



**Executive Committee
acting as Local Contract Review Board**

Agenda

**Monday, February 15, 2010
12:55 p.m.**

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

1. **Call to Order** AOC President Steve Grasty
2. **Policy for Classes of Services Contracts (Action)** *pages 3-5* Mike McArthur
3. **Personal Services Contact with Gordon Fultz (Action)** *page 6* Mike McArthur
4. **Adjourn** President Grasty

Board of Directors

Agenda

**Monday, February 15, 2010
1:10 p.m.**

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

1:10 p.m.

1. **Call to Order** AOC President Steve Grasty
 - 1.1 Introductions
 - 1.2 Agenda approval **(Action)**
 - 1.3 Approval of Minutes of January 11, 2010 meeting **(Action)** *pages 7-8*

1:15 p.m.

2. **Financial Reports** Mike McArthur
 - 2.1 Reports for period ending January 31, 2010 **(Action)** *pages 9-17*

1:20 p.m.

3. **Personal Services Contracts Authority & Processes (Action)** *pages 18-20* Mike McArthur

1:25 p.m.

- 5. Contract with Sonoma County Water Agency (Action)** *pages 21-23* Mike McArthur & Emily Ackland

1:30 p.m.

- 6. Ratify AOC Pension Plan Amendment (Action)** *page 24* Paul Snider

1:35 p.m.

- 7. Bond Bank Program Proposal (Possible Action)** *pages 25-26* Ann Hanus & Cara Fischer

1:40 p.m.

- 8. Approve Appointment** President Grasty
8.1 Justice of the Peace Lise Yevarsi (Baker County) as OJPA representative to AOC Board and Legislative Committee
- 9. Other Business** President Grasty
- 10. Adjourn** President Grasty

Next AOC Board of Directors meeting – April 12, 2010
at the Local Government Center

Scheduled AOC Board of Directors meetings for 2010
time of meetings to be determined, typically 1 p.m. following Legislative Committee meeting

April 12	July 12	October 11
May 10	August 9	December 13
June 16	September 13	

2010 AOC Spring Conference and semi-annual Membership Meeting at Riverhouse, Bend
Theme: Telling Your County's Story

June 14-16

2010 AOC Annual Conference at Hilton Eugene and Conference Center

November 16-18

Date: February 15, 2010

To: Executive Committee acting as Local Contract Review Board
Association of Oregon Counties

From: Mike McArthur, executive director

Subject: Personal Services Contracts Classes

Staff: Mike Eliason, policy manager
Scott Parker, special counsel

Requested Action:

Approve AOC Personal Services Contract Classes policy.

Background:

ORS 279A.055 (2) states that “a state contracting agency with procurement authority under ORS 279A.050, or a local contract review board by ordinance, resolution, administrative rule or other regulation may designate certain service contracts or classes of service contracts as personal service contracts.”

Last fall, the Executive Committee was designated as the Local Contract Review Board (LCRB) for AOC. Following this memo is a proposed rule to be adopted by the LCRB which includes a definition of what constitutes a “personal services” contract and goes on to designate certain classes of contracts as “personal services” contracts. It also describes other contracts that are not “personal service” contracts. Section 2 states that AOC is not required to award contracts for personal services under the procedures of the Public Contracting Code.

Effective _____

**by order of the AOC Executive Committee
acting as the Local Contract Review Board**

Purpose

Pursuant to ORS 279A.055, to designate classes of services contracts as personal service contracts.

Policy

Section 1: Personal Services Contract Defined.

(1) A contract for "Personal Services" is a contract that calls for specialized skills, knowledge and resources in the application of technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgment. Qualifications and performance history, expertise, knowledge and creativity, and the ability to exercise sound professional judgment are typically the primary considerations when selecting a Personal Services Contractor, with price being secondary. A Personal Services Contract includes, but is not limited to:

- (a) A contract for services performed by an independent contractor in a professional capacity, including but not limited to the services of an accountant, attorney, architectural or land use planning consultant, financial advisor, investment banker, lobbyist, registered professional engineer, appraiser or surveyor, aerial photographer, data processing consultant, software developer, or broadcaster;
- (b) A contract for services by an artist in the performing of fine arts, including but not limited to a photographer, filmmaker, painter or sculptor;
- (c) A contract for services of a specialized, creative and research-oriented, non-commercial nature;
- (d) A contract for services as a consultant; and
- (e) A contract for educational, training, or informational resource referral services.

(2) A personal service contract is not:

- (a) A contract that is, though in a professional capacity, substantially to provide a product. For example, a contract with a landscape architect to design a garden is for personal services, but a contract to design a garden and supply all the shrubs and trees are predominantly for a tangible product.

(b) A service contract to supply labor which is of a type that can generally be done by any competent worker, e.g., janitorial, security guard, crop spraying, laundry and landscape maintenance.

(c) A contract for trade-related activities considered to be a labor and materials contract.

(d) A contract for services of a trade-related activity, even though a specific license is required to engage in the activity. Examples are repair and/or maintenance of all types of equipment or structures.

Section 2: Procedures Not Required.

The Association of Oregon Counties (Association) is not required to award contracts for personal services under the procedures of ORS 279B.050 to 279B.085.

Date: February 15, 2010

To: Executive Committee acting as the Local Contract Review Board Association of Oregon Counties

From: Mike McArthur, executive director

Subject: Personal Services Contract with Gordon Fultz

Requested Action:

Approve personal services contract with Gordon Fultz for consulting services.

Background:

AOC finds itself in need of specialized consulting services to advance its work with the Business Partner Program and the Oregon Department of Human Services (DHS). Gordon Fultz was a consultant to AOC in 2009 working with DHS and forwarding AOC issues with the legislature. Mr. Fultz has unique knowledge and relationships in the areas detailed in the scope of work, below, having worked for AOC for many years.

The compensation is set \$75.00 per hour for labor, up to 20 hours per month, including travel time, plus reasonable expenses incurred in the performance of the assigned projects and work.

Scope of work:

1. Review, renew and revise the AOC Business Partners and Business Enterprises Programs including assistance to bring in Business Partners.
2. Continue to work with, and participate in, the newly created AOC/DHS Partnership Forum and the related DHS Transformation Partnership Steering Committee (approximately 60 hours per year).
3. Continue to work with, and participate in, the AOC/DHS County Contracts group (all issues related to the previous negotiations between AOC, DHS, DOJ and county counsels and proposed contracts and provisions (approximately 40 hours per year).
4. Work to enhance or create new partnership arrangements between AOC/counties and other state agencies as assigned.
5. Continue to represent AOC/counties on the Oregon Problem Gambling Council.

**Association of Oregon Counties
Board of Directors**

**Monday, January 11, 2010
1:05 p.m.**

**Local Government Center
Salem, Oregon**

Present: Judge Steve Grasty, Judge Pat Shaw, Commissioner Janet Carlson, Commissioner Barbara Briggs, Commissioner John Elliott, Commissioner Dwight Ellis, Commissioner Jay Dixon, Commissioner Bob Austin, Commissioner Kathy George, Commissioner Jim Bernard, Commissioner Bill Hansell, Commissioner Tony Hyde, Commissioner Tim Josi, Commissioner Faye Stewart, Commissioner Sam Brentano, Commissioner Annabelle Jaramillo, Commissioner Maui Meyer, Commissioner Dave Toler, Treasurer Laurie Steele, Administrator Ralph Wyatt

Via telephone: Commissioner Wayne Fording

Staff: Mike McArthur, Cara Fischer, Eric Schmidt, Laura Cleland, Paul Snider, Mike Eliason, Jennifer Mendenhall, Joann Hendrix

President Steve Grasty called the meeting to order at 1:05 p.m.

Agenda

Commissioner Tony Hyde moved to approve the agenda of January 11, 2010, seconded by Commissioner Tim Josi. Motion carried.

Minutes

Commissioner Tim Josi moved to approve the minutes of December 14, 2009, seconded by Commissioner Janet Carlson. Motion carried.

Financial Reports

Mike McArthur reviewed the financial statement for period ending December 31, 2009.

Commissioner Hyde moved to approve the financial statement for period ending December 31, 2009, seconded by Commissioner Josi. Motion carried.

Mike McArthur reviewed the request for transfer of funds from Business Enterprises to other funds:

- 1) Transfer \$300,000 from AOC Business Enterprises Fund to the General Fund for 2009.

- 2) Transfer \$7,000 from Business Enterprises Fund to the Education, Training and Programs Fund for 2009.

Commissioner Carlson moved to approve the request for the transfer of \$300,000 from AOC Business Enterprises Fund to the General Fund and the transfer of \$7,000 from Business Enterprises Fund to the Education, Training and Programs Fund, seconded by Commissioner Hyde. Motion carried.

Presidential Appointments

President Grasty asked for board ratification of his appointment of Commissioner Earl Fisher to the position of co-chair of the AOC Governance Committee. He further stated that Marion County District Attorney Walt Beglau has been appointed the Oregon District Attorneys Association liaison to the AOC Legislative Committee and that appointment needed board action.

Commissioner Tony Hyde moved to ratify appointment of Commissioner Earl Fisher to the position of co-chair of the AOC Governance Committee and to accept the appointment District Attorney Walt Beglau as the Oregon District Attorneys Association liaison to the AOC Legislative Committee, seconded by Commissioner Dwight Ellis. Motion carried.

Consider expanding AOC check signing authority

Judge Pat Shaw explained the request for authorizing AOC executive director to sign all staff expense reimbursement checks, except his/her own, up to \$5,000 without prior approval of the AOC treasurer. The treasurer will continue to review the actual claim documents. The executive director will review the claim prior to signing reimbursement checks.

Commissioner Jay Dixon moved to expand AOC check signing authority to allow the AOC executive director to sign all staff expense reimbursement checks, except his/her own, up to \$5,000 without prior approval of the AOC treasurer, seconded by Mr. Ralph Wyatt.

Discussion ensued regarding the motion. Several opinions were expressed on the merit of not having approval by an AOC officer prior to the AOC executive director signing off on staff reimbursements.

Upon further discussion, Commissioner Dixon withdrew his motion. The board requested that Judge Shaw and Mr. McArthur further research AOC check signing authority and options and bring a new proposal to a future board meeting.

AOC Constitution and Bylaws Revision Task Force

Mr. McArthur asked for members to be appointed to the AOC Constitution and Bylaws Revision Task Force. He reminded the board that it had previously appointed Commissioner Janet Carlson chair of this task force and her plan is for the task force to carry out its work this spring and present a proposal at the AOC Spring Conference June 14-16 at the Bend Riverhouse.

Commissioner Hyde moved to appoint Commissioners Bob Austin, Kathy George, Bill Hansell, Deborah Kafoury (pending acceptance of appointment), Don Lindly, Linda Modrell and Al Switzer; AOC past president Bobby Green, AOC past vice president Gina Nikkel and AOC staff members Mike McArthur and Paul Snider to the AOC Constitution and Bylaws Revision Task Force, seconded by Commissioner John Elliott. Motion carried.

Other Business – City County Insurance Services (CIS)

Mr. Wyatt presented the quarterly report from CIS to the board.

Meeting adjourned at 1:25 p.m.

**Association of Oregon Counties
General Fund
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$427,839.00		\$427,839.00	0.0%	\$633,662.00
County Dues		580,226.00		580,226.00	0.0%	548,931.35
Contract Payments	12,792.00	60,000.00	12,792.00	47,208.00	21.3%	45,598.00
Staff Services		227,628.00		227,628.00	0.0%	224,567.00
OACC Contribution					0.0%	500.00
Interest Earnings		12,000.00		12,000.00	0.0%	10,020.06
Misc. Revenue		5,000.00		5,000.00	0.0%	4,653.73
Mental Health		22,000.00		22,000.00	0.0%	21,255.60
Human Services Contract	2,472.89	61,495.00	2,472.89	59,022.11	4.0%	59,873.04
PERS Contribution		60,000.00		60,000.00	0.0%	59,957.50
Video Lottery Defense Fund		40,000.00		40,000.00	0.0%	23,453.78
OACES Contribution		10,000.00		10,000.00	0.0%	10,000.00
Revenue Exchange		320,000.00		320,000.00	0.0%	300,000.00
Total Revenue	15,264.89	1,826,188.00	15,264.89	1,810,923.11	0.8%	1,942,472.06
Expenses						
Personal Services						
Salaries	59,203.97	741,072.00	59,203.97	681,868.03	8.0%	771,336.89
Payroll Assessment	21,160.66	274,943.00	21,160.66	253,782.34	7.7%	245,189.93
Total Personal Services	80,364.63	1,016,015.00	80,364.63	935,650.37	7.9%	1,016,526.82
Materials and Services						
Travel	10,560.86	80,000.00	10,560.86	69,439.14	13.2%	91,734.36
Contract Services	3,047.50	91,700.00	3,047.50	88,652.50	3.3%	142,607.44
Postage, Printing & Supplies	104.87	27,000.00	104.87	26,895.13	0.4%	28,310.97
Communications	699.83	21,000.00	699.83	20,300.17	3.3%	20,752.33
Audit & Insurance		7,900.00		7,900.00	0.0%	10,456.91
Auto Expense	581.10	9,500.00	581.10	8,918.90	6.1%	14,469.84
Building Expense		80,000.00		80,000.00	0.0%	74,423.58
PERS Expense		60,000.00		60,000.00	0.0%	14,904.00
Legislative Expense	329.49	2,000.00	329.49	1,670.51	16.5%	8,348.41
CRP I.S. Services		13,000.00		13,000.00	0.0%	17,877.31
Misc. Expense		3,000.00		3,000.00	0.0%	4,027.39
Video Lottery Defense	630.00	20,000.00	630.00	19,370.00	3.2%	19,191.18
Data Processing	369.00	9,000.00	369.00	8,631.00	4.1%	12,839.52
Contingency		100,000.00		100,000.00	0.0%	
Capital Outlay		6,000.00		6,000.00	0.0%	5,064.27
Total Materials and Services	16,322.65	530,100.00	16,322.65	513,777.35	3.1%	465,007.51
Total Expenses	96,687.28	1,546,115.00	96,687.28	1,449,427.72	6.3%	1,481,534.33
Current Year Excess/(Deficit)	(81,422.39)	280,073.00	(81,422.39)	361,495.39	-29.1%	460,937.73
Budgeted Carryover						
Year End Balance		149,778.00		149,778.00	0.0%	
Year End Balance - Video Lottery Defense		39,426.00		39,426.00	0.0%	
Year End Balance - PERS Fund		45,733.00		45,733.00	0.0%	
Year End Balance - Operating Reserves		45,136.00		45,136.00	0.0%	

**Association of Oregon Counties
Public Lands
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$40,336.00		\$40,336.00	0.0%	\$51,433.00
County Dues		156,959.00		156,959.00	0.0%	141,052.94
Staff Services		26,400.00		26,400.00	0.0%	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		231,695.00		231,695.00	0.0%	226,885.94
Expenses						
Personal Services						
Salaries	7,920.00	95,040.00	7,920.00	87,120.00	8.3%	95,040.00
Payroll Assessment	3,181.34	42,336.00	3,181.34	39,154.66	7.5%	38,699.69
Total Personal Services	11,101.34	137,376.00	11,101.34	126,274.66	8.1%	133,739.69
Materials and Services						
Travel	4,279.20	14,800.00	4,279.20	10,520.80	28.9%	14,910.28
Contract Services	80.88	100.00	80.88	19.12	80.9%	672.34
Postage, Printing & Supplies	7.00	2,200.00	7.00	2,193.00	0.3%	3,164.00
Communications	10.50	1,200.00	10.50	1,189.50	0.9%	2,346.78
Audit & Insurance		800.00		800.00	0.0%	2,376.76
Auto Expense	142.00	750.00	142.00	608.00	18.9%	803.55
GF Staff Services		25,758.00		25,758.00	0.0%	25,008.00
Legislative Expense	21.97	100.00	21.97	78.03	22.0%	1,691.15
Misc. Expense		100.00		100.00	0.0%	20.00
Data Processing	41.00	1,000.00	41.00	959.00	4.1%	2,118.68
Contingency		2,000.00		2,000.00	0.0%	
Capital Outlay		333.00		333.00	0.0%	1,008.85
Total Materials and Services	4,582.55	49,141.00	4,582.55	44,558.45	9.3%	54,120.39
Total Expenses	15,683.89	186,517.00	15,683.89	170,833.11	8.4%	187,860.08
Current Year Excess/(Deficit)	(15,683.89)	45,178.00	(15,683.89)	60,861.89	-34.7%	39,025.86
Budgeted Carryover						
Year End Balance		45,178.00		45,178.00	0.0%	

**Association of Oregon Counties
CFTLC
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$46,916.00		\$46,916.00	0.0%	\$92,916.00
County Dues		26,400.00		26,400.00	0.0%	26,401.00
CFTLC		30,000.00		30,000.00	0.0%	
Total Revenue		103,316.00		103,316.00	0.0%	119,317.00
Expenses						
Personal Services						
Materials and Services						
Contract Services		45,000.00		45,000.00	0.0%	38,630.36
GF Staff Services					0.0%	26,400.00
PL Staff Services		26,400.00		26,400.00	0.0%	
Misc. Expense					0.0%	1,140.80
Total Materials and Services		71,400.00		71,400.00	0.0%	66,171.16
Total Expenses		71,400.00		71,400.00	0.0%	66,171.16
Current Year Excess/(Deficit)		31,916.00		31,916.00	0.0%	53,145.84
Budgeted Carryover Year End Balance		31,916.00		31,916.00	0.0%	

**Association of Oregon Counties
Roads Fund
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$450,000.00		\$450,000.00	0.0%	\$477,170.00
Road Revenue Exchange	1,305,000.00	1,305,000.00	1,305,000.00		100.0%	1,305,000.00
Staff Services		65,000.00		65,000.00	0.0%	50,000.00
Interest Earnings		9,000.00		9,000.00	0.0%	13,323.36
Misc. Revenue	150.00	1,000.00	150.00	850.00	15.0%	
CRP Services to AOC		4,000.00		4,000.00	0.0%	19,173.34
Total Revenue	<u>1,305,150.00</u>	<u>1,834,000.00</u>	<u>1,305,150.00</u>	<u>528,850.00</u>	<u>71.2%</u>	<u>1,864,666.70</u>
Expenses						
Personal Services						
Salaries	55,789.09	695,000.00	55,789.09	639,210.91	8.0%	657,038.15
Payroll Assessment	22,878.65	260,000.00	22,878.65	237,121.35	8.8%	226,172.18
Total Personal Services	<u>78,667.74</u>	<u>955,000.00</u>	<u>78,667.74</u>	<u>876,332.26</u>	<u>8.2%</u>	<u>883,210.33</u>
Materials and Services						
Travel	7.00	50,000.00	7.00	49,993.00	0.0%	26,113.01
Membership	141.00		141.00	(141.00)	0.0%	477.00
Contract Services	368.01	102,000.00	368.01	101,631.99	0.4%	39,646.78
Postage, Printing & Supplies	84.96	8,000.00	84.96	7,915.04	1.1%	7,659.00
Communications	73.47	11,000.00	73.47	10,926.53	0.7%	8,960.38
Audit & Insurance		7,000.00		7,000.00	0.0%	8,701.63
Auto Expense	22.75	24,000.00	22.75	23,977.25	0.1%	11,274.58
GF Staff Services		125,000.00		125,000.00	0.0%	124,847.00
Building Expense		60,000.00		60,000.00	0.0%	56,449.25
Technology Transfer		100,000.00		100,000.00	0.0%	100,000.00
Legislative Expense	87.86	2,000.00	87.86	1,912.14	4.4%	3,442.02
Misc. Expense	245.00	2,500.00	245.00	2,255.00	9.8%	726.70
Data Processing	328.00	42,500.00	328.00	42,172.00	0.8%	44,771.35
Contingency		100,000.00		100,000.00	0.0%	
Capital Outlay		5,000.00		5,000.00	0.0%	6,338.75
Training	6,268.00	40,000.00	6,268.00	33,732.00	15.7%	28,311.25
Total Materials and Services	<u>7,626.05</u>	<u>679,000.00</u>	<u>7,626.05</u>	<u>671,373.95</u>	<u>1.1%</u>	<u>467,718.70</u>
Total Expenses	<u>86,293.79</u>	<u>1,634,000.00</u>	<u>86,293.79</u>	<u>1,547,706.21</u>	<u>5.3%</u>	<u>1,350,929.03</u>
Current Year Excess/(Deficit)	<u>1,218,856.21</u>	<u>200,000.00</u>	<u>1,218,856.21</u>	<u>(1,018,856.21)</u>	<u>609.4%</u>	<u>513,737.67</u>
Budgeted Carryover Year End Balance		<u>200,000.00</u>		<u>200,000.00</u>	<u>0.0%</u>	

**Association of Oregon Counties
Forest
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$117,866.00		\$117,866.00	0.0%	\$99,880.00
County Dues		145,779.00		145,779.00	0.0%	128,763.00
Interest Earnings		1,000.00		1,000.00	0.0%	784.74
Total Revenue		264,645.00		264,645.00	0.0%	229,427.74
Expenses						
Personal Services						
Materials and Services						
Travel		3,000.00		3,000.00	0.0%	
Contract Services	3,809.10	150,000.00	3,809.10	146,190.90	2.5%	102,971.67
GF Staff Services		4,050.00		4,050.00	0.0%	3,936.00
Contingency		20,000.00		20,000.00	0.0%	
Total Materials and Services	3,809.10	177,050.00	3,809.10	173,240.90	2.2%	106,907.67
Total Expenses	3,809.10	177,050.00	3,809.10	173,240.90	2.2%	106,907.67
Current Year Excess/(Deficit)	(3,809.10)	87,595.00	(3,809.10)	91,404.10	-4.3%	122,520.07
Budgeted Carryover Year End Balance		87,595.00		87,595.00	0.0%	

**Association of Oregon Counties
Business Enterprises
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$329,547.00		\$329,547.00	0.0%	\$226,964.00
Contract Payments		500.00		500.00	0.0%	10,000.00
NACo Royalties	84.75	1,000.00	84.75	915.25	8.5%	441.75
US Communities		2,000.00		2,000.00	0.0%	2,379.26
Insurance Trust Administration		342,277.00		342,277.00	0.0%	298,303.49
Misc. Revenue					0.0%	20,518.08
Business Partnership		2,000.00		2,000.00	0.0%	1,500.00
Transportation Fund Grant		110,000.00		110,000.00	0.0%	311,375.42
Total Revenue	84.75	787,324.00	84.75	787,239.25	0.0%	871,482.00
Expenses						
Personal Services						
Materials and Services						
Revenue Transfer		320,000.00		320,000.00	0.0%	307,000.00
Travel		500.00		500.00	0.0%	6,632.43
GF Staff Services		38,000.00		38,000.00	0.0%	36,996.00
Misc. Expense		750.00		750.00	0.0%	573.37
Transportation Fund Expense	120.00	100,000.00	120.00	99,880.00	0.1%	210,392.15
Contingency		10,000.00		10,000.00	0.0%	
Total Materials and Services	120.00	469,250.00	120.00	469,130.00	0.0%	561,593.95
Total Expenses	120.00	469,250.00	120.00	469,130.00	0.0%	561,593.95
Current Year Excess/(Deficit)	(35.25)	318,074.00	(35.25)	318,109.25	0.0%	309,888.05
Budgeted Carryover Year End Balance		318,074.00		318,074.00	0.0%	

**Association of Oregon Counties
Education, Training & Programs
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$822.00		\$822.00	0.0%	(\$9,613.00)
County College		5,000.00		5,000.00	0.0%	6,000.00
Scholarships & Donations		25,000.00		25,000.00	0.0%	25,000.00
Revenue Transfer from GF					0.0%	7,000.00
Total Revenue		30,822.00		30,822.00	0.0%	28,387.00
Expenses						
Personal Services						
Materials and Services						
GF Staff Services		7,500.00		7,500.00	0.0%	7,260.00
County College Expense		3,000.00		3,000.00	0.0%	8,446.52
Training	5,000.00	10,000.00	5,000.00	5,000.00	50.0%	8,790.43
Scholarships & Donations		2,000.00		2,000.00	0.0%	2,637.56
Total Materials and Services	5,000.00	22,500.00	5,000.00	17,500.00	22.2%	27,134.51
Total Expenses	5,000.00	22,500.00	5,000.00	17,500.00	22.2%	27,134.51
Current Year Excess/(Deficit)	(5,000.00)	8,322.00	(5,000.00)	13,322.00	-60.1%	1,252.49
Budgeted Carryover						
Year End Balance		8,322.00		8,322.00	0.0%	

**Association of Oregon Counties
Conference
Financial Statement
For the Month Ending January 31, 2010**

	January Actual	Annual Budget	YTD Actual	Remaining Budget	%of Budget Used	2009 Actual
Revenue						
Beginning Balance		\$139,785.00		\$139,785.00	0.0%	\$158,049.00
Misc. Revenue		2,000.00		2,000.00	0.0%	447.48
Registration		82,000.00		82,000.00	0.0%	58,235.00
Affiliates					0.0%	8,150.00
Exhibitors		20,000.00		20,000.00	0.0%	18,730.00
Sponsor Contributions		10,000.00		10,000.00	0.0%	9,000.00
Meals		3,000.00		3,000.00	0.0%	2,150.00
Fellowship Breakfast					0.0%	510.00
Total Revenue		256,785.00		256,785.00	0.0%	255,271.48
Expenses						
Personal Services						
Materials and Services						
Meals		40,000.00		40,000.00	0.0%	52,112.16
Banquet Entertainment		9,000.00		9,000.00	0.0%	9,107.97
Staff Expense		8,000.00		8,000.00	0.0%	8,873.66
Travel					0.0%	477.11
Contract Services					0.0%	1,428.91
Postage, Printing & Supplies		6,000.00		6,000.00	0.0%	12,287.17
Audit & Insurance					0.0%	1,250.00
Auto Expense					0.0%	1,509.53
GF Staff Services		27,320.00		27,320.00	0.0%	26,520.00
Misc. Expense	140.00	15,000.00	140.00	14,860.00	0.9%	21,470.25
Data Processing	82.00		82.00	(82.00)	0.0%	147.00
Contingency		15,000.00		15,000.00	0.0%	
Total Materials and Services	222.00	120,320.00	222.00	120,098.00	0.2%	135,183.76
Total Expenses	222.00	120,320.00	222.00	120,098.00	0.2%	135,183.76
Current Year Excess/(Deficit)	(222.00)	136,465.00	(222.00)	136,687.00	-0.2%	120,087.72
Budgeted Carryover Year End Balance		121,465.00		121,465.00	0.0%	

Association of Oregon Counties
BALANCE SHEET
For the Month Ending January 31, 2010

		<u>YEAR TO DATE</u> <u>ACTUAL</u>
ASSETS		
CURRENT ASSETS		
Petty Cash	\$100.00	
Checking	1,270,724.42	
Pre-paid Expenses	6,141.40	
Savings	1,595,637.86	
Investment in Local Gov Center	862,181.00	
Accounts Receivable	<u>37,608.09</u>	
TOTAL CURRENT ASSETS		3,772,392.77
FIXED ASSETS		
Furniture & Equipment	469,142.65	
Accumulated Depreciation	<u>(385,158.57)</u>	
TOTAL FIXED ASSETS		83,984.08
Deferred Compensation Assets		<u>1,562,313.49</u>
TOTAL ASSETS		<u><u>5,418,690.34</u></u>
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts Payable	1,341.67	
Accrued Vacation Pay	121,244.47	
Payroll Deductions	1,669.86	
Deferred Income	176,138.48	
Deferred Compensation Payable	<u>1,572,227.49</u>	
TOTAL LIABILITIES		1,872,621.97
FUND BALANCES		
Invested in Fixed Assets	83,984.08	
Equity in Local Government Cent	862,181.00	
Fund Balance	1,488,285.71	
Current Year Excess/(Deficit)	<u>1,111,617.58</u>	
TOTAL FUND BALANCES		<u>3,546,068.37</u>
TOTAL LIABILITIES AND EQUIT		<u><u>5,418,690.34</u></u>

Date: February 15, 2010
To: Board of Directors
Association of Oregon Counties
From: Mike McArthur, executive director
Subject: Personal Services Policy and Selection Procedures
Staff: Mike Eliason, policy manager
Scott Parker, special counsel

Requested Action:

Approve AOC Contract Approval Policy and Personal Services Contracts Selection Processes.

Background:

Following this memo is a policy to authorize contract approval. The document states that “contracts shall generally be approved by the Board of Directors, except that the AOC executive director shall have authority to approve contracts up to \$5,000.” It also states the executive director is authorized to sign contracts approved by the board and that no work under the contract shall begin unless an emergency is declared by the executive director.

Sections 2 and 3 of the proposed policy describe the selection procedures required for personal service contracts. For all personal service contracts less than \$50,000, AOC must document the selection process. For those contracts \$50,000 or more, AOC may, but is not required to, use a Request for Proposals (RFP) process. The intent is that for higher value contracts, a more formal approach is needed. The proposed policy also contains procedures for determining when a competitive process is not required.

Effective _____

by order of the AOC Board of Directors

Purpose

To set forth and delineate authority to enter into AOC Contracts and set forth processes for entering into personal services contracts

Policy

Section 1: Contract Approval Policy

(a) Authority:

Contracts shall generally be approved by the Board of Directors, except that the executive director shall have authority to approve contracts up to \$5,000. The executive director is authorized to sign contracts that have been approved by the Board of Directors, unless the Board in its approval states otherwise. No work under a contract shall be performed unless the contract is approved in writing, except as set forth in (2) below.

(b) Emergencies:

Because of time or other unforeseen events, the executive director may declare an emergency where the contract must commence immediately. In any event, the contract shall be executed as soon as reasonably practicable.

Section 2: Procedures Required for Personal Service Contracts.

The Association's Local Contract Review Board on February 15, 2010, designated certain classes of contracts as "personal services contracts" pursuant to ORS 279A.055. This Board hereby determines that the Association is not required to award contracts for personal services under ORS 279B.050 to 279B.085, and adopts the procedures below for the selection and approval of personal services contracts.

Section 3: Procedure for Selection.

(a) If the Association determines that a personal services contract is needed, then at its discretion a competitive process similar to a Request for Proposal (RFP) may be used for the selection of the contractor. If an RFP is used, the Association shall provide such information and such detail as in its discretion is reasonably necessary to allow prospective candidates to prepare a proposal adequately.

(b) If a part or all of the project is directly funded by the federal government, then the applicable federal statutes, regulations and procedures shall be followed and shall supersede these rules if

funding specifically requires compliance with federal processes. If there are no applicable federal statutes, regulations or procedures, then these rules shall apply.

(c) If the estimated value of services is \$50,000 or less, the Association shall document the selection process.

(d) If the estimated value of services is more than \$50,000, the Association may prepare a Request for Proposals (RFP). The intent of this subsection is that the Association will use a more formal approach to the solicitation for higher value personal service contracts. When an RFP is used, the Association shall receive and evaluate the proposals offered by the candidates. The evaluation shall include the candidate's proposed method to accomplish the work required, including, where appropriate, demonstrated capability to use innovative methods to achieve desired performance. If an RFP is not used, the Association will document the screening and selection process.

(e) Cost may be considered, but should not be the sole criterion. The Association may negotiate with one or more qualified candidate(s) as it deems appropriate.

(f) Single Candidate. Notwithstanding subsection (d) of this section, the Association may choose to award a contract without a competitive process if:

(1) Only a single candidate known to the Association is qualified to perform the particular services required; or

(2) Only a single candidate has reasonable access to factual, technical or statistical information necessary to perform the services required; or

(3) A candidate has performed previous services related to the services now required so that it would be cost effective to contract with that candidate.

Date: February 15, 2010

To: Board of Directors
Association of Oregon Counties

From: Mike McArthur, executive director

Subject: AOC contract with Sonoma County Water Agency (SCWA)

Staff: Emily Ackland, environmental coordinator

Requested action:

Approve contract with Sonoma County Water Agency (SCWA).

Background:

Sonoma County Water Agency participates in and staffs the North Coast Integrated Regional Water Management Plan (NCIRWMP), a stakeholder-driven collaboration among local government, watershed groups, tribes and interested partners in the north coast region of California. Working with several northern California counties, it has developed and implemented numerous projects focused on energy independence. NCIRWMP and SCWA are also participating in a national coalition, the Applied Solutions Coalition, prototyping integrated projects and programs that reduce water consumption and energy use.

Similarly, five southwestern Oregon counties – Coos, Curry, Douglas, Josephine and Lane – have recognized their common challenges and opportunities in the jobs and energy arenas. With the initial support of the Oregon Governor’s Office and Oregon Solutions, they are working together to create a governance structure for an alliance called the Southern Oregon Renewable Energy Project (SORE) to attract and stimulate the development of alternative energy and energy conservation projects.

This agreement provides \$10,000 from SCWA to fund the initial work to explore opportunities that exist from these similarities and the potential for working together on a bi-state strategy for the use of biomass for the generation of clean energy and other energy independence projects. The funding will reimburse AOC for Mike McArthur’s time as SORE co-chair, and Emily Ackland’s time as SORE staff.

AOC Scope of Work

- 1.) Identify and sort out initial steps and processes to explore the relationship between the north coast California counties and the southern Oregon counties.
- 2.) Perform administrative and project-based work such as staffing and supporting SORE Policy Board meetings, setting SORE priorities, writing and administering capacity grants, providing general SORE communications and outreach, conducting early project identification as well as

developing specific projects adopted by SORE. Activities can include project-related grant writing, attending meetings with project developers, project-based outreach, conducting feasibility studies and opportunity inventories, and any other activity associated with an identified project.

DRAFT Contract with Association of Oregon Counties (AOC) for work that supports the Southern Oregon Renewable Energy Project (SORE)

This agreement is by and between Sonoma County Water Agency (SCWA), a body corporate and politic of the State of California and the AOC.

SCWA participates in and staffs the North Coast Integrated Regional Water Management Plan (NCIRWMP), a stakeholder-driven collaboration among local government, watershed groups, tribes, and interested partners in the North Coast region of California. Working with several Northern California counties, including Modoc, Siskiyou, Del Norte, Trinity, Humboldt, Mendocino and Sonoma, the parties have developed and implemented numerous projects, including projects that focus on their common interest in energy independence. NCIRWMP and SCWA are also participating in a national coalition of rural to mid-sized counties and communities, the Applied Solutions Coalition, prototyping integrated projects and programs that reduce water consumption and energy use.

Similarly, five Southwestern Oregon counties – Coos, Curry, Douglas, Josephine, and Lane – have recognized their common challenges and opportunities in the jobs and energy arenas. With the initial support of the Oregon Governor’s Office and Oregon Solutions, an associated state agency, they are working together to create a governance structure for an alliance to attract and stimulate the development of alternative energy and energy conservation projects. They refer to their fledgling alliance as the Southern Oregon Renewable Energy Project (SORE).

The 12 Northern California and Southern Oregon counties have a lot in common economically, socially and environmentally. This agreement provides \$ 10,000 to fund the initial work to explore the opportunities that exist from these similarities, and the potential for working together on a by-state strategy for the use of biomass for the generation of clean energy and other energy independence projects. This is in part motivated by the expectation that there will be projects that, when approached as a region, will be strong candidates for state and federal funding that will benefit the entire region.

AOC Scope of Work

1. Identify and sort out initial steps and processes to explore the relationship between the North Coast counties and the Southern Oregon counties.
2. Perform administrative and project-based work such as staffing and supporting SORE Policy Board meetings, setting SORE priorities, writing and administering capacity grants, providing general SORE communications and outreach, conducting early project identification as well as developing specific projects adopted by SORE. Activities can include project-related grant writing, attending meetings with project developers, project-based outreach, conducting feasibility studies and opportunity inventories, and any other activity associated with an identified project.

Date: January 26, 2010
To: Board of Directors
Association of Oregon Counties
From: Paul Snider, legal counsel
Subject: Ratification of Pension Plan Amendment required by
Federal Law Changes

Requested Action:

Ratify Plan Amendment to AOC's pension plan.

Background:

Standard Insurance Company representatives indicated on December 17, 2009 that recent federal law changes require that the AOC Pension Plan be amended to conform to the changes in the federal law and that it was necessary that the amendment be adopted before the end of the year. The amendment covers three pieces of legislation: Pension Protection Act of 2006, HEART Act or Heroes Earnings Assistance and Relief Tax Act of 2008 and Waiver of 2009 Required Distributions. The amendment shows the various employer elections in Article II. Each piece is then given greater detail in the following Articles. The default elections were used for AOC so the only new offering is allowing non-spousal rollovers (paragraph 2.4). The other default election is the waiver of Required Distributions for 2009.

These changes were necessary to keep the AOC plan compliant with federal law.

Date: February 15, 2010

**To: AOC Board of Directors
Association of Oregon Counties**

From: Ann Hanus and Cara Fischer, AOC Staff

Subject: Bond Bank Program Proposal

Requested action:

Support the establishment of a Bond Bank Program at the Association of Oregon Counties as a service that will benefit counties by providing more access to capital markets and secure lower cost capital financing.

Background:

Bond Bank programs provide increased access to markets, pool issuance costs and lower the cost of capital financing. This program will benefit especially counties that have smaller projects, infrequent use of the bond markets, and face higher issuance costs although larger counties may also find the program useful, too.

Bond bank programs pool a number of bond issuances together and share issuance costs thereby taking advantage of economies of scale. It also provides a better rate because it would provide larger denomination size to attract broader interest from investors which can lower borrowing costs.

Bond banks can be used to fund capital facilities improvements and purchase equipment such as vehicles, public safety apparatus, pumps, pipes, telecommunications and computer equipment, construction of buildings, and renovations. They have also been used to pool tax anticipation notes.

Both the League of Oregon Cities (LOC) and the Oregon School Boards Association (OSBA) offer bond bank programs to their members. For example, LOC's program, the Oregon Cities Capital Access Program (LOCAP) is an effective alternative to traditional forms of financing or lease-purchasing. It offers user-friendly documentation, tax-exempt financing rates and 100 percent financing requiring no down payment. LOCAP may also be used to refinance existing USDA-RUS loans and interim financing for construction projects or small voter-approved general obligations bonds. OSBA's Flex Fund program has underwritten 62 transactions totaling \$31.3 million for 70 Oregon school districts over the past 14 years. OSBA's fee revenue over the life of this program has been \$81,128. OSBA's tax anticipation note program (TAN) has resulted in the underwriting of 38 series for 71 school districts, totaling \$233 million.

We have discussed this program with both the County Treasurers and County Administrators who had no objection to the establishment of a bond bank program for AOC members. County Administrators thought the bond bank would yield opportunities to improve access and lower financing costs.

With AOC Board approval, AOC would issue a request for proposals and contract with an investment firm. The program would not cost AOC and may generate revenue for the AOC depending upon the amount of use of the program. The program would be run by the investment firm with AOC oversight. The investment firm would handle the marketing, legal review, issuance structuring, documentation, ratings analysis, investment of proceeds, and other steps necessary for completing the issuance of bonds.