	0.0%	
Contract Services	37,000.00	220,000.00	193,806.74	26,193.26	88.1%	156,305.41
Postage, Printing & Supplies					0.0%	95.75
Communications			393.05	(393.05)	0.0%	653.56
GF Staff Services	348.00	4,172.00	3,132.00	1,040.00	75.1%	4,056.00
Misc. Expense		500.00		500.00	0.0%	
Contingency		10,000.00		10,000.00	0.0%	
Total Materials and Services	37,348.00	237,672.00	197,331.79	40,340.21	83.0%	161,110.72
Total Expenses	37,348.00	237,672.00	197,331.79	40,340.21	83.0%	161,110.72
Current Year Excess/(Deficit)	(37,348.00)	23,050.00	103,057.34	(80,007.34)	447.1%	(4,367.35)
Budgeted Carryover Year End Balance		23,051.00		23,051.00	0.0%	

**Association of Oregon Counties
Business Enterprises
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$277,541.00	\$364,198.00	(\$86,657.00)	131.2%	
Contract Payments		30,000.00		30,000.00	0.0%	11,000.00
NACo Royalties	14,751.40	250.00	24,988.36	(24,738.36)	9995.3%	56,890.53
US Communities	2,326.37	1,500.00	3,868.35	(2,368.35)	257.9%	2,322.41
Insurance Trust Administration	153,215.49	305,000.00	305,064.34	(64.34)	100.0%	302,987.33
Misc. Revenue	21,500.00	2,000.00	25,537.50	(23,537.50)	1276.9%	23,699.34
Business Partnership	3,500.00	10,000.00	20,500.00	(10,500.00)	205.0%	4,973.50
Grant Revenues		120,000.00	55,169.00	64,831.00	46.0%	82,754.00
Total Revenue	195,293.26	746,291.00	799,325.55	(53,034.55)	107.1%	484,627.11
Personal Services						
Materials and Services						
Revenue Transfer		325,000.00		325,000.00	0.0%	320,000.00
Travel		8,000.00	5,000.00	3,000.00	62.5%	8,391.50
Contract Services			16,276.00	(16,276.00)	0.0%	18,000.00
GF Staff Services	4,167.00	50,000.00	37,503.00	12,497.00	75.0%	38,004.00
Misc. Expense		1,000.00	1,000.00		100.0%	
Grant Expenses		120,000.00	50,013.20	69,986.80	41.7%	72,079.80
Contingency		10,000.00		10,000.00	0.0%	
Total Materials and Services	4,167.00	514,000.00	109,792.20	404,207.80	21.4%	456,475.30
Total Expenses	4,167.00	514,000.00	109,792.20	404,207.80	21.4%	456,475.30
Current Year Excess/(Deficit)	191,126.26	232,291.00	689,533.35	(457,242.35)	296.8%	28,151.81
Budgeted Carryover						
Year End Balance		232,291.00		232,291.00	0.0%	

**Association of Oregon Counties
Education, Training & Programs
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$6,752.00	\$9,338.00	(\$2,586.00)	138.3%	
County College		6,000.00	2,500.00	3,500.00	41.7%	2,250.00
Scholarships & Donations		1,000.00	25,000.00	(24,000.00)	2500.0%	25,000.00
Revenue Exchange		20,000.00		20,000.00	0.0%	
Total Revenue		33,752.00	36,838.00	(3,086.00)	109.1%	27,250.00
Personal Services						
Materials and Services						
GF Staff Services	667.00	8,000.00	6,003.00	1,997.00	75.0%	7,500.00
County College Expense		12,000.00	5,909.48	6,090.52	49.2%	3,053.62
Training		8,000.00	5,000.00	3,000.00	62.5%	8,610.00
Scholarships & Donations		2,000.00	1,769.40	230.60	88.5%	
Total Materials and Services	667.00	30,000.00	18,681.88	11,318.12	62.3%	19,163.62
Total Expenses	667.00	30,000.00	18,681.88	11,318.12	62.3%	19,163.62
Current Year Excess/(Deficit)	(667.00)	3,752.00	18,156.12	(14,404.12)	483.9%	8,086.38
Budgeted Carryover Year End Balance		3,752.00		3,752.00	0.0%	

**Association of Oregon Counties
Conference
Financial Statement
For the Nine Months Ending September 30, 2011**

	September Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2010 Actual
Revenue						
Beginning Balance		\$97,303.00	\$111,724.00	(\$14,421.00)	114.8%	
Misc. Revenue		2,000.00	2.16	1,997.84	0.1%	
Registration	700.00	82,000.00	6,075.00	75,925.00	7.4%	81,204.00
Exhibitors		20,000.00		20,000.00	0.0%	20,581.50
Sponsor Contributions		10,000.00		10,000.00	0.0%	16,500.00
Meals		3,000.00		3,000.00	0.0%	4,040.00
Fellowship Breakfast					0.0%	352.00
Total Revenue	700.00	214,303.00	117,801.16	96,501.84	55.0%	122,677.50
Personal Services						
Materials and Services						
Meals		53,000.00	9,370.09	43,629.91	17.7%	45,882.08
Banquet Entertainment		6,000.00	5,048.37	951.63	84.1%	11,219.33
Staff Expense		3,000.00	1,438.80	1,561.20	48.0%	10,442.00
Travel			171.92	(171.92)	0.0%	1,071.22
Contract Services					0.0%	1,336.88
Postage, Printing & Supplies		10,000.00	490.97	9,509.03	4.9%	7,461.38
Audit & Insurance			1,000.00	(1,000.00)	0.0%	1,300.00
Auto Expense					0.0%	1,286.55
GF Staff Services	2,345.00	28,140.00	21,105.00	7,035.00	75.0%	27,324.00
Misc. Expense		15,000.00	2,304.73	12,695.27	15.4%	30,141.87
Data Processing			489.55	(489.55)	0.0%	133.10
Contingency		15,000.00		15,000.00	0.0%	
Total Materials and Services	2,345.00	130,140.00	41,419.43	88,720.57	31.8%	137,598.41
Total Expenses	2,345.00	130,140.00	41,419.43	88,720.57	31.8%	137,598.41
Current Year Excess/(Deficit)	(1,645.00)	84,163.00	76,381.73	7,781.27	90.8%	(14,920.91)
Budgeted Carryover Year End Balance		69,163.00		69,163.00	0.0%	

Association of Oregon Counties
BALANCE SHEET
For the Nine Months Ending September 30, 2011

		<u>YEAR TO DATE</u> <u>ACTUAL</u>
ASSETS		
CURRENT ASSETS		
Petty Cash	\$100.00	
Checking	869,088.03	
Pre-paid Expenses	(513.40)	
Savings	1,064,575.73	
Due from General Fund	20,393.27	
Accounts Receivable	<u>391,610.59</u>	
TOTAL CURRENT ASSETS		2,345,254.22
FIXED ASSETS		
Furniture & Equipment	218,494.88	
Investment in Local Gov Center	872,953.00	
Accumulated Depreciation	<u>(162,930.41)</u>	
TOTAL FIXED ASSETS		928,517.47
Deferred Compensation Assets		1,829,859.03
Amount to Be Provided for Comp		<u>111,109.46</u>
TOTAL ASSETS		<u><u>5,214,740.18</u></u>
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts Payable	18,628.00	
Accrued Vacation Pay	126,799.23	
Payroll Deductions	2,296.99	
Deferred Income	178,440.49	
Due to Road Fund	20,393.27	
Deferred Compensation Payable	<u>1,805,772.03</u>	
TOTAL LIABILITIES		2,152,330.01
FUND BALANCES		
Invested in Fixed Assets	53,763.84	
Equity in Local Government Cent	869,182.00	
Supplemental Life Insurance	13,316.00	
Fund Balance	(17,975.32)	
Current Year Excess/(Deficit)	<u>2,144,123.65</u>	
TOTAL FUND BALANCES		<u>3,062,410.17</u>
TOTAL LIABILITIES AND EQUIT		<u><u>5,214,740.18</u></u>

Date: October 10, 2011

To: Public Lands & Natural Resources Committee
Board of Directors

From: Gil Riddell, policy coordinator

Subject: Revised proposed 2012 Forest Management Subcommittee
Budget

Requested Action:

Recommend approval by AOC membership of the revised proposed 2012 Forest Management Subcommittee Budget.

Background:

At its September 12 meeting, the Board of Directors approved the previous proposed version of the 2012 Forest Management Subcommittee Budget for consideration by AOC membership at the 2011 annual business meeting.

That version was described as a “placeholder” given the uncertainties of the economy and national politics. In late September, the Forest Management Subcommittee Board of Directors agreed to pay the final 2011 installment of the assessment to the national campaign on reauthorization of Secure Rural Schools, as anticipated by the 2011 budget. The placeholder 2012 proposal had if only \$111,000 of the \$148,000 assessment would be paid. Given the campaign’s need for resources at this strategic point, the board assented to pay the final \$37,000.

The other revision made in this new proposed budget is to anticipated, as does the proposed 2012 General Fund budget, that all counties will pay 2011 AOC dues. The six counties that have not yet paid account for about \$37,000, identical to the final installment paid to the national campaign. Consequently, the proposed budget continues to anticipate a 2012 year-end operating reserves balance of about \$90,000.

ASSOCIATION OF OREGON COUNTIES
2012 BUDGET
FOREST MANAGEMENT SUBCOMMITTEE

	2009	2010	2011			2012
	Actual	Actual	Budget	6 Months	Projected	Recommended
EXPENDITURES						
Travel	\$0		\$3,000			\$3,000
Contract Services	102,972	156,305	220,000	115,772	215,000	100,000
GF Staff Services	3,936	4,056	4,172	2,088	4,172	4,297
Miscellaneous		749	500	315	630	630
Contingency			10,000		10,000	10,000
TOTAL EXPENDITURES	\$106,908	\$161,111	\$237,672	\$118,175	\$229,802	\$117,927
REVENUES						
Beginning Balance	\$99,880	\$123,239	\$41,553	\$118,872	\$118,872	\$108,101
County Dues	129,482	140,056	218,669	154,365	218,669	100,000
Miscellaneous		16,296				
Interest Earnings	785	391	500	181	362	400
TOTAL REVENUES	\$230,147	\$279,982	\$260,722	\$273,418	\$337,903	\$208,501
YEAR END BAL. - Operating Reserves	\$123,239	\$118,872	\$23,050	\$155,243	\$108,101	\$90,574

Date: October 10, 2011
To: Board of Directors
From: Mike McArthur, executive director
Subject: Intergovernmental Agreement with ODOT to Administer On-line Rideshare Technical Assistance Contract
Staff: Ann Hanus, policy manager

Requested Action:

Authorize the executive director to enter into an Intergovernmental Agreement with the Oregon Department of Transportation (ODOT) to accept funds to subcontract a project to provide technical assistance for an on-line tool to enable individuals to find ride-matches.

Background:

The Public Transit Division of ODOT has asked AOC to administer a contract that will provide technical assistance and a free on-line tool that will help individuals and groups easily create ride pools and find ride partners. This tool is part of the Drive Less Connect program and can be helpful for both urban and rural Oregonians. The on-line tool can be tailored for individual groups and events. It will also be available in Washington and Idaho for regional ride-shares.

We anticipate that AOC's contract with ODOT will amount to \$150,000 and last a maximum of 18 months. AOC will receive 15 percent (\$22,500) of the total for its compensation.

AOC has had a successful partnership in the past completing projects for the Public Transit Division of ODOT, and this proposed project will continue that partnership.

Date: October 10, 2011

To: Board of Directors
Association of Oregon Counties

From: Mike McArthur, executive director

Subject: Proposed Revisions to AOC Bylaws

Staff: Mike Eliason, policy manager & Paul Snider, legal counsel

Requested Action:

Recommend approval of AOC bylaw revisions to full membership at annual business meeting, November 17, 2011.

Background:

The AOC Special Operations Committee typically meets during the legislative session, in between meetings of the AOC Legislative Committee, in order to take action on critical issues where time is of the essence. Currently, the Special Operations Committee consists of all members of the Executive Committee, plus six county judges or commissioners appointed by the president and one member each from Clackamas, Multnomah and Washington counties as recommended by the governing bodies of those respective counties.

The Executive Committee observed that the main function of the Special Operations committee is to adopt policy positions between regular legislative committee meetings. The proposed bylaw revisions would change the composition of the committee to include only the members of the Executive Committee and steering committee chairs. This would expand the committee size from 11 to 14 members and broaden the base of viewpoints and opinions. It will continue to be important for presidents to consider geography and population as factors when selecting steering committee chairs. In addition, the bylaws would be amended to clarify that the Special Operations Committee only has authority to act for the Legislative Committee, and not the Board of Directors.

Several other changes are proposed, mainly for clarity and to update the bylaws into conformance with current practice. The changes include:

- 1) Article XVII, referring to Parliamentary Procedure, is updated to make clear that members participating in meetings via telephone or video conference are considered present for purposes of parliamentary rules, except in the case of membership meetings.
- 2) Article XIV, which addresses the Budget and Audit committees, is amended to allow the district chair members of the Budget Committee to designate an alternate. This is intended to allow more easily a quorum to be present. Additionally, language is added in

both the Budget and Audit Committee sections to make clear that a majority of the “members of the” committee constitutes a quorum. This is added simply to conform these sections to other sections of the bylaws.

The proposed changes to the bylaws would take effect upon the affirmative vote of two-thirds of the delegates of members counties present at the association’s annual business meeting to be held November 17, 2011.

Proposed Amendments to AOC Constitution and Bylaws

Article VII

Board of Directors

Section 1 – Membership:

The Board of Directors shall consist of the President, First Vice President, Second Vice President, Treasurer, Immediate Past President of AOC, any judge or commissioner serving as an officer or member of the Board of the National Association of Counties or the Western Interstate Region, ~~members of the Special Operations Committee and~~ one representative from each of the affiliate members, eight district chairs and up to six members at large, plus one additional member from each county with a population of 250,000 or more, each of whom, except affiliate representatives, shall hold office on the County Court or Board of County Commissioners of a member county.

Section 2 – Membership Selection:

- (a) Members from Districts: One member of the Board of Directors shall be selected from each of the districts as hereinafter defined, which selection shall be by the vote of the members of the County Courts or Boards of County Commissioners of that district. The selection in any year during which the term of the Board member representing a district expires shall be made at the annual convention, or at a meeting called especially for that purpose.
- (b) Members at Large: After receiving the recommendations of the President, other members of the Board of Directors shall appoint the members-at-large from zero to six, giving due consideration to (1) achieving a balanced representation on the Board; and (2) maximizing the number of counties that are represented on the Board.
- ~~(c) Special Operations Committee Members: With the approval of the other members of the Board of Directors, the President shall appoint six members to the Special Operations Committee who shall also serve as members of the Board. If the President appoints to the Special Operations Committee an individual who is already a member of the Board, the appointment does not thereby create a vacancy or increase the number of Board members.~~
- ~~(d)~~(c) Members from Counties with 250,000 or more population: After receiving recommendations from the President, and by a majority vote, other members of the Board of Directors shall also appoint one additional member to the Board from each county with a population of 250,000 or more.

Section 3 – District Representation:

The Counties of this State shall be grouped into eight districts as follows:

District 1	District 2	District 3	District 4
Baker	Crook	Gilliam	Coos
Grant	Deschutes	Hood River	Curry
Malheur	Harney	Morrow	Douglas
Umatilla	Jefferson	Sherman	Jackson
Union	Klamath	Wasco	Josephine
Wallowa	Lake	Wheeler	
District 5	District 6	District 7	District 8
Benton	Marion	Clatsop	Clackamas
Lane	Polk	Columbia	Multnomah
Linn	Yamhill	Lincoln	Washington
		Tillamook	

Section 4 - Term of Office:

The term of office of members of the Board of Directors who are either elected from districts or appointed by the Board from counties with a population of 250,000 or more shall be two years, and the term of office of the members at large appointed by the Board shall be one year. ~~The term of office of the members of the Special Operations Committee who are not officers shall be one year.~~ All terms of office begin as of the day of election or appointment, and continue until a successor is elected or appointed and qualified. Vacancies in the Board positions occupied by the Immediate Past President, ~~the members of the Special Operations Committee who are not officers or members representing counties with a population of 250,000 or more~~ and the members-at-large shall be filled by appointment of the President, with the approval of the Board. Vacancies in the Board positions occupied by members elected from districts shall be filled by vote of the members of the County Courts and Boards of County Commissioners of the district.

Section 5 – Alternates:

At the time of the selection of the members of the Board of Directors by the several districts, there shall also be selected one alternate from each district who shall serve on the Board in the event that the regularly elected member shall for any reason be unable to attend any meeting of the Board, and which alternate shall become a regular member of such Board upon the death or removal from county office of the duly elected regular member, or upon resignation from the Board, or upon removal in accordance with Section 6 of this Article.

Section 6 - Declaration of a Vacancy:

A position on the Board of Directors may be declared vacant by the President when the person holding such position fails to consistently attend duly called meetings for which such person has received notification, except where such person is prevented from attendance

due to illness, emergency, absence from the state or has been previously excused by the President.

Section 7 – Duties and Powers:

The Board of Directors shall have general supervision over all the affairs of the organization subject to the will of AOC expressed at any duly called meeting. The Board shall appoint the Executive Director who shall hold office at the pleasure of said Board. The Board shall formulate policies of AOC subject to the expressed will of AOC and shall direct the activities of the Executive Director. The Board shall do any and all other things necessary to accomplish the general purposes of AOC.

Section 8 – Meetings – Quorum:

Meetings of the Board of Directors may be held at any time upon the call of the President or upon the call of any two members. Eight members from at least five of the eight districts shall constitute a quorum. ~~Members who participate by telephone or video conference call or similar contemporaneous means are considered present for purposes of parliamentary rules.~~

Section 9 – Voting:

Actions may be taken by a majority vote, a quorum being present. Votes by proxy are not permissible. An action to terminate a membership pursuant to Article III, Section 7, requires approval by at least two-thirds of the members of the Board.

Article IX

Special Operations Committee

Section 1 – Membership:

The Special Operations Committee shall consist of the President, First Vice President, Second Vice President, Treasurer and Immediate Past President plus the chairs of the steering committees. If a steering committee has more than one chair, only one shall have a vote and count toward a quorum per meeting. six county judges or commissioners who are appointed as provided in Article VII, Section 2 (c). The committee shall include at least one member each from Clackamas, Multnomah and Washington counties as recommended by the governing bodies of those respective counties. The Executive Director shall be a non-voting member of the committee.

Section 2 – Duties and Powers:

~~(a) Except for those powers and duties delegated to the Executive Committee, the Special Operations Committee may act for the Board of Directors, pursuant to specific written delegation of authority to such committee by the Board, between Board meetings on all~~

~~matters so delegated, except those specifically reserved to the Board by this Constitution and Bylaws. Actions of the Special Operations Committee shall be reported to the Board by no later than the next Board meeting.~~

~~(b)~~(a) The Special Operations Committee may act for the Legislative Committee ~~, pursuant to specific written delegation of authority to it by the Legislative Committee,~~ between Legislative Committee meetings on all matters ~~so delegated~~. Actions of the Special Operations Committee shall be reported to the Legislative Committee by no later than the next Legislative Committee meeting.

Section 3 – Quorum:

A quorum is a majority of the voting membership.

Section 4 – Voting:

Actions may be taken ~~by a majority vote, with the approval of at least sixty-seven (67) percent of those voting,~~ a quorum being present. Votes by proxy are not permissible.

Article XVII

Parliamentary Procedure

Except as otherwise provided in this Constitution and Bylaws, all questions of parliamentary practice shall be decided by the current edition of Robert’s Rules of Order. Except for membership meetings or as otherwise provided in this Constitution and Bylaws, individuals who participate in meetings by telephone or video conference call or similar contemporaneous means are considered present for purposes of parliamentary rules.

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Article XIV

Budget Committee - Audit Committee - Additional Committees

Section 1 – Budget Committee:

- (a) Membership Selection: The Budget Committee shall consist of the First Vice President as chair and each of the district chairs or their designees as members. The Treasurer shall serve as an ex-officio member.
- (b) Duties and Powers: The Executive Director shall propose annually a budget for review by the Budget Committee. The Budget Committee shall recommend a proposed budget to the Board of Directors prior to the annual conference. The proposed budget shall include the dues amount for each member county.

(c) Meetings; Quorum: The First Vice President shall convene the Budget Committee far enough in advance of the annual conference for the committee and the board to complete their work on the proposed budget. A majority of the members of the committee constitutes a quorum.

(d) Voting: Action may be taken by a majority vote, a quorum being present.

Section 2 – Audit Committee:

(a) Membership Selection: The President shall recommend and the Board of Directors shall appoint annually an Audit Committee. The Treasurer shall serve as Chair. The Committee shall be made up of at least one county administrator and three members of the Board.

(b) Duties and Powers: The Audit Committee shall meet with the auditor to review the annual audit of AOC and report any findings to the Board.

(c) Meetings; Quorum: The Treasurer shall convene the Audit Committee. A majority of the members of the committee constitutes a quorum.

(d) Voting: Action may be taken by a majority vote, a quorum being present. Votes by proxy are not permissible.

Section 3 – Additional Committees:

The President of AOC, with approval of the Board of Directors, may appoint such other standing committees and task forces as may be necessary or desirable. Such other committees and task forces shall meet upon call of the President or the committee chair. A county official or employee appointed to an AOC committee or task force, or appointed by AOC to an outside committee or task force, must be from a member county in order to serve. As used in this Article, a committee is a group created to address issues involving a particular subject on an ongoing basis as issues arise; a task force is a group created to address particular issues within a limited period of time.

Date: October 10, 2011
To: Board of Directors
From: Mike McArthur, executive director
Subject: Nationwide Pro-Account Deferred Compensation option for AOC employees
Staff: Cara Fischer, deputy executive director

Requested action:

Authorize the executive director to enter into an agreement with Nationwide Retirement Solutions to offer the Pro-Account option to AOC employees participating in the deferred compensation program

Background:

The majority of AOC employees hold a deferred compensation account with Nationwide Retirement Solutions. AOC has offered this voluntary benefit for a number of years. Nationwide has added a new account type called the Pro-Account to its product line-up and there may be employees interested in investing in this particular service.

AOC, as the plan sponsor, must enter into an agreement with Nationwide each time a new account type is added to the suite of options offered to employees.

Date: October 10, 2011
To: AOC Board Committee
From: AOC Environment and Energy Steering Committee
Subject: Community Renewable Energy Association's effort to intervene in PUC Docket #UE235
Staff: Emily Ackland, policy manager

Action Requested:

AOC contribute \$5,000 to Community Renewable Energy Association (CREA) to support intervention in Docket #UE235.

Background:

In July, 2011, CREA filed an appeal for a full investigation into PacifiCorp's Advice No. 11-011. This request would require qualifying facilities to purchase full transmission service from BPA if they want to connect to a PacifiCorp load center. This would set an inflexible process for purchasing transmission service and would make the development and operation of projects 20mw or less nearly impossible. AOC demonstrated its support for this appeal by submitting a letter to the Public Utilities Commission (PUC), as did other stakeholders including Renewable Northwest Project (RNP). The primary reason for AOC involvement is to support both public and private interests to develop community scale renewable energy facilities in Oregon.

In September, 2011 CREA petitioned the PUC to intervene in this proceeding. Because legal fees for this effort will run \$20,000-\$30,000, CREA asks for AOC's support in the amount of \$5,000.

Date: October 10, 2011
To: Board of Directors
From: Mike McArthur, executive director
Subject: Personal Services Agreement with Resource Consultants for SOCEA grant project
Staff: Cara Fischer, deputy executive director

Requested action:

Authorize the executive director to enter into an agreement with Resource Consultants to fulfill obligations required by a City of Portland solar energy grant for SOCEA.

Background:

AOC has worked with counties of the Southern Oregon Clean Energy Alliance (SOCEA) to help with regional collaboration and determine projects of interest to member counties. Solar energy is a high priority for SOCEA and a grant was recently received by AOC to forward these efforts.

Portland's Bureau of Planning and Sustainability awarded \$8,000 of funds received from the U.S. Department of Energy, Solar America Cities Special Projects program. SOCEA is interested in working with Resource Consultants, an Oregon firm dedicated to provide innovative renewable resource and energy solutions for public and private clients, to implement the grant.

AOC acts as the fiscal agent and sponsor for this grant and receives a stipend for doing so. No AOC funds will be expended in payment to the contractor.