

**Association of Oregon Counties
Legislative Committee**

**Monday, October 13, 2010
10:30 a.m.**

**Local Government Center
Salem, Oregon**

Present: Judge Steve Grasty, Commissioner Janet Carlson, Judge Pat Shaw, Commissioner Linda Modrell, Commissioner Georgia Nowlin, Commissioner Kathy George, Commissioner Tony Hyde, Commissioner Bill Hansell, Commissioner Dennis Doherty, Commissioner Tim Josi, Commissioner Sam Brentano, Commissioner Faye Stewart, Commissioner Al Switzer, Commissioner John Elliott, Judge Gary Thompson, Commissioner Dwight Ellis, Commissioner Will Tucker, Judge Jeanne Burch, Commissioner Jim Bernard, Commissioner Annabelle Jaramillo, Commissioner Nellie Hibbert, Commissioner Nikki Whitty, Commissioner Dennis Luke, Commissioner Wayne Fording, Commissioner John Lindsey, Commissioner Andy Duyck, District Attorney Walt Beglau, Assessor Bob Vroman, Treasurer Laurie Steele, Administrator Ralph Wyatt

Via telephone: Commissioner Barbara Briggs, Commissioner Leslie Lewis, Commissioner Judy Shiprack, Commissioner Bill Hall, Commissioner Patricia Roberts, Commissioner Mary Stern, Public Works Director Robb Paul

Guest via telephone: Steve Lambert, Oregon Parks Association

Guests: Commissioner Chris Perry, Ray Naff, Jim Austin, Alex Cuyler, Jim McCauley, Brian Carroll, Nancy Bennett, Barb Young

Staff and consultants: Mike McArthur, Cara Fischer, Paul Snider, Mike Eliason, Mark Nystrom, Art Schlack, Gil Riddell, Emily Ackland, Eric Schmidt, Laura Cleland, Ann Hanus, Doris Penwell, Scott Parker, Joann Hendrix

President Steve Grasty called the meeting to order at 10:30 a.m.

Agenda

Administrator Ralph Wyatt moved to approve the agenda of October 13, 2010, seconded by Commissioner Tony Hyde. Motion carried.

Minutes

Commissioner Hyde moved to approve the minutes of September 13, 2010, seconded by Mr. Wyatt. Motion carried.

Affiliate Organizations Reports

Assessors/Tax Collectors

Assessor Bob Vroman stated that market value is down while assessed values may increase due to the statutory opportunity for an up to three percent increase. Real market value does not show in the assessed value of property, negative numbers of assessed value in some counties.

Clerks - no report

County Administrators

Administrator Ralph Wyatt stated the administrators are working on budget law changes. They are also working with the AOC Governance Committee on sections of the Oregon Public Employee Collective Bargaining Act (PECBA).

District Attorneys

District Attorney Walt Beglau stated the Oregon District Attorneys Association is fundraising for an executive director position to organize and professionalize the association and become a point person to work on public safety issues.

D.A. Beglau stated three main issues of the association: is restore and maintain the state's investment in public safety; preserve and protect valuable programs in the public safety arena; and sustain balance between counties.

D.A. Beglau reviewed the district attorneys budget for the 2011-2013 biennium.

Engineers and Surveyors

Robb Paul stated the county road departments are working on Forest Highway Selection Committee's call for projects. OACES is working on the amicus curiae brief on NEDC v. Brown regarding issues raised including what type of National Pollutant Discharge Elimination System (NPDES) permits will be required; what are 'immediate access roads:' what are roads 'used primarily for logging;' and would a permit be required for each culvert or a stretch of roadway.

Justices of the Peace - no report

Sheriffs - no report

Treasurers

Treasurer Laurie Steel reported the treasurers are required to report County Assessment Function Funding Assistance (CAFFA) monies on a quarterly basis. The Department of Revenue is in conversation with the treasurers regarding this quarterly statutory requirement that is difficult for treasurers to meet.

Steering Committee Reports

Communications

Commissioner Kathy George said the Oregon Wireless Interoperability Network (OWIN) is now managed by Oregon Department of Transportation instead of Oregon State Police. Several changes are being incorporated concerning the management of OWIN.

The Oregon Connections Telecommunications conference will be held in Hood River, October 21 and 22, 2010. AOC is a sponsor of this conference.

Community Development

Commissioner Nellie Hibbert reported the Community Development Steering Committee discussed the following issues:

- SB 916 – lottery dollars allotted to counties and county recording
- Clean energy
- Reviewed legislative priorities
- AOC annual conference
- Accomplishments of 2010
- Bio-fuel and tailoring rule on clean air act on federal levels
- Sage-grouse
- New principles for committee
- Approved motion to support Ballot Measure 76

Ballot Measure 76 proponents are asking voters to renew Ballot Measure 66 that was enacted in 1998 and is slated to expire in 2013. Ballot Measure 76 will set aside 15 percent of the net proceeds of the state's lottery revenues to be split evenly between parks and natural resources.

The Community Development Steering Committee request the legislative committee approve motion to support Ballot Measure 76.

Commissioner Hyde moved to approve support of Ballot Measure 76 for water, parks and wildlife, seconded by Commissioner Annabelle Jaramillo. Motion carried with Commissioner John Lindsey opposed and the following abstaining: Commissioners Nikki Whitty, Andy Duyck, Linda Modrell, Kathy George, Georgia Nowlin, Administrator Ralph Wyatt and Public Works Director Robb Paul.

Environment and Energy

Emily Ackland on behalf of the Environment and Energy Committee requested support for the Renewable Energy and Eastern Oregon Landscape Conservation Partnership Agreement. AOC participates in partnership meetings and will continue to take an active role in the ongoing collaborative efforts of the partnership.

Commissioner Bill Hansell moved to endorse statement of support for the Renewable Energy and Eastern Oregon Landscape Conservation Partnership Agreement, seconded by Commissioner Nellie Hibbert. Motion carried.

Public Lands & Natural Resources

Commissioner Faye Stewart reported that the committee submitted its proposed 2011 budget. The committee voted 4-1 for a 50 percent increase to the budget for Public Lands.

Working on drafting resolution to federal rules in regards to age of working youth.

The committee members discussed 2011 budget priorities and legislative issues for action.

The members also discussed a letter from AOC to the Oregon congressional delegation regarding wilderness and its effect on uses of surrounding lands. Public Lands supports the letter and is forwarding to legislative committee for action.

Commissioner Faye Stewart moved to approve a letter from AOC to the Oregon congressional delegation regarding wilderness and its effect on uses of surrounding lands, seconded by Commissioner Al Switzer. Motion carried.

Governance

Commissioner Janet Carlson reported the committee worked on its legislative agenda for 2011.

Human Services

Commissioner Carlson reported the committee updated and approved its principles and philosophies. Commissioner Carlson gave an update on the AOC State Hospital Task Force.

Public Safety

Commissioner Jim Bernard stated the committee voted to oppose Measure 74, regarding medical marijuana supply system, marijuana sales and are asking support of the legislative committee.

Commissioner Tim Josi moved that the legislative committee oppose Ballot Measure 74, seconded by Commissioner Hansell. Motion carried. Administrator Ralph Wyatt and Public Works Director Robb Paul abstained.

Transportation

Commissioner Switzer reported the committee is working on AOC annual conference agenda items. Other items discussed included tiering committee legislative issues, Oregon Association of Safe Highways Committee membership, NEDC vs. Brown logging lawsuit and League of Oregon Cities 2011 legislative priorities.

Water

Commissioner John Elliott reported the committee reviewed the water resources department's erosion of FTEs. The committee also discussed 2011 legislative concepts.

Governor Ted Kulongoski Regarding Reset Cabinet Report

Governor Ted Kulongoski spent an hour with the AOC Legislative Committee. The Governor said that due to difficult budget years ahead, there will be many changes and that now is the time for partnerships and cooperation among the different levels of government. He thanked the group for the great partnership he has experienced working with counties.

The majority of the Governor's time was spent talking about the budget. The Reset Cabinet was created because the dramatic budget shortfall was being masked by one-time federal stimulus dollars and state reserve funds. Even though Oregon has been very good at budgeting for recessions in the past, this recession is different because the recovery will be so slow to develop. Governor Kulongoski estimates it will be at least five years before Oregon is fully recovered. With that in mind, the Rest Cabinet's worked was designed to deal with the long-term nature of the recession and the slow recovery.

While everybody is focused on dollars, the Governor believes that a debate about money is a losing proposition. Rather, we need to focus on government – what it does and how it does it.

One of the Governor's proposed solutions has to do with the cost of government employees. It is important to recognize that government employees did not cause the recession that has put state and local governments in such dire financial straits. However, given the choice between cutting programs that Oregonians need and continuing to fund runaway labor costs, we must choose to serve the people of Oregon. There are two components involved in the cost of government labor:

- Wages: includes salary and step increases (step increases are currently frozen for state employees); and
- Benefits: primarily retirement and health care.

Governor Kulongoski believes it is important to attain parity between the public and private sectors on wages and benefits, and while government employees may lag behind the private sector in wages, they outpace the private sector in benefits. It is estimated that by 2013, the cost of the Public Employee Retirement System (PERS) will increase by \$1 billion – and that increase is simply not possible for government to absorb.

Governor Kulongoski proposed two must-do actions to rein in state labor costs:

Wages

Negotiate a “total compensation package” that includes the six percent pick-up of the employee contribution to PERS. Employers agreed to make the six percent contribution back in the early 1980s when they could not afford to give raises to the employees. The Governor believes it is time to put that six percent back on the table and estimates it could save the state \$350 - \$380 million.

Benefits

Government needs to emulate the private sector when it comes to benefits for health care by giving employees choices in deductibles and services.

Looking ahead, the Governor sees budget pressure coming from programs serving seniors and the disabled. It is important to recognize this now and work to create solutions before we are confronted with a crisis.

Governor Kulongoski is very concerned about the expiration of the Secure Rural Schools Act. He recognizes that this is not just a county issue, but a statewide issue for the state, too. With the federal budget deficit at the level it is, he is not optimistic about the chances to reauthorize the Act at any level that is sustainable for Oregon.

The Governor is still optimistic about the role that renewable energy can play in Oregon's economic recovery. He says the problem with making this a reality is the lack of a transmission system that can carry the energy to the grid. He stated supported the renewable energy capital gains tax.

The Governor said, “If I walk away with any discouragement, it is on economic development in rural Oregon.” “I wish we would have done more for rural Oregon,” he added. He cited two overwhelming issues that hamper development in rural Oregon – the lack of regional airports and hospitals.

Superintendent Chris Brown, Oregon State Police

Superintendent Chris Brown told the committee his work at the county level assisted him in his new assignment with the state police. He said that his team is looking at creative ways his agency can work more closely with local law enforcement. He reviewed the budget deficit for the state police and his concerns for the future. He and members of the legislative committee then discussed opportunities for partnership with counties.

It was pointed out that Superintendent Brown might be the first Oregon sheriff to be named the head of the state police.

Other Business - none

Meeting was adjourned at 2:00 p.m.