

MINUTES

STEERING COMMITTEE MEETING

October 8, 2008

Parowan, Utah

MEMBERS IN ATTENDANCE

Commissioner Duke Cox, Chair
Commissioner Chad Johnson
Carolyn White
Mack Oetting
Commissioner Lois Bulloch
Mayor Connie Robinson
Alan Adams
Commissioner Denny Drake
Brian Cottam for Wes Curtis

REPRESENTING

Kane County Commissioner Representative
Beaver County Commissioner Representative
Beaver County Schools Representative
Garfield County Schools Representative
Iron County Commissioner Representative
Iron County Mayor Representative
Iron County Schools Representative
Washington Co. Commissioner Representative
Southern Utah University

OTHERS IN ATTENDANCE

Mayor Jim Robinson
Marreen Casper
Ken Sizemore
Diane Lamoreaux

Parowan City
Senator Hatch's Office
Five County Association of Governments
Five County Association of Governments

MEMBERS NOT IN ATTENDANCE

Mayor Robert Crow
Commissioner Maloy Dodds, Excused
Mayor Lowell Mecham
Mayor Kim Lawson, Vice-Chair, Excused
Joe Houston
Mayor Lee Bracken
Ed Rogers, Excused
Frank Lojko

Beaver County Mayor Representative
Garfield County Commissioner Representative
Garfield County Mayor Representative
Kane County Mayor Representative
Kane County Schools Representative
Washington County Mayor Representative
Washington Co. Schools Representative
Dixie State College of Utah

Commissioner Duke Cox called the meeting to order and welcomed those in attendance. Members asking to be excused include: Mayor Kim Lawson, Kane County Mayor Representative; Commissioner Maloy Dodds, Garfield County Commission Representative and Mr. Ed Rogers, Washington County School Representative.

I. MINUTES SEPTEMBER 17, 2008 - REVIEW AND APPROVAL

Chairman Cox presented minutes of the September 17, 2008 meeting for Board consideration and approval.

MOTION WAS MADE BY MS. CAROLYN WHITE, SECONDED BY COMMISSIONER DENNY DRAKE, TO APPROVE MINUTES OF THE SEPTEMBER 17, 2008 MEETING AS PRESENTED. MOTION CARRIED.

II. UTAH PUBLIC MEETING NOTICES PROCESS

Mr. Ken Sizemore provided a handout from the Office of Legislative Research and General Counsel outlining changes in open meeting law and requirements for public bodies to post notices on a state website. He noted that training sessions have been provided through the Utah Association of Counties and the Utah League of Cities and Towns for jurisdictions in the state of Utah. The site has some bugs which are currently being worked out in regard to posting the agenda and formatting. All entities are required to post public meetings on this site beginning October 1, 2008.

III. ANNUAL REPORT

Mr. Ken Sizemore provided copies of the Five County Association of Governments Annual Report for the period ending June 30, 2008 and highlighted specific programs in each division. He pointed out that the photograph contained on page 1 was taken one year ago here in Parowan when Lt. Governor Gary Herbert visited with the committee. One goal of the AOG is to maintain \$600,000 in reserve for sick leave conversion costs and administrative costs in the extent of agency closure. The current balance in the reserve account is \$500,000 towards that goal.

Mr. Sizemore reviewed statistics for Aging and Human Services including the following: **1) Community Services Block Grant program--** Nearly 48,000 meals were served through this program; **2) Congregate and home delivered meals--** Remained at about the same level as previous years; **3) Shelter nights--** More than 16,000 were provided; **4) Food boxes--** Provided to more than 24,000 clients; **5) Transportation--** Around the district there were 16,000 rides provided by use of transit passes or van rides; **5) Food Distribution--** More than 1.3 million pounds of food has been distributed to food pantries in southwestern Utah; **6) Support services case management--** Received by 1,000 individuals in the Human Services program; **7) Child care information and referral--** Information about child care was provided to over 1,200 families, there were over 11,000 calls from child care providers for technical advise, assistance was provided to over 211 programs in the 11 county region, and there were 811 hours of child care training provided.

Efforts of the Community and Economic Development division included the following: 1) Producing a Comprehensive Economic Development Strategy; 2) Updating the Consolidated Plan; 3) Preparation of a Highway 143 Corridor Management Plan; 4) Heavy involvement in the Vision Dixie process with the implementation committee; 5) Assistance provided with the Kanab Center for Education, Business and Arts; 6) Ticaboo power feasibility study. It is disappointing that there were limited companies who responded to the RFP to provide power to Ticaboo. It appears that electrical distributors do not want to engage in a program to extend power for uranium operations at Ticaboo; 7) The Community Development Block Grant program provided \$800,000 in funding for various projects throughout the Five County region including housing for elderly in Cedar City, designing an expansion of the homeless shelter at the Iron County Care and Share, constructing a new fire station in Escalante, construction of a new senior citizens center in Parowan, curb gutter and sidewalk in Ivins, and design of a fire station for Orderville; 8) More that \$9.2 million dollars of Community Impact Board Funds have been injected into the district over the past fiscal year for jail projects, fire stations and water systems; and 9) The Revolving Loan Fund participated in financing two loans during the past year.

Mr. Sizemore reported that more than 2,800 households received assistance from the Home Energy Assistance Target Program (HEAT) which is expanding this year to double the amount of funding that has been available in the past. The Weatherization Program, funded by the U.S. Department of Energy's Weatherization Assistance Program, assisted 54 low-income households to provide energy cost reduction savings. Emergency Home repairs were provided to 18 households and the HOME program provided assistance to 14 households to make repairs to their property. Down Payment Assistance was provided to 15 low-income households at a regional level with funding which is somewhat limited. Mr. Sizemore reported that the AOG has recently contracted with St. George City to administer their down payment assistance program.

There were 258 elderly clients assisted through the provision of case management services. Provision of these services allows elderly clients to remain in their homes rather than placing them in assisted living and/or care centers. More than 197,000 hours of volunteer service were provided by the Volunteer Centers in Washington, Iron and Kane counties.

The Metropolitan Planning Organization (MPO) is functioning very efficiently and effectively in the urbanized area of St. George. A Rural Planning Organization (RPO) has been established in eastern Washington County for Hurricane, LaVerkin, and Toquerville providing the same type of transportation programming in that part of our district. A telephone call received this week from the Utah Department of Transportation indicates that the next area of interest for focusing on this type of planning is Iron County. Staff has recognized that this is a distinct need and efforts will be focusing on planning processes in that area.

Mr. Sizemore reported that next month at the November 19th meeting the annual audit report will be presented. Two highlights were referenced on page 2 containing the editorial about the Five County Association of Governments which was published November 2007 in The Spectrum, and the back page highlighting the Rural Honors award received from Southern Utah University. Mr. Mack Oetting asked that whomever prepared the Annual Report is to be complimented on the publication. Mr. Sizemore indicated that this is a team effort but the major person involved is Gary Zabriskie, who is involved with IT and likes this type of work.

IV. ELECTED REPRESENTATIVE - LOCAL HOMELESS COORDINATING COMMITTEE

Mr. Ken Sizemore reported that Mayor Mary Reep, Apple Valley Town, accepted the appointment to serve as Chair of the Local Homeless Coordinating Committee. He asked for Board consideration and ratification of this appointment. Commissioner Denny Drake commented that Mayor Reep works at the Purgatory Correctional Facility and is very familiar with homeless issues in that capacity.

MOTION WAS MADE BY COMMISSIONER LOIS BULLOCH, SECONDED BY MR. ALAN ADAMS, TO APPROVE THE APPOINTMENT OF MAYOR MARY REEP, APPLE VALLEY TOWN, TO SERVE AS CHAIR OF THE LOCAL HOMELESS COORDINATING COMMITTEE. MOTION CARRIED.

V. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - 1ST PUBLIC HEARING

Chairman Cox entertained a motion to enter into the 1st public hearing for the Community Development Block Grant program.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY MR. ALAN ADAMS, TO ENTER INTO THE 1ST PUBLIC HEARING FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT. MOTION CARRIED.

Ms. Diane Lamoreaux explained that any entity interested in making application for the Community Development Block Grant is required to hold a public hearing to solicit public input. She provided some background information on the program. Funding is provided through the U.S. Department of Housing and Urban Development to the State Division of Housing and Community Development for statewide allocation. Each region receives a \$300,000 base allocation and the remainder is allocated through a formula which utilizes current population.

Last year the Association of Governments received \$811,608 for allocation throughout the region. It is anticipated that approximately \$800,000 +/- will be available for allocation in FY 2009. In addition, approximately \$174,000 has been set-aside for brick and mortar type projects to address homelessness. The exact funding amount is not available at this time and will likely occur with a continuing resolution in April/May 2009.

She reviewed the range of activities including projects such as: 1) Public facilities; 2) Infrastructure; 3) Housing Projects; 4) Housing Assistance, etc. The Five County AOG has received funding in the past for administration, planning and technical assistance to income eligible communities; funding to establish the Revolving Loan Fund; funds to recapitalize the RLF; 1st Time Home Buyer program provided through the CHDO; construction of the AOG office building in St. George; and procurement of the Meals on Wheels delivery trucks for the Five County Region. Funds are mainly provided to benefit low-moderate income individuals and proposed activities that may result in displacement of low-income persons are discouraged.

The Five County AOG regional planning, administration and technical assistance applications have previously included the following elements: 1) CDBG program administration; 2) Capitalize and administer the Revolving Loan Fund; 3) Provide planning assistance to LMI eligible communities; 4) Provide program delivery for the HOME, Emergency Home, Down Payment/Closing Cost Assistance, Weatherization program and Revolving Loan Fund; 5) Prepare and update the Regional Consolidated Plan; and 6) Workforce Housing assistance.

Ms. Lamoreaux reminded Board members that funding for the AOG administration, planning and technical assistance activities was pre-approved for a one year period in the June 11, 2008 Steering Committee meeting.

Commissioner Cox asked Board members to provide suggestions for potential projects and/or scope of work recommendations for projects of regional significance and scope. Noting none, he asked for audience suggestions or recommended scope of work modifications.

Ms. Marreen Casper asked if the City of St. George receives their own funding. Ms. Lamoreaux explained that once cities exceed a population of 50,000 they become entitlement communities and receive Community Development Block Grant funds directly from the U.S. Department of Housing and Urban Development. This is also applicable to counties once they reach a population of 200,000. At that point, those jurisdictions no

longer participate in the Utah Small Cities CDBG program. She also indicated that CDBG projects must meet one of the following national objectives: 1) Benefit to Low-moderate income; 2) Prevention or elimination of Slums and Blight; and 3) Elimination of Immediate Threat to Health, Welfare, and Safety. Commissioner Bulloch asked what projects would qualify for funding on a regional level. Ms. Lamoreaux outlined a list of projects which have been undertaken in the past that would qualify under the CDBG program. AOG projects have historically been primarily of a "regional" nature. Because of the number of regional planning projects such as Highway 143 planning, regional fire planning, etc. there is limited staff availability to work individually with communities to provide direct planning assistance.

Chairman Cox entertained a motion to close the public hearing.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER LOIS BULLOCH, TO CLOSE THE PUBLIC HEARING. MOTION CARRIED.

Chairman Cox entertained a motion to proceed with the scope of work.

MOTION WAS MADE BY MAYOR CONNIE ROBINSON, SECONDED BY COMMISSIONER DENNY DRAKE, INSTRUCTING STAFF TO PROCEED WITH DEVELOPMENT OF A SCOPE OF WORK INCLUDING ACTIVITIES AS OUTLINED IN PREVIOUS APPLICATIONS. MOTION CARRIED.

Ms. Lamoreaux mentioned that the state of Utah anticipates receiving \$19.6 million dollars from the Neighborhood Stabilization Program. These funds are made available to address the effects of foreclosures, subprime mortgages and vacant and abandoned residential properties in the state. It is anticipated that these funds will be allocated through the Community Development Block Grant program. Mr. Sizemore reported that many programs administered by the Association of Governments, such as HEAT and Weatherization, may also see some substantial funding increases while other programs may experience dramatic decreases in funding. He noted that this is a very unsettled time in terms of what funds may be available for regional programming. Commissioner Johnson asked if the state budget cuts have affected AOG funding. Mr. Sizemore responded that state budget cuts will definitely impact programs administered at the Association of Governments. However, the extent of those cuts are unknown at this time. State agencies are in the process of determining how they will distribute budget cuts to various programs. Notification has been received regarding a \$7,000 decrease in case management funding for one of the several aging programs which provide in-home services.

VI. REVOLVING LOAN FUND - ANNUAL CERTIFICATION

Mr. Ken Sizemore referenced a handout containing the Revolving Loan Fund 2008 Annual Certification. He reported that the Economic Development Administration requires this plan to be certified annually and includes a resolution for the Chair's signature. The RLF program began in 1987, with various amounts of additional funds injected over the years. There is a fairly substantial capital base which has accumulated for lending out. The challenge over the past one-half decade is, in his opinion, a direct correlation to the loose credit markets. In the last five years businesses have not needed to come to the Five County Revolving Loan Fund for loans because credit was easy to obtain in commercial

lending circles. It is anticipated that this will change dramatically over the upcoming months. The RLF Plan outlines substantial job creation with deals which close and requires a minimum of 50% from a private sector bank. This program is designed to fill the gap between what the private sector institution is willing to provide and the money the business owner has to bring to the table. Program funds have provided substantial working capital and startup development. Established goals are to close at least four loans this year. This year only two deals have been closed. Closing enough deals has been the big challenge. He referenced page three of the handout outlining performance measures as of the end of September, 2008. In the life of this program, there have been 99 loans closed for more than \$6.4 million dollars and leveraged more than \$32 million dollars of private sector financing. The average loan size is \$64,000 and the interest rate averages about 6% at a six year term. The program is currently at approximately 400 jobs created, with more than 700 jobs created overall and 200 jobs saved over the life of the program.

There are 13 loans which are current, 66 have been paid back in full, and one loan is delinquent (sawmill in Escalante). This deal has been restructured four times since it was first funded. The business is struggling again but has committed that a payment will be made this month. The loan in bankruptcy is the campground in Escalante that never came out of the ground. The property has a half-built community center. The AOG bought out the bank on this loan and is now in the process of marketing the property. The biggest hold up on sale of this property is water because the previous owner did not leave any water with the property. It is hoped that the state engineer may be opening up this area to well permits again. In the event that this happens, the AOG will apply for a well permit to make that part of the package with the property. The campground site contains 28 acres.

Mr. Sizemore reported that the AOG has hired Darren Janes who is out there aggressively visiting with current borrowers as well as visiting with loan officers around the region. There has been some increased interest in the program. A loan board meeting is scheduled for Friday to consider buyers for the Antimony Merc and RV park. The two loans closed over the past year are both in Washington County, Black Ridge Chiropractic, and Rise 'N Dine restaurant which is slated to open in the near future.

Commissioner Lois Bulloch asked what would qualify a loan to be written off. Mr. Sizemore indicated that if a business is no longer operating and the borrower is not able to pay back the loan, according to conventional standards the loan is written off. It does not necessarily mean that all 18 loans were written off for the full amount that was lent. He explained that the 9% in Revolving Loan Funds is considered to be a low percentage, with the average around the country at about 11%. Another factor for consideration is that the RLF comes in as a second or third position for collateral. The maximum loan is 25% of the capital base which is approximately \$225,000 at the present time. It may be difficult to structure a deal where the RLF could inject that entire amount. Board members asked how much of the funds have been sequestered into the separate account. The amount which has been sequestered is \$460,000. However, the program has drawn down all of the available funds which were left from EDA and should be able to approach EDA to fund the next deal from the sequestered fund account.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER LOIS BULLOCH, TO CERTIFY THE 2008 ANNUAL CERTIFICATION OF THE REVOLVING LOAN FUND AND TO AUTHORIZE THE CHAIR'S SIGNATURE ON THE RESOLUTION. MOTION CARRIED.

Mr. Sizemore informed the Board that one of the members of the Revolving Loan Fund Administration Board's term expires and requires consideration for an additional two year term. Nick Lang, CPA, has served on the Board and is excited to continue service as a board member.

MOTION WAS MADE BY COMMISSIONER LOIS BULLOCH, SECONDED BY COMMISSIONER CHAD JOHNSON, TO APPOINT NICK LANG FOR AN ADDITIONAL TWO YEAR TERM TO THE REVOLVING LOAN FUND ADMINISTRATION BOARD. MOTION CARRIED.

VII. SOUTHERN UTAH UNIVERSITY REGIONAL SERVICES UPDATE

Mr. Brian Cottam, Southern Utah University Regional Services, reported that Southern Utah University sustained a 4% budget cut. All department heads have been asked to cut their budgets accordingly. Regional Services at SUU has identified programming involving a partner who had not been delivering which will be eliminated as a result of the reduction. He noted that this funding reduction is good considering that an 11% budget reduction was initially considered for higher education during the legislative session. It is anticipated that additional budget reductions of approximately 4% are likely in the regular legislative session. At this point, decreases will become difficult and could impact staffing in many departments. However, Wes Curtis has assured him that travel is a major portion of their budget, a very important component to interface with jurisdictions and agencies, and the travel budget will be one of the last reductions considered. Commissioner Lois Bulloch reported that it is interesting to note that the Utah Shakespearean Festival had their highest attendance this past season. This is especially surprising given the current economic climate. It was also noted that Southern Utah University experienced a 2% enrollment increase. Mr. Mack Oetting commented that the Applied Technology Center experienced an approximate 30% enrollment increase each year for the past three years.

VIII. USU EXTENSION SERVICE UPDATE

Mr. Jody Gale, USU Extension Service, asked to be excused. No update available.

IX. CONGRESSIONAL STAFF UPDATES

Ms. Marreen Casper, Senator Hatch's Office, announced that Bryan Thiriot welcomed a new baby boy and is on family leave. Mike Empey is with Congressman Matheson and asked to be excused. She reported that Congress is "kind of" out of session, but the Senate is in Pro Forma session which means that they have to go back into session about every three days for 10-20 minutes. The purpose is to block the President from signing Executive Orders or making appointments to the bench. Congress passed a continuing resolution prior to adjourning which continues until March 9, 2009 with the same budget as last year.

She provided several handouts including information on the switch to digital television which will occur by February 17, 2009. Recently passed legislation includes a Copper Theft Prevention Act of 2008 which is aimed at cutting down on copper theft. This has reached all time highs due to the high price of the metal. The act requires people buying the copper to keep records of who is selling it and payment for amounts over \$250 has to be paid by check instead of cash. Senator Hatch and Senator Reed have introduced the Thorium

Nuclear Fuel Cycle legislation that would pave the way for thorium nuclear-fuel reactors in the United States. This has a longer lasting life than uranium and is safer because the rods stay in the ground longer and there is no associated waste. This legislation is being introduced to provide cleaner energy for people to utilize. Passage of the continuing resolution lifted a moratorium on the commercial leasing regulations for oil shale. Press releases outlining information on the economic stabilization package were provided. She reported that Senator Hatch had some questions and real heartburn with some of the bailout package but felt that real issues had to be addressed. Adding the tax amendments to this package fully funded PILT for four years and also provides funding to Secure Rural Schools. This provides significant funding to rural counties. It was noted that Congressman Matheson and Congressman Bishop both voted against the bailout legislation. This was a very difficult vote especially for Congressman Bishop who has actively worked for years to fully fund PILT. Chairman Cox asked what affect this would have on the capital gains tax. Ms. Casper indicated that she would research this question but did not have that information readily available.

X. LOCAL AFFAIRS

A. CORRESPONDENCE

None.

B. OUT-OF-STATE TRAVEL

Mr. Sizemore reference page 13 of the packet and outlined the out-of-state travel requests as follows: **1) Lis Barker--** Charleston, South Carolina to attend the National Association of Child Care Resource and Referral Agencies (NACCRRA) State Networks Conference on October 28-31, 2008; and **2) Lis Barker--** Permission to travel to the National Association for the Education of Young Children (NAEYC) conference in Dallas, Texas on November 5-8, 2008. He recognized that these conference dates are close. However, the majority of funds are being provided by the National Organization and through a scholarship. Staff recommends approval of both authorizations.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER DENNY DRAKE, TO APPROVE OUT-OF-STATE TRAVEL REQUESTS FOR LIS BARKER AS PRESENTED. MOTION CARRIED.

C. PERMANENT COMMUNITY IMPACT BOARD APPLICATIONS

Mr. Sizemore reviewed one application to the Permanent Community Impact Fund Board from Kane County to construct a 200 bed jail. Board discussion centered around information provided at a recent Utah Association of Counties meeting and contracting with the state of Utah for conditional probation inmates and contract inmates. Commissioner Chad Johnson commented that rates are negotiated on an annual basis and there are some challenges associated with this process. He also noted that the State Department of Corrections realizes that some prisoners who are in county jails should be in state facilities. However, the judge's decision determines placement of inmates. He acknowledged that it is a scary decision and the state

does not like dormitory type facilities. Mr. Sizemore indicated that the Board has the option to support, not support, or make no comment. Commissioner Cox commented that in light of work which was undertaken by the Kane County Sheriff, an Ad Hoc Committee and other involved parties, he would like to encourage a supportive response from this committee.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER DENNY DRAKE, TO SUPPORT THE KANE COUNTY APPLICATION FOR A 200 BED JAIL TO THE COMMUNITY IMPACT FUND BOARD. MOTION CARRIED, WITH ONE ABSTENTION AND ONE NO VOTE.

D. PLANNING ASSISTANCE

None.

E. OTHER BUSINESS

Mr. Sizemore provided a handout item of interest outlining the fiscal year budget and a summary of AOG personnel for 1975. It is interesting to note that there were only six AOG employees in 1975, compared to the current number of 54 employees. This is provided for informational purposes.

XI. AREAWIDE CLEARINGHOUSE REVIEWS

Mr. Sizemore indicated that one A-95 review was included in the packet and received a supportive staff recommendation. He presented the review for Board consideration.

MOTION WAS MADE BY MR. MACK OETTING, SECONDED BY MAYOR CONNIE ROBINSON, TO APPROVE THE A-95 REVIEW AS PER STAFF RECOMMENDATION. MOTION CARRIED.

The next meeting is scheduled for Wednesday, November 19, 2008, at the Five County AOG office in St. George, beginning at 1:00 p.m. Mr. Sizemore commented that this meeting is scheduled for the third Wednesday to accommodate Utah Association of Counties meetings which are scheduled for the second Wednesday.

Meeting adjourned at 2:35 p.m.