

AGENDA ITEM # II.

MINUTES

**FIVE COUNTY ASSOCIATION OF GOVERNMENTS
STEERING COMMITTEE MEETING
April 20, 2016 - 2:00 p.m.
Iron County School District Office
2077 West Royal Hunte Drive, Cedar City, Utah**

MEMBERS IN ATTENDANCE

Commissioner Mike Dalton, Chair
Mayor Nolan Davis
Carolyn White
Commissioner Dell LeFevre
Mayor Jerry Taylor
Commissioner Dale Brinkerhoff
Mayor Dutch Deutschlander for
Mayor Connie Robinson
Becki Bronson
Commissioner Jim Matson
Mayor Robert Houston
Commissioner Victor Iverson
LaRene Cox
Mike Olson for Frank Lojko

OTHERS IN ATTENDANCE

Bette Arial
Adam Snow
Courtney Brinkerhoff
David Busk
Bryan Thiriot
Gary Zabriskie
Allison McCoy

MEMBERS NOT IN ATTENDANCE

Ken Platt
Wendy Allan, Excused
Vacant Position
Donna Law

REPRESENTING

Beaver County Commissioner Representative
Beaver County Mayor Representative
Beaver County Schools Representative
Garfield County Commissioner Representative
Garfield County Mayor Representative
Iron County Commissioner Representative
Iron County Mayor Representative
Iron County Schools Representative
Kane County Commissioner Representative
Kane County Mayor Representative
Washington Co. Commissioner Representative
Washington Co. Schools Representative
Dixie State University

Senator Lee's Office
Congressman Stewart's Office
Senator Hatch's Office
Department of Workforce Services
Five County Association of Governments
Five County Association of Governments
Five County Association of Governments

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

Commissioner Mike Dalton, Chair, welcomed everyone in attendance. Those asking to be excused include Ms. Wendy Allen, Kane County Schools Representative. Mayor Dutch Deutschlander was representing Mayor Connie Robinson, Iron County Mayor Representative and Mr. Mike Olson was representing Frank Lojko, Dixie State University Representative.

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I. PLEDGE OF ALLEGIANCE

Commissioner Jim Matson led the group in the pledge of allegiance.

II. MINUTES MARCH 9, 2016 - REVIEW AND APPROVE

Commissioner Mike Dalton, Chair, indicated that a quorum was present to conduct business and presented minutes of the March 9, 2016 meeting for discussion and consideration of approval.

MOTION WAS MADE BY COMMISSIONER JIM MATSON, SECONDED BY MAYOR JERRY TAYLOR, TO APPROVE MINUTES OF THE MARCH 9, 2016 MEETING AS PRESENTED. MOTION CARRIED BY UNANIMOUS VOTE.

Commissioner Dale Brinkerhoff requested that a full report on the Weatherization Program be included on the next Finance Committee agenda. The report needs to include a followup on directives given to Bryan Thiriot, job classifications, job titles, employee salary survey, and work station assignments.

III. REPORT/DISCUSSION ON THE 2016 LEGISLATIVE SESSION

Senator Evan Vickers, Utah State Senator, provided a brief update on items discussed and acted upon during the recent legislative session. There were some funding requests from the Five County area including a new business building at Southern Utah University. Funding was approved, but the University is still working on some private funding for this project. Dixie State University had a request for a joint funded program in conjunction with the University of Utah hospital to establish a Physician's Assistant program. An appropriation of \$1.5 million dollars was approved for this program. Other funding requests included the Utah Summer Games and Utah Shakespearean Festival. A small amount of \$25,000 was approved for each of these entities. The Prairie Dog Recovery Program, under the direction of the Utah Division of Wildlife Resources, received \$350,000 to continue the program for the next 1.5 years. The U.S. Fish and Wildlife Service has indicated they would utilize Utah DWRs format as a starting point in management of the species moving forward. Utah has developed a good example with their capability to manage the program in a better fashion than the federal government. The state has been successful in obtaining private land to transplant the Prairie Dogs and has moved a significant number of dogs over the past two years. The court appeal is still pending, but a decision is anticipated in the next 1.5 years. The additional funding will allow the state of Utah to continue efforts toward recovery of the species. Representative John Westwood indicated that \$250,000 state donation was allocated to the Rural Utah Alliance for defense in the battle to transfer public lands into state control. It was noted that this is a one-time allocation, but private donations can also be taken into this fund. He stressed the importance of working together to accomplish things in southern Utah.

Senator Vickers indicated that a lot of funding was allocated into public education, including an additional \$400 million plus. A lot of the additional funding was for student growth as well as increasing the Weighted Pupil Unit (WPU). Some funding was allocated on the higher education side to increase retention and graduation rates at institutions statewide. It is always a fight to increase mission-based funding for higher education. Senator

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Urquhart introduced legislation to combine construction with other funding for higher education to create a type of WPU. This legislation passed in the Senate, but did not make it out of the House. The bill provides for more flexibility as well as better accountability. This is a new concept, and it is anticipated that additional discussion will be presented at interim meetings as well as for consideration during the next legislative session. It was noted that Governor Herbert did veto some bills, but it is not anticipated that these bills will be heard for override at interim meeting or a special session. Some specific line items in education for the Upstart preschool and pre-kindergarten programs will be addressed in the special session.

Those in attendance applauded legislators for all the hard work on behalf of rural Utah. Senator Vickers and Representative Westwood expressed their appreciation to elected officials, school board representatives and others for making themselves available to provide input and feedback regarding various issues of concern.

Mr. Bryan Thiriot asked what items will be coming forth in the 2017 legislative session. Senator Vickers noted that education is always a big deal and this will continue going forward. Mission-based funding is very important and the Urquhart bill dealing with construction is also worth further examination. Discussion regarding retention and graduation rates is very important and will continue to be looked at as well. It is not anticipated that there will be a big Medicaid issue next session. There could also be a lot of discussion regarding the online sales tax issue. Water issues and large water projects will be significant moving forward. There is a significant amount of water infrastructure that either needs to be created or replaced.

IV. RATIFICATION OF FINANCE COMMITTEE ACTION(S) APRIL 2016

Ms. Allison McCoy reported that the Finance Committee met earlier in the day to review the fringe benefit package and other items needed to begin building the FY 2017 budget for the Five County AOG. Medical insurance costs have increased approximately 8%. Discussion included increasing the employees contribution to cover the 8% increased cost on a pro-rated basis. Ms. McCoy will be working on an analysis to determine how this will be handled to reallocate between single, couple or family coverage. The employee contribution is presently computed as a flat fee with each employee paying the same dollar amount. The cost for retirement and social security match remained the same. The workers compensation rate increased slightly and the unemployment insurance rate had a slight decrease. Holidays, vacation, and sick leave will remain the same. The Finance Committee members approved a 2% cost-of-living adjustment spread out evenly by the number of employees as in previous years. The Indirect Cost Allocation Plan rate has decreased because administrative costs have decreased. The FY 2015 audit financial statement is used to determine the Indirect Cost Allocation for FY 2017. The rate will go from 13.47 to 12.61 in FY 2017. County participation will remain the same. The cost for legal counsel will be built into the 2017 budget. All items approved are for FY 2017 which will begin July 1, 2016.

MOTION WAS MADE BY MS. CAROLYN WHITE, SECONDED BY MAYOR NOLAN DAVIS, TO APPROVE FINANCE COMMITTEE ACTIONS OF APRIL 20, 2016 AS PRESENTED FOR PREPARATION OF THE FY 2017 BUDGET. MOTION CARRIED BY UNANIMOUS VOTE.

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V. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

A. REVIEW OF FY 2016 RATING AND RANKING AND BOARD APPROVAL OF STAFF RECOMMENDATION FOR FUNDING BASED UPON THE SCORING MATRIX

Mr. Gary Zabriskie referenced information contained in the packet including a list of applications submitted for Community Development Block Grant (CDBG) funding. The Five County AOG Planning and Technical Assistance application was pre-approved in the amount of \$90,000 when the Rating and Ranking Criteria was approved in August of 2015. In addition, two projects were awarded multi-year funding last year. One was to Milford City, on behalf of the Beaver Housing Authority, for acquisition/rehabilitation of multiple family housing units in the amount of \$63,599. The second was to LaVerkin City for expansion of their fire station to house a ladder truck in the amount of \$100,000. Each applicant received \$300,000 over a two year period, with \$200,000 in the first year and the remaining balance in FY 2017. Because a small fund balance remained last year, the Milford City project received additional funds toward the second year funding. Applications were received in excess of \$1.77 million and the regional allocation for FY 2017 is \$776,439. Mr. Zabriskie mentioned that each year in August the Steering Committee approves the Rating and Ranking Criteria for utilization in scoring applications. The criteria includes 19 items including capacity to administer the grant, job creation, match funding by community size, jurisdiction prioritization, county participation, regional prioritization, creation of new housing stock, service to geographical area, etc. He explained the role of the Steering Committee who serves as the regional review committee for allocation of CDBG funding. Staff works to develop criteria that reviews projects on an objective basis and provides the funding recommendation to the Steering Committee for consideration. Other regions in the state of Utah may elect to have a separate committee that makes the funding determination. He presented a copy of the scoring matrix which includes the scoring for each of the applications received. Copies are available for each of the projects and can be reviewed after the meeting has concluded.

Mr. Zabriskie reported that Nate Wiberg is the new community planner at Five County who was hired to replace Levi Roberts. His main project since beginning employment has been the Five County Hazard Mitigation Plan which is slated for completion in June/July 2016. Nate will be assume administration of the CDBG program as well as various other planning duties. He assisted with the rating and ranking of projects and will attend the CDBG Grantee Workshop scheduled next week in Salt Lake City.

A copy of the staff recommendation for rating and ranking of FY 2016 CDBG projects was circulated for review. There were applications submitted from applicants in Beaver and Washington counties. The total amount available for allocation is \$776,439. Pre-approved funding is allocated as follows: **1) Five County AOG-- \$90,000; 2) Milford City on behalf of the Beaver Housing Authority-- \$63,599; and 3) LaVerkin City-- \$100,000.** Rating and Ranking of other projects is as follows: **1) Washington County, on behalf of the Northwestern Special Service District, \$200,000-- To purchase a 4 x 4 pumper**

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truck for the newly completed Gunlock Fire Station; 2) **Enterprise City, \$200,000--** Purchase of a new Pierce fire truck; and 3) **Beaver City, on behalf of the Beaver Housing Authority, \$122,840--** For completion of new offices, construction of parking lot and complete rehabilitation of the old office (home) into a single family rental home. This project would receive partial funding. It is anticipated that they would be able to complete the parking lot and cabinets for the housing authority office. It is anticipated that the Beaver Housing Authority would scale back the scope of work for this application and hopefully be able to complete the major rehabilitation items for the home as well with CDBG funds. The funding ran out at this point and the remaining three projects are not able to receive funding. Scoring of projects runs from 83.75 for the highest ranked project down to 57.0 for the lowest ranked project. Mr. Zabriskie explained that he will be working with the three applicants that did not receive funding to determine alternative funding sources that may be utilized to fund their projects. He also noted that there have only been three slum/blight projects in the Five County region over the history of the CDBG program. These types of projects typically will not score very well because the rating and ranking is slanted toward low/moderate income projects. There are also very few project applications submitted for urgent health and welfare. The majority of CDBG projects statewide fall under the low/moderate income national objective.

MOTION WAS MADE BY MAYOR NOLAN DAVIS, SECONDED BY MS. LARENE COX, TO APPROVE FY 2016 STAFF RECOMMENDATION FOR ALLOCATION OF CDBG FUNDS, BASED ON THE SCORING MATRIX OF HIGHEST RATED AND RANKED PROJECTS UNTIL AVAILABLE FUNDING IS EXHAUSTED. MOTION CARRIED BY UNANIMOUS VOTE.

B. GRANTEE WORKSHOP

Mr. Gary Zabriskie explained that once the applicant is funded they must attend a Grantee Workshop in Salt Lake City to receive additional instructions for completing the grant application and administering the project. Applicants will be notified of funding and the requirement to attend the workshop.

VI. REVOLVING LOAN FUND (RLF) BOARD MEMBER RE-APPOINTMENT - RECOMMENDATION AND ACTION

Mr. Gary Zabriskie noted that one of the members of the RLF Administration Board membership has expired. Mr. Darren Duncan, State Bank of Southern Utah, has been an asset on this Board and he has indicated that he would like to serve an additional term. Funding for the RLF program was originally provided by the Economic Development Administration, CDBG program, and U.S. Department of Agriculture grants for lending to small businesses in the Five County area. The purpose of the program is to provide gap financing for startup businesses or business expansion to create and/or retain jobs. Loans are repaid by businesses, and funds are then available for lending to other businesses. The interest rate on these loans averages about 6% with terms of 5-7 years. Staff is recommending nomination for another two year term.

MOTION WAS MADE BY COMMISSIONER JIM MATSON, SECONDED BY MAYOR JERRY TAYLOR, TO NOMINATE DARREN DUNCAN TO SERVE AN ADDITIONAL TWO

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YEAR TERM ON THE REVOLVING LOAN FUND ADMINISTRATION BOARD. MOTION CARRIED BY UNANIMOUS VOTE.

VII. FIVE COUNTY COMMUNITY FOUNDATION UPDATE

Mr. Bryan Thiriot explained that the Five County Community Foundation is the nonprofit organization for Five County. The state of Utah pressed hard for the organization to obtain a charitable solicitation permit. The permit is now in place and the organization is now fully functional. Fees are due on an annual basis for this permit. The organization is now in compliance and ready to begin foundation board meetings. Commissioner Jim Matson explained that the nonprofit organization board of directors is the Finance Committee. It may be best to hold this meeting on a separate date from the Steering Committee and other board meetings. The nonprofit designation will assist various programs operated by Five County in solicitation of donations to meet match funding requirements. Ms. Carolyn White asked if the Beaver County Food Network could use this non-profit umbrella for solicitation of funding.

VIII. FIVE COUNTY NATURAL RESOURCE MANAGEMENT PLANING UPDATE

Mr. Bryan Thiriot explained that meetings with the proposed consultants were held earlier this month in Richfield. Four consultants have signed their contracts. Commissioner Matson reported that Dr. Long will be handling forestry, Dr. Smith is handling the range portion, Jim Rasmussen for minerals and Dr. Gill Miller for the economic and social section of the plans. All eleven counties in the Five County and Six County region are utilizing the same contractors. Commissioner Mike Dalton explained that the state of Utah passed legislation that each county in the state must develop a Resource Management Plan. Funding was provided by the state of Utah in the amount of \$50,000 per county and an additional \$50,000 per county is provided by the Permanent Community Impact Board (PCIFB). However, these funds cannot flow directly to counties because it affects their Payment-in-Lieu of Taxes that comes from the federal government. Funds from the PCIFB are being funneled through the AOG's. It was determined by the Five County AOG and Six County AOG that pooling their resources would be advantageous to counties in both regions. Mr. Gary Zabriskie pointed out that federal government regulations mandate that consideration of local land use plans be taken into consideration in their planning processes and decision making. The RMP development of scientific and factually based plans will increase input into the federal planning processes. An extension for completion of plans has been provided to run through May 2017. Mr. Bryan Thiriot indicated that the Community Impact Board has advanced \$125,00 to Five County in support of the plan development.

MOTION WAS MADE BY COMMISSIONER VICTOR IVERSON, SECONDED BY COMMISSIONER BRINKERHOFF, TO AUTHORIZE THE CHAIR'S SIGNATURE ON THE CONSULTANT CONTRACTS FOR THE COUNTY RESOURCE MANAGEMENT PLANS. MOTION CARRIED BY UNANIMOUS VOTE.

IX. TRANSPARANCY UTAH UPDATE

Ms. Allison McCoy reported that all of the required files have been uploaded to the state transparency website, with the exception of the 2014 payroll file that is almost complete. It has been a very time consuming process to compile all of the required data.

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X. LOCAL AFFAIRS

A. CORRESPONDENCE

Mr. Bryan Thiriot referenced correspondence in the meeting packet from the Kane County Land Use Authority in regard to the Bureau of Land Management's 2.0 rule making for resource management plans. The letter is very well written and provides a strong position regarding the proposed rulemaking. He read the concluding paragraph in the letter. Commissioner Jim Matson pointed out that PIGs are private interest groups.

B. OUT-OF-STATE TRAVEL

None.

C. CONGRESSIONAL UPDATES

Ms. Bette Arial, Senator Lee's Office, reported that Stephen Yardley of Beaver was appointed to the National Wild Horse and Borrow Advisory Board. Ms. Sally Jewell, U. S. Department of Interior, is traveling across the country conducting visits geared toward the designation of monuments. She read an excerpt from her letter to the group and noted that Ms. Jewell will be coming to Utah as part of this effort. Senator Lee is currently working on the Article 1 project to restore the balance that the founding fathers intended for our government. The three branches of government are in place to watch over each other. It was their intent that the congressional part of government would have the most power to legislate, tax, spend and oversee. Congress has allowed the Supreme Court and President to usurp more power than they should have. Approximately 90% of laws are now being made by bureaucrats and the President rather than coming through Congress. The congressional branch is responsible and accountable to the public as elected officials. Senator Lee is working hard to fix this, and he is gaining a lot of support in this effort. He is also actively involved in working with competition in the sale of contact lenses. Sometimes prescriptions are made for contact lenses that can only be filled at a specific location. This needs to be fixed to allow choice in where people would like to obtain the lenses. It is important to establish and maintain competition with businesses. The Deferred Action Preparedness of Americans and lawful permanent records is being used by the President to allow four million aliens living in the United States illegally to become citizens and obtain government benefits. This is much different from granting amnesty or working toward citizenship. Senator Lee is very concerned about this approach.

Ms. Arial noted that their local office has been receiving a large number of calls regarding the Flint, Michigan water situation. It was obvious that calls were from people out-of-state who were threatening to not vote for Senator Lee. He is holding a bill from progressing in Congress to provide a large amount of federal dollars to clean up the lead water problem. This is a manmade disaster created by the City of Flint, Michigan. The state has \$386 billion dollars in their state's rainy day fund and \$575 million held in surplus from 2015. The state has sufficient funds to take care of the problem. The Governor has not requested federal funds, but a special interest group is determined that the project will be federally funded.

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Ms. Courtney Brinkerhoff, Senator Hatch's Office, reported that their office is working on a number of things. The Senator is working on a bill titled Ban Trade Secrets Act which would protect companies such as Café Rio, Doterra, and other Utah based companies who had concern regarding their recipes being copied by other companies. The bill has been introduced in the Senate and has passed in the House Committee to address these issues. The bill will proceed to the House floor for a full vote. Senator Hatch is also working on a bill which would re-authorize the Federal Aviation Administration (FAA). He supported the reauthorization bill that passed in the Senate, but he also offered several amendments that were included in the final version. Those amendments were designed to help expand rural and mid-sized airports. It is important to have sufficient infrastructure to support growth. These airports will have access to TSA and FAA funds to increase security and infrastructure. The legislation also included a bill of rights for pilots and aviation students.

Mr. Adam Snow, Congressman Stewart's Office, reported that he has been touring cities in the Congressional district over the past few weeks. A commitment has been provided by Dan Ash to include language in the Prairie Dog recovery plan that will provide coordination and input from the state of Utah in case they lose in their appeal. An amendment in the House subcommittee that would have suspended funding for wild horse slaughter and inspection passed yesterday. However, Congressman Stewart has been able to secure commitments from some congressman to hopefully defeat this legislation as it is heard on the House floor. Staff is working with the state of Utah and local government in terms of grazing legislation. Mr. Snow stressed the importance of the November election and encouraged everyone to get out to vote.

Mr. Jake Hardman, Governor's Office of Economic Development, reported that Governor Herbert will be in Cedar City next Tuesday. The Utah Aerospace Pathways Program, which was started in northern Utah, will be expanding into southern Utah to work in conjunction with SyberJet Aircraft and Metalcraft Technologies. The program will work with high school students as well as the Advanced Technology Centers to encourage education and training in the metals manufacturing with an emphasis on aerospace. Governor Herbert and other state officials will be announcing the roll out of this program next week. The new Business Expansion and Retention (BEAR) contracts have been sent out and are due within the next few weeks. There have been some changes to this program to provide more flexibility for counties. Some funds have been put in place to provide for strategic planning. Funds are also available to assist with employee training that would assist in retention of businesses. Enterprise zone legislation passed during the recent legislative session. The main change was exclusion of non-profit organizations being eligible to receive funds.

Mr. David Busk, Department of Workforce Services (DWS), reported that the department is working to integrate the Office of Recovery Services into DWS. This transition will be effective July 1, 2016. There have been a lot of questions and concerns regarding this move and how it will work. The entire division will be brought over to DWS and will be left intact. DWS will provide oversight and will make decisions in terms of staffing, pay of employees, and policies as issues arise. He also reported that over the past four years staff has been developing data and

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establishing strategic plans regarding inter-generational poverty and trying to break this cycle. The data collection phase has been completed and there are approximately 10 counties that are high on the list as having children that are at risk to continue the cycle of inter-generational poverty. Staff will be reaching out to commissioners to develop a plan and roll out things that can be done as a community. Some of the numbers are a bit alarming. For example, Iron County has 47% of children between the ages of 0-17 that are at risk of continuing this cycle. This is based on four years of studying data and statistics. The definition of inter-generational poverty has been better defined. Children involved are typically exposed to adverse childhood experiences such as neglect, drug abuse, domestic violence, etc. There are some intact coalitions in place that are already doing things to address this and DWS will be partnering with these organizations moving forward.

D. SOUTHERN UTAH UNIVERSITY & DIXIE STATE UNIVERSITY UPDATES

Mr. Mike Olson, Dixie State University, provided a copy of the spring edition of their magazine. There is a lot of good information about newly hired employees at DSU. Last year there were 31 graduates in secondary education. Of these graduates, 16 have accepted positions in Iron, Kane or Washington school districts. There will be 22 graduates in education and secondary education in May. Seven majored in biology, four in English, four in math, one in art, three in music and two in social science. Since 2012 there have been numerous questions about the mascot and need for change. The University will be known as Dixie State Trailblazers, with bison being the mascot.

E. AREAWIDE CLEARINGHOUSE REVIEWS

Mr. Gary Zabriskie referenced the one A-95 review included in the packet from the Utah State Trust Lands Administration. This sale parcel is located in Garfield County and supports additional Prairie Dog habitat. Commissioner Dell LeFevre indicated that his understanding is that the conservation district would acquire the land and turn it over to Garfield County for management.

MOTION WAS MADE BY COMMISSIONER JIM MATSON, SECONDED BY COMMISSIONER DELL LEFEVRE, TO APPROVE STAFF RECOMMENDATION OF THIS ACTION CONTINGENT UPON LAND BEING DEEDED TO GARFIELD COUNTY. MOTION CARRIED BY UNANIMOUS VOTE.

F. OTHER BUSINESS

The next meeting is scheduled for June 8, 2016 in Kanab, Utah.

Being no further business, the meeting adjourned at 3:30 p.m.