

MINUTES

EXECUTIVE COMMITTEE MEETING

April 17, 2013

Parowan, Utah

MEMBERS IN ATTENDANCE

Commissioner Jim Matson, Chair
Commissioner Clare Ramsay
Commissioner Mike Dalton
Commissioner Denny Drake

REPRESENTING

Kane County Commissioner Representative
Garfield County Commissioner Representative
Beaver County Commissioner Representative
Washington Co. Commissioner Representative

OTHERS IN ATTENDANCE

Kenneth Sizemore
Diane Lamoreaux

Five County Association of Governments
Five County Association of Governments

MEMBERS EXCUSED

Commissioner Dale Brinkerhoff

Iron County Commissioner Representative

I. MINUTES FEBRUARY 13, 2013 REVIEW AND APPROVAL

Commissioner Jim Matson, Chair, called the meeting to order and welcomed those in attendance. It was noted that a quorum was present for the conduct of business. Chairman Matson entertained a motion to approve minutes of the February 13, 2013 Executive Committee meeting. Ms. Diane Lamoreaux pointed out one correction to the minutes which should have read.... to approve minutes of the January 9, 2013 meeting as presented.

MOTION WAS MADE BY COMMISSIONER CLARE RAMSAY TO APPROVE THE MINUTES OF THE FEBRUARY 13, 2013 MEETING AS CORRECTED. MOTION WAS SECONDED BY COMMISSIONER MIKE DALTON AND CARRIED BY UNANIMOUS VOTE.

II. FINANCIAL

A. COUNTY PARTICIPATION

Mr. Ken Sizemore presented background information a copy of minutes from a 2009 Executive Committee meeting regarding the annual match funding provided by each of the counties. He noted that the reserve fund has been shrinking over the past seven or more years because it has been some time since the county match amount has been adjusted. The last increase to county match amount was made in 1996 when it was raised from \$10,000 to \$15,000. The organization has operated under an equal contribution from each of the five counties. It has been difficult over the past few years to propose an increase in match funds because of the recessionary impacts felt by each of the counties. This appears to be an opportune time to have this discussion prior to the new Executive Director assuming his role with the organization. A number of alternative are available which would

include: 1) Leave the match amount at \$15,000 and staff will need to adjust budgets to accommodate this amount; 2) Consider whether equal county contributions are appropriate; 3) Consider making an adjustment to the county match amount based on the consumer price index to an approximate amount of \$23,000. Mr. Sizemore provided an explanation for the use of these match funds. The majority of the funds are utilized to match the U.S. Department of Commerce, Economic Development Administration, planning grant. Match funding is also provided for other programs such as the Community Services Block Grant program, mobility management contract, the Coordinated Human Services planning grant, and a larger portion is going to administrative overhead. Approximately \$40,000 each year is used to help fund administrative positions including the Executive Director, Chief Financial Officer, Human Resource Director and ½ of the cost for the front desk receptionist. Additional funding for the administrative positions is derived through the Indirect Cost Allocation plan. A portion of the match funds received from the counties is placed into the reserve account which is used to provide cash flow. The Association of Governments does not have a general account and runs on a reimbursement for services basis. This reserve account has been eroding over the past seven years from \$230,000 to \$140,000. This has occurred because of the increases in federal grant match requirements and other increases into administrative costs. The new CFO has moved the majority of cost centers to monthly reimbursements rather than the quarterly billings that were utilized in the past. Over the past, increases in the county match have occurred in \$5,000 increments. This committee is tasked to determine what, if any, increase would be equitable.

Mr. Sizemore explained that a number of cities throughout the Five County region provide match funding to participate in the Metropolitan Planning Organization, Rural Transportation Organizations, planning services, etc.

Commissioner Mike Dalton mentioned that it is not unthinkable to increase the county match amount because it has been a number of years since there has been any change. His feeling is that it is important that each county pays an equal match as has been the case in the past to remain on equal footing. Commissioner Jim Matson stated that any increase would need to take place in January 2014 because the county budgets are already set. Mr. Sizemore confirmed that invoices to counties would be sent out after the beginning of the county fiscal year in January 2014. Commissioner Mike Dalton explained that county commissioners have had a discussion about providing an additional contribution amount to be set aside for public lands issues. He suggested that commissioners present the proposal to increase county match to \$20,000 and also to provide an additional \$3,000 for public lands issues.

Committee members indicated that it will be interesting to see what impact sequestering will have on the AOG budgets. The elimination of some programs may or may not impact the amount of funds that would be required for match. Mr. Sizemore explained that the EDA Planning Grant will decrease 10% as a result of sequestering. Staff is indicating that volunteer services programs may see a 5% decrease in funding. Many other programs operated at the Association of Governments could potentially be impacted by the federal sequestration. Across the board cuts in government programs are a concern. Commissioner Matson also mentioned that it will be difficult to determine what type of increases could be made available to employees in terms of their salaries and fringe benefits. Mr. Sizemore indicated that it is his intent to present a draft budget to the Executive Committee

in May that would reflect any increases in salaries and fringe benefits for FY 2014 that the AOG could afford to provide. Mr. Sizemore mentioned that he assumes that the funding provided for public lands could be utilized to pay a portion of Bryan's salary to engage in this function. This is fortunate because Bryan Thiriot has a lot of expertise in this area. Committee members indicated in further discussion regarding the public lands funding that the \$15,000 set aside for public lands issues would not be available to pay the salary of the Executive Director or other staff. The funds need to be held in reserve to be utilized as needed to fund public lands efforts. It is the intent of the Executive Committee that a line item be established in the Administrative budget cost center where these funds would be held in reserve.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER MIKE DALTON, THAT THE EXECUTIVE COMMITTEE APPROVE IN THEORY INCREASING THE COUNTY MATCH CONTRIBUTION TO \$23,000; OF WHICH \$20,000 WOULD BE USED FOR MATCH AND \$3,000 SET ASIDE TO ADDRESS PUBLIC LANDS ISSUES, EFFECTIVE JANUARY 2014. EACH COUNTY COMMISSION WOULD NEED TO APPROVE THIS INCREASE PRIOR TO FORMAL EXECUTIVE COMMITTEE APPROVAL AND RATIFICATION OF THE STEERING COMMITTEE IN MAY. MOTION CARRIED.

Commissioner Matson indicated that he would meet with Commissioner Dale Brinkerhoff to explain the discussion and decision regarding the proposed increase in county match to the Association of Governments.

III. PERSONNEL POLICIES AND PROCEDURES

Mr. Ken Sizemore provided draft copies of the Five County AOG Personnel Policies and Procedures, Emergency Management and Agency Continuity Plan, and Purchasing Policy to Board members for review and comment. The intent is to have the Executive Committee review and approve the abovementioned policies during the May Executive Committee meeting. Copies of the documents will be presented to the Steering Committee in May for review and comment. Ratification would occur during the June 2013 meeting. It was noted that approximately 98% of the document consists of the same language contained in the current Personnel Policies and Procedures. The major revisions are to include amendments that have been made over the past few years. Executive Committee members are encouraged to review the three documents and provide comments for incorporation into the final versions prior to adoption. It is also intended that the Utah Local Governments Trust will have the opportunity to review the draft document. The Personnel Policies and Procedures are typically looked at in depth by state monitoring agencies.

Commissioner Denny Drake asked if the Affordable Health Care Act changes were incorporated into the document. The health care act will impact coverage of part-time employees who work 30 hours or more a week. The counties are also faced with this challenge and making sure that hours worked by part-time employees are below 29 hours per week. The organization will need to be careful to not supply benefits to part-time employees.

Other discussion centered around the use of a revolving line of credit to lessen cash flow situations. Mr. Sizemore explained that this an option that has been taken into consideration, but to date this has not been enacted. He noted that John Williams was extremely conservative during his tenure and did not wanted to utilize this option. Members also questioned whether Scott Leavitt would be able to run the finances in Ken's absence. Mr. Sizemore indicated that he has not had a hands-on approach with the budget as John did in the past. Scott Leavitt and Jo Seegmiller monitor and reconcile all accounts. Scott has been successful in moving accounting processes to a digital spreadsheet format. Utilizing this approach has saved a tremendous amount of time which has resulted in faster billing to applicable agencies.

Board members expressed their desire to be more closely involved in the financial operations as well as staff meetings. Mr. Sizemore explained that staff meetings are scheduled for the 4th Monday of each month. It was determined that a schedule of staff meetings should be provided to Executive Committee members. As schedules permit, commissioners will attend some of the upcoming meetings. It was also noted that participation via conference call is available as an alternate means of participating.

IV. NOT FOR PROFIT ORGANIZATION DISCUSSION

Mr. Ken Sizemore provided an update in regard to establishing a not for profit organization. There have been previous discussions about the need to establish a non-profit arm of the Five County Association of Governments. Most of the other AOG's have determined it to be in their best interest to create a non-profit, mainly for administration of their Revolving Loan Fund programs. There are several good reasons to consider establishment of a non-profit organization including: 1) Transit housing project in Washington County to accept donations; 2) Community Development Block Grant funds utilized for the Revolving Loan Fund program to cut federal ties in terms of monitoring and tracking; 3) Public lands issues. Establishment of a 501c3 organization would provide a means to pursue foundation funding to support the abovementioned efforts. Commissioner Jim Matson reported that the American Lands Council is in the process of forming a non-profit 501c3 organization.

Mr. Sizemore provided a handout containing the bylaws of the Color Country Resource Conservation and Development Council. It was noted that Commissioner Matson has served as chair for this non-profit organization for some time. There is currently about \$60,000 in the bank account that would be available for use as seed money. All previous obligations of the organization have been paid out. The organization does not actively meet but the basic structure has been kept in place to accept pass through funding. The use of a non-profit organization increases the types of funding available to the AOG. Commissioner Drake asked about grant writers and how other counties approach this effort. Washington County hires individuals to provide this service as needed. Other counties indicated that they did not have staff on board that were trained in grant writing. Commissioner Mike Dalton asked about the structure of the RC&D non-profit which includes mayors but not school district members. Mr. Sizemore indicated that school districts were not included in the structure because they typically have their own foundation and because the focus was on natural resource conservation. Commissioner Matson indicated that the 501c3 could be operated on a parallel track to the Five County Association of Governments. Moving this organization from a dormant role to an active role would provide additional opportunities to generate additional funding for programs operated

by the Five County AOG. Staff members could engage in grant writing that would compliment whatever direction Board members would like to pursue. It was pointed out that the Color Country RC&D utilized paid staff members with funding provided by the U.S. Department of Agriculture (USDA). The initial work would need to begin with a part-time person that would actively pursue grant writing. Commissioner Denny Drake explained that this could in no way place a burden on counties in terms of requiring any additional funding to support the effort. It would be important for the 501c3 to be self-sustaining. It was the consensus of the group to move this organization into active status with the understanding that it cannot bring additional costs to the counties.

Mr. Ken Sizemore reported that an additional Executive Committee meeting will be scheduled for May 8, 2013 to primarily discuss the fringe benefit package for AOG employees for the 2014 fiscal year beginning July 1, 2013. Staff will craft and present a draft budget that will include benefits that the budget can support for consideration of the Executive Committee. The insurance broker has indicated that the increase in insurance costs will be 6.4%. This number started at 12% and the broker was able to bring down costs to the lesser amount. The Association of Governments has 42 full-time and 18 part-time employees. The majority of the part-time employees work in the HEAT program. It was noted that the employment window for these seasonal employees is a scary dynamic under the Affordable Health Care Act. If hours can be considered on a quarterly basis, then benefits may not be required. Additional discussion ensued regarding self insurance and other requirements that will be initiated under the Affordable Health Care Act.

Chairman Matson indicated that action to hire Bryan Thiriot effective May 1, 2013 should be presented to the Steering Committee for ratification. Mr. Sizemore indicated that he has had a conversation with Bryan and is preparing an orientation guide outlining programs and procedures for his use. Instructions have been provided by Commissioner Matson indicating that Ken will be on board for the first two weeks to assist with Bryan's transition. Chairman Matson mentioned that Board members will be actively involved to assist Bryan through the orientation period.

MOTION WAS MADE BY COMMISSIONER CLARE RAMSAY, SECONDED BY COMMISSIONER DENNY DRAKE, TO RECOMMEND TO THE STEERING COMMITTEE THE HIRING OF BRYAN THIRIOT AS THE NEW EXECUTIVE DIRECTOR, TO BE EFFECTIVE MAY 1, 2013. MOTION CARRIED.

Chairman Matson complimented Ken for his poise and dedication to the organization over the years and wished him well in his future endeavors.

Mr. Sizemore indicated that one item that will be on the May Executive Committee agenda will be his exit interview, and noted that the discussion today will assist staff in crafting a draft budget for the May meeting. He mentioned that in the 27 years at the Association of Governments he never lost sight of the beautiful landscapes of the area and feels that his work has made a big difference in the direction of the organization. Short term retirement plans include purchasing a summer home in Cache County.

Being no further business, the meeting adjourned at 11:35 a.m.