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AOC | Association of Oregon Counties

YAMHILL COUNTY BOC

April 27, 2017

Chair Stan Primozich
Yamhill County
535 NE Fifth St
McMinnville, OR 97128

Dear Chair Primozich,

Thank you for your membership in the Association of Oregon Counties (AOC). We are honored to have Yamhill County as a member of AOC!

AOC knows you have a challenging job. Counties are continually asked to do more with less. State and federal unfunded mandates and unnecessary regulations make your job harder. But you are not working on this alone; AOC is here to help.

Your AOC membership provides significant value and can save money, time and resources. With our diligent advocacy for county interests in Salem and through the National Association of Counties (NACo) in Washington, D.C., we provide counties with a collective voice on issues facing Oregon's diverse economy. Advocacy efforts range from community and economic development, to health and human services and public lands, transportation and veteran services, to energy, environment and land use and public safety. In addition, these efforts also include specialty advocacy issues like video lottery, PERS, and federal land management.

AOC programs and services provide counties with opportunities to engage in innovative and transformational county solutions, enhance the public's understanding of county government, and support to exercise exemplary leadership in public service.

Membership with AOC provides access to City-County Insurance Services and the Local Government Personnel Institute. In addition, AOC provides a path to nomination to state and national boards, commissions and task forces.

We hope you will continue to engage with AOC in 2017. There is no better way to shape our state advocacy efforts than to join a steering committee. Monthly meetings are held in Salem with phone access. These committees are open to all AOC members, and we urge you to get involved. This year has seen record levels of participation in our steering committees, and we hope that trend will continue. We also hope to see you at our annual conference in Eugene in November.

Please be sure to take advantage of all that your membership has to offer. We are here to help you so please feel free to contact us at any time at 503.585.8351. AOC values your continued participation and membership. We look forward to working with you in the coming years!

Thank you,



Bill Hall
President, Association of Oregon Counties
Commissioner, Lincoln County



Mike W. McArthur
Executive Director, Association of Oregon Counties

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 McMinnville, OR 97128

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Invoice no. **2017 AOC**
 For the period of:
 Jan. 1 – Dec. 31, 2017

Description (see page 3 for descriptive narrative on Dues Categories)	Amount
AOC General Fund Dues*	\$15,653.48
Public Lands Fund Dues*	\$ 1,545.30
Video Lottery Defense Fund Dues (voluntary dues)	\$ 609.42
Forest Management Sub-Committee Dues (voluntary dues; required for voting privilege)	\$ 456.82
PERS (Public Employees Retirement System) Alliance Dues (voluntary dues)	\$ 1,813.14
AOC Veterans Fund Dues (voluntary dues)	\$ 3,411.03
Total amount due:	\$23,489.18

✓ MC
 ✓ WA
 ✓ AOC

**payment of dues marked required for membership*

Please direct inquiries to:

LeAnn Walker, Fiscal Services
 Email: LWalker@oregoncounties.org
 Ph: 503.585.8351

Please submit check payment along with a copy of this invoice to:

Association of Oregon Counties
 1201 Court Street NE, Suite 300
 Salem, OR 97301-4110

Accepted by Yamhill County Board of Commissioners on
5-4-17 by Board Order
 # 17-154

Invoice no. 2017 AOC
For the period of:
Jan. 1 – Dec. 31, 2017

Description Narrative for Dues

AOC General Fund Dues* (required for AOC membership)

General fund dues support AOC core operational expenses including finance, insurance, building rent, utilities and supplies. In addition, these funds help pay for legislative advocacy and policy development, district and steering committee meetings, communications efforts, and technical assistance to members.

Public Lands Fund Dues* (required for AOC membership)

Public lands fund dues allow AOC to carry out legislative advocacy on natural resource issues, foster communications between county governing bodies and individual agencies, and develop natural resources policy.

Forest Management Sub-Committee Dues (voluntary; required for voting privileges)

This special assessment is directed to advocacy on federal land management issues. Funds allow AOC to coordinate with other national efforts, obtain professional services, and conduct communications campaigns on federal legislation. Dues are based on national forest receipts payments to each county.

PERS Alliance Dues (voluntary dues)

AOC collects dues for Public Employee Retirement System (PERS) Alliance, a collaboration with LOC, OSBA and SDAO to support policy advocacy and legal proceedings for labor and retirement fund issues. The assessment is based on total number of enrollees by county.

AOC Veterans Fund Dues (voluntary dues)

AOC created a stand-alone Veterans Steering Committee in 2014 to help support Oregon's approximately 326,000 veterans. Income from this assessment will help fund dedicated staff for work on veterans' issues. A key focus area includes advocacy for increased state funding and support for the work of County Veterans Service Officers (CVSOs). Additional work includes sustaining and expanding collaborative partnerships with the Oregon Department of Veterans Affairs to support improved access to earned benefits, including disability compensation, low income pension, healthcare, housing, employment, education and other services. Dues are assessed based on the number of veterans per county @ \$.35 per veteran.

Video Lottery Defense Fund Dues (voluntary dues)

Video lottery fund dues are dedicated to providing technical assistance and professional services related to the preservation of shared revenues. Dues are assessed based on a weighted average of budgeted dues revenue.

Forest Management Subcommittee Fund

Background

The Forest Management Subcommittee was formed in 1998 to pool the assets of all national forest counties in Oregon to more effectively utilize resources on federal issues. In the process, the subcommittee was a major factor in enactment of the Secure Rural Schools Act of 2000 and its successors, while repeatedly insisting that a safety net is not the answer. Rather what the country needs is federal forest management reform.

The subcommittee is governed by its voting members. Subcommittee actions must be approved by the AOC Public Lands & Natural Resources Committee. Eligible counties are those that receive national forest road receipts or successor safety net road payments. An eligible county becomes a member by payment of the dues assessment for the current year. The chairs of the subcommittee are the current chair(s) of the AOC Public Lands & Natural Resources Committee and the current president of the Association of O&C Counties, and each is a voting member of the subcommittee. The other six members of the subcommittee are judges and commissioners, each of whom represents one of the six districts that includes the county of that judge or commissioner. Each district representative is a voting member. The judge or commissioner who represents a district is elected by the member counties of the district. Each county has one vote.

The subcommittee approves its own recommended calendar year budget, expressed in the AOC Forest Fund and prepared in cycle with the AOC budget process. The AOC Public Lands & Natural Resources Committee reviews and approves the recommended subcommittee budget and in turn recommends it to the AOC membership for adoption at the AOC annual business meeting.

Beginning at the 2016 Association of Oregon Counties annual conference and at every AOC annual conference thereafter, the subcommittee will hold its annual meeting of the governing body of member counties. The purpose of the annual meeting will be to select district representatives and conduct any other business as determined by the subcommittee chairs.

How is the fund used?

The pooled resources from national forest counties permit a more effective pursuit of desperately needed long-term federal forest management reform legislation and regulations, which will lead to healthy forests, job opportunities, and economic and social sustainability at the local level. If real reforms are out of reach during a congressional session, the subcommittee will fall back to funds for a continued safety net, while maintaining that this is not the answer.

Voluntary dues are critical to fund hands-on lobbying in Washington, DC; to guide counties through the changing and complex requirements to qualify for safety net payments; and to stay up-to-the-minute in coordination with allies to target resources most effectively.

Looking forward

- Gain long-term federal forest management policy reform through strategic alliances and targeted tactics.
- Pursue “bridge funding” tied to the management reform legislation to maintain solvency of Oregon counties dominated by federal forests until the legislation is fully implemented.

VOLUNTARY DUES



Public Employee Retirement System (PERS), Public Labor and Employment Policy Fund

Background

AOC collects dues for the Public Employee Retirement System (PERS) Alliance, a collaboration with the League of Oregon Cities (LOC), Oregon School Board Association (OSBA), and Special Districts Association of Oregon (SDAO) to support policy advocacy and legal proceedings for labor and retirement fund issues.

In 2016 the voluntary dues assessment changed to include all PERS enrollees by county; not just county employees enrolled. This change reflected the fact that all 36 counties benefit from AOC's work in PERS, and should therefore be assessed the voluntary dues. The AOC Board of Directors also determined the PERS Fund should expand to include public labor and employment policy moving forward.

This change was due to the fact that each legislative session numerous bills are introduced that directly impact public employment, including diverse topic areas such as collective bargaining, wages, public contracting, sick leave, discrimination and home rule.

How is the fund used?

AOC work not only involves opposing or amending proposals that would increase costs to public employers, or constrain the options of public employers, but also involves crafting and promoting legislation that assists public employers. For example, in 2015 House Bill 3495 set out to resolve the legal issue regarding appropriate employer contribution start date for future hires. This legislation was crafted and successfully lobbied by AOC.

Voluntary funds also support participation in state agency rulemaking proceedings that impact public employment, including rulemaking before the Bureau of Labor and Industries (BOLI) and the Employment Relations Board (ERB), and litigation on behalf of AOC members. A recent example is litigation challenging PERS reform legislation, as well as ensuring that the costs of attorney fee awards that stem from successful challenges to such legislation are not imposed on local public employers.

Voluntary dues are critical to fund pro-active and reactive advocacy with the Oregon Legislature as well as litigation on behalf of AOC members.

Looking forward

- Track PERS bills that impact public employment by increasing costs to public employers, and craft bills promoting legislation to assist public employers.
- Participate in state agency rulemaking proceedings that impact public employment.
- Serve on the PERS Legislative Advisory Committee (LAC) and PERS Employer Advisory Group (EAG).
- Participate in litigation as needed on behalf of AOC members.

Veterans Fund

Background

The AOC Veterans Fund was created in 2014 to support Oregon's 331,632 veterans. This includes approximately 16,000 World War II veterans and over 29,000 Korean War veterans. Over 120,000 Vietnam era veterans are beginning to face new life challenges as they age and enter retirement. There are nearly 75,000 Persian Gulf era veterans and approximately 31,000 Oregonians have served in the wars in Afghanistan and Iraq. Too many of our veterans face high levels of post-traumatic stress disorder, mental health challenges, addictions, physical health issues and both mild and severe traumatic brain injuries. As noted by our State Department of Veterans Affairs, our work to support our veterans and their families "is just beginning."

The AOC Veterans fund is grounded in the fundamental mission of acting as a collective voice for Oregon counties to provide the best possible services to our veterans and their families.

These principles recognize: the cross generational status our veterans (four generations of veterans who have served during five major conflicts); the contributions and sacrifices made by veterans family members; and the potential isolation and disconnection of returning veterans because of Oregon's very limited military bases.

How is the fund used?

During the final week of the 2016 legislative session, the Legislature voted to fund County Veteran Service Officers at a level of \$4.7 million for the 2015-17 Biennium. The issue that remained in doubt until late June was if this budget would be at \$4.2 million, which was the initial funding level indicated in Senate Bill 5539 (the ODVA agency budget bill). AOC worked with the co-chairs and other members of the Full Ways and Means Committee to expand funding for county veteran service officer's (CVSO). An additional \$500,000 of funding was contained in the "Christmas Tree" bill (House Bill 5507). The \$4.7 million of CVSO funding is an increase of 27 percent from a \$3.7 million level in the 2013-15 budget. The caveat for this additional \$500,000 of funding, like other expenditures in the Christmas Tree bill, is that it is specifically noted to be a "one-time" expenditure.

Looking forward

- AOC is working with the Legislature to make the \$500,000 of additional funding part of the base level of funding for CVSO's moving forward.
- Sustain and expand collaborative partnerships with the Oregon Department of Veterans Affairs to support improved access to earned benefits, including disability compensation, low income pension, healthcare, housing, employment, education and other services.

VOLUNTARY DUES



Video Lottery Defense Fund

Background

In 1985, Oregonians established a lottery constitutionally dedicating the earnings to economic development (see [ORS 461.547](#)). Since then, Oregonians also have dedicated lottery revenues for education, parks, wildlife and wildlife and veterans' services funding.

In 1991, an agreement was reached whereby the Legislature approved state-controlled video lottery which forfeited a county's right to authorize and regulate gaming in exchange for counties receiving 2.5 percent of the receipts from all video lottery games for economic development activities. Prior to that date, counties had the right to authorize, regulate and tax gaming.

Beginning in 2005, counties agreed to contribute 50 percent of the costs of the Governor's Office administration of Regional Solutions due to the programs' important economic development benefits. The remaining video lottery receipts are distributed as follows: 10 percent divided equally among the 36 counties; and 90 percent allocated by the amount of video lottery receipts from each county. These receipts are an important revenue source for counties' strategic economic development activities such as infrastructure investment, revolving loan programs, staffing and other related economic development programs.

How is this fund used?

Over the years, there have been attempts to divert the counties' share of lottery revenues for other state programs. The Video Lottery Defense Fund is used to protect counties' share of the video lottery. AOC staff advocates, tracks bills, attends hearings and meetings, and testifies at the Legislature and Lottery Commission to ensure that the agreement forged in 1991 is upheld. If necessary, litigation may be filed to protect these dollars.

Since 2011, counties have been required to annually report information related to the use of lottery funds for the purposes of economic development (see [ORS 461.512](#)). This is coordinated by Laura Cleland at AOC. The 2016 report may be found [here](#).

Looking forward

In recent biennia, the Legislature has based quarterly payments on estimated video lottery revenues determined in the May forecast prior to the start of the biennium. This "smoothing" process makes it easier for payments to be made as counties received equal amounts every quarter based on the forecast, rather than fluctuating amounts based on 2.5 percent of the actual proceeds. However, if proceeds are less than anticipated, it can shortchange counties. For example, in January 2016, a \$1.5 billion Powerball prize caused lottery proceeds to skyrocket. It was estimated that counties lost over \$1.7 million as a result of the smoothing distribution practice.

- Recoup any losses incurred by the counties during the 2015-17 biennium as a result of "smoothing," by collecting 2.5 percent of video lottery proceeds as provided by [ORS 461.547](#).
- Receive a commitment from the Legislature that, moving forward, counties will receive 2.5 percent of video lottery proceeds as required by [ORS 461.547](#).
- Ensure the Legislative Fiscal Office and Department of Administrative Services understand the commitment of the Legislature and the intent of the statute.
- Ensure that any new lottery funded programs do not impact the counties' 2.5 percent share of funds.