MINUTES

EXECUTIVE COMMITTEE MEETING
May 8, 2013
Panguitch, Utah

MEMBERS IN ATTENDANCE	REPRESENTING
Commissioner Jim Matson, Chair	Kane County Commissioner Representative
Commissioner Mike Dalton	Beaver County Commissioner Representative
Commissioner Clare Ramsay	Garfield County Commissioner Representative
Commissioner Dale Brinkerhoff	Iron County Commissioner Representative
Commissioner Denny Drake	Washington Co. Commissioner Representative

OTHERS IN ATTENDANCE	
Bryan Thiriot	Five County Association of Governments
Kenneth Sizemore	Five County Association of Governments
Scott Leavitt	Five County Association of Governments
Diane Lamoreaux	Five County Association of Governments

I. MINUTES APRIL 17, 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 April 17, 2013 Executive Committee meeting. Two grammatical corrections were provided for inclusion.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE TO APPROVE THE MINUTES OF THE APRIL 17, 2013 MEETING, INCLUDING GRAMMATICAL CORRECTIONS AS PRESENTED. MOTION WAS SECONDED BY COMMISSIONER CLARE RAMSAY AND CARRIED BY UNANIMOUS VOTE.

II. HB 164 IMPLICATIONS AND DISCUSSION

Commissioner Jim Matson indicated that an enrolled copy of HB 164 was included in the meeting packet. This agenda item is intended to share information regarding this legislation and the wildlands fire process that will be undertaken by the State Division of Forestry, Fire and State Lands. Leonard Blackham, Commissioner of Agriculture, has convened a working group to formulate a process to deal with fire risk throughout the state. A handout was provided to committee members including a map of the Utah Association of Government regions, Utah Forest Service boundaries, BLM field office districts, Private lands in Utah, and an ownership map which depicts how counties and the state of Utah would appear if they were condensed to only include privately owned land. It was noted that Region six on the map is the same footprint as the Five County Association of Governments region. Ron Wilson, State Division of Forestry, Fire and State Lands, is tasked to organize a process for this region. The concept of HB 164 was initiated because the state legislators have the same concerns about public lands and the ongoing conditions that create greater fire risk throughout the state. Chairman Matson read language from the HB 164 on page 8, line 77 through 101, regarding local jurisdictions in relation to federal land management and actions that will be made available as leverage to local entities. This

language mimics actions that were taken in Apache County in Arizona to designate areas that needed to be cleared in terms of fire risk. He announced that Kane County will begin this process in the near future and has engaged the assistance of specialists to assist in this effort. The county will develop an assessment inventory on Cedar Mountain to assess the situation and model the risk for fire, drought, etc. Forest Service data will be utilized where available and new data will be generated for information that is not readily available. Kane County is attempting to get on top of risk factors for fire by providing notification to the Forest Service of steps and actions that need to be occurring. Under HB 164, Kane County would have the authority to mitigate areas identified in the assessment if there was no response from the Forest Service. Commissioner Denny Drake suggested that the mitigation steps outlined should be "less than specific" to mimic federal land management plans. He also noted that Washington County has hired a former BLM employee to undertake the same process to address Forest Service and BLM lands in Washington County in terms of cheat grass problems throughout the county. It was also noted that the Forest Service has indicated that they do not have funds available for mitigating problem areas. Commissioner Jim Matson explained that if a fire starts on private land then the private property owner assumes the responsibility of fire costs. This legislation provides a mechanism for notifying federal land management agencies and placing the liability of fire on those agencies once areas have been outlined in the assessment.

Commissioner Mike Dalton indicated that Congressman Rob Bishop has introduced similar legislation at the federal level. Commissioner Dale Brinkerhoff acknowledged that mitigation is a good thing, but oftentimes the land management agency has had plenty of opportunity to extinguish fires well before the fires got out of hand. Committee members shared various examples of fires that could have been controlled at numerous points but were allowed to burn for extended periods of time prior to being declared out of control. This has occurred numerous times with controlled burn situations. Commissioner Denny Drake indicated that this legislation provides the opportunity for counties and local entities to get into the front end of problems by requesting mitigation for particular areas. He reported that Washington County submitted an application to the BLM for the Great Northern Corridor through the Desert Tortoise preserve. However, this request was denied by the BLM. This action provides grounds for Washington County to appeal the BLM decision because it does not address language that was included in the Washington County Lands Bill. This changes the posture of the county from reaction to action. Further discussion among the group resulted in the recommendation that each county work on these issues separately because each county is unique and has differing issues. It was suggested that counties utilize staff at the Utah Association of Counties, including their attorneys. It was also the consensus of the group that coordination, cooperation and information sharing between counties will assist in developing solutions. The Executive Committee is a good forum for this discussion among counties. It was suggested it would be appropriate for Bryan Thiriot to assist in monitoring this situation going forward.

III. MUTUAL SELF-HELP PROGRAM DISCUSSION

Mr. Ken Sizemore referenced information provided on pages 10-11 of the packet containing an explanation of the Mutual Self-Help (MSH) program provided through USDA/Rural Development. The purpose of this program is to create quality affordable housing opportunities to strengthen and enhance communities. The program also provides households with the skills to become self-sufficient. Color Country Community Housing,

Inc. (CCCHI) has worked with USDA Rural Development in the past as the agency designated to work with the Mutual Self-Help program. It appears that CCCHI will likely cease operations. Current projects have been farmed out to other agencies, with the exception of the MSH program. Under the MSH program, owners band together to build a group of homes providing 32 hours of labor each week. This program has been very productive to provide affordable housing throughout the Five County region. It was reported that USDA would like an agency to assume operation of the program in this region. Commissioner Denny Drake asked about Habitat for Humanity of Washington County taking on this task. Mr. Sizemore explained that the Habitat for Humanity board has explored this option but their mission is very specific and includes only Washington County. The non-profit may be able to take on projects in Washington County but could not work in the other four counties. In addition, the Habitat for Humanity Board is not excited about expanding beyond their mission. At this point, USDA has not made a formal request for the Five County AOG to assume administration of this program. It was pointed out that Scott Leavitt administers the HOME program for Five County, which includes working closely with USDA Rural Development as well as state agencies. Staff capacity is in place at the AOG level to administer this program should USDA representatives make such a request. Staff is asking whether this is something that the Executive Committee would like to pursue.

Scott Leavitt provided some clarification regarding the differences between the HOME program and MSH program. He indicated that it would not be a stretch for Five County to take on this program. It was noted that three MSH homes in Enoch are currently under construction. Because owners are required to provide a certain amount of sweat equity in building the homes, it allows them to better understand home ownership and the importance of ongoing maintenance. He also indicated that other AOG's administer MSH programs. Commissioner Denny Drake pointed out that CCCHI administered projects throughout the Five County region as well as in Mesquite Nevada and Arizona. Some of the projects were very successful, but others proved to be bad investments. The Springdale project has experienced many setbacks and has not been a good project overall. Scott Leavitt explained that all current projects of CCCHI will be completed by that organization. Five County would not assume ownership of any of these projects. It is possible that USDA will offer technical assistance grants to pay for project management of MSH projects. It is also under review whether USDA can utilize subgrantees. Board members indicated that USDA Rural Development would have to approach Five County with a request to administer the MSH program. It is proposed that Five County AOG staff would provide intake to match people to funding from USDA Rural Development. USDA applies for a loan under this program and then contracts with an agency to manage the project. USDA approves, closes and services all client loans utilizing two pools of funding, the 504 guaranteed and 502 direct loans. USDA provides $25,000 through a contract with an agency to provide administrative oversight of each home. Construction costs are paid through the USDA home loan.

Bryan Thiriot asked if Five County would assume liability for CCCHI projects. Scott Leavitt responded that there would be no liability placed on Five County for any of the CCCHI projects. Committee members expressed concern in the event that administrative fees were to exceed the $25,000 contract amount and whether funds would be paid up front for these services. Members also questioned how the program would be advertised to the public. It was suggested that additional information regarding this program be provided prior to any decision. Another concern deals with the possibility of hiring additional staff to

manage these projects. Mr. Sizemore explained that the Weatherization crew is well suited to provide onsite management of projects. A general contractor license has been received by the Weatherization program and staff is in place that understands construction. This would require re-direction of staff duties to accommodate this program. Doug Carlson is capable of managing staff to accomplish this task. Commissioner Denny Drake commented that this seems like it would bring additional burden to AOG staff. USDA would need to bring a request forward to the AOG for consideration. It was also noted that depending on the number of homes each year, there may be a need for some additional staff. Committee members were in consensus that additional information and a formal request from USDA would be required prior to making a decision on this program.

IV. NON-PROFIT PROJECTS DISCUSSION

Mr. Ken Sizemore briefly reviewed previous conversation in terms of activating the Color Country Resource and Development Council 501c3 and operating the organization parallel to Five County. He reviewed projects that could be coming down the pike through this non-profit organization as follows: **1) Broadband--** Each AOG has been invited by the state of Utah to prepare a broadband plan. A contract in the amount of $20,000 would be initiated with each AOG to provide outreach in their respective region. The statewide broadband plan will assess what is out there, gaps, and what needs to be done to fill these gaps. It is proposed that AOG staff provide outreach to communities as well as conduct six meetings throughout the region to discuss the effort with citizens. It is possible that the non-profit organization could provide coordination efforts between the seven regions around the state; **2) Rural Economic Development Outreach--** Governor Herbert is preparing to update the three year old State of Utah Economic Development Plan. This may include coordination of the statewide Comprehensive Economic Development Strategy (CEDS). A contract of this nature would fit into the scope of the non-profit organization; **3) Grazing--** Issues with grazing on the Grand Staircase Escalante National Monument in Garfield and Kane counties is gearing up. There is an effort to establish a roundtable group of elected officials, grazing permittees, environmental groups, etc. to set a slate of principles for a grazing EIS. It is possible that a contract may be available to facilitate this roundtable process. The BLM office of alternative dispute and conflict resolution will determine a group of entities that could be facilitators; and **4) RLF Program--** There is potential for an additional pool of funding that could be made available to qualified businesses that do not have access to capital above what is offered through the traditional RLF programs. This would be a separate loan pool funded with private money. It is possible that administration of this program would be a good fit with the non-profit organization.

Ms. Sizemore entertained committee member concerns and/or suggestions regarding any of the projects outlined above. Commissioner Dale Brinkerhoff expressed some concerns regarding the broadband project and noted that it relates more to communities and counties and work on a project of this type should be coordinated at a county/city level. Mr. Sizemore explained that the state of Utah recognizes the importance of broadband in terms of economic development and the need for compatibility and the same level of service across the state. He noted that the AOG has a contract in place with the state of Utah to provide coordination as well as to conduct meetings throughout the region. Further discussion centered around how the 501c3 organization will be operated parallel to Five County, establishment of a new board, staffing, etc. Commissioner Jim Matson mentioned that the Color Country RC&D 501c3 organization has been kept in a holding pattern over

the past several years. Staff working with the non-profit organization would report to the non-profit board. Reactivation of this 501c3 would require convening a newly reconfigured board and outlining a specific mission. Once the basic structure is in place, that board would determine where to go in terms of projects that would be undertaken. The intent today is to lay out projects that may be a possibility. There is approximately $60,000 in the bank account that can be utilized as seed money. He noted that the 501c3 has been utilized by Kane County to bring in funds to the Care & Share because the funds had to be funneled through a non-profit organization. Use of a non-profit organization provides additional grant opportunities for various types of projects.

Mr. Ken Sizemore outlined the typical meeting schedule for the Executive Committee as follows: **1) February--** Review mid-year budget revisions; **2) April--** Financial items to set fringe benefit package for employees and approve Indirect Cost Allocation Plan; **3) June--** Provide final budget revisions and review of the new FY budget; **4) July--** As needed basis to consider actions; and **5) December--** As needed basis. Committee members suggested that during the transition it would be a good idea to meet on a more frequent basis. It was also noted that all new programs should be vetted through Executive Committee prior to a recommendation to the Steering Committee.

V. FINANCIAL

A. FRINGE BENEFIT PACKAGE

Mr. Ken Sizemore provided a handout outlining a comparison of fringe benefits between each of the five counties and the Association of Governments. The fringe benefit package includes the following: 1) State Retirement; 2) 401k; 3) Medical/Dental/Vision including the 2013 percentage increase; 4) Paid Holidays; 5) Annual Leave, including carry over; 6) Sick Leave, including carry over; 7) Sick Leave Conversion; 8) Merit increases; 9) Term Life/Group Life; and 10) 2013 Cost of Living Increase. Staff is recommending a 2% cost of living increase for AOG staff and leaving the remaining fringe benefits in place with no change.

A second handout was provided outlining costs for Select/Health under current coverage, option 1 (8% increase) and option 2 (6.4% increase). The handout was missing information on option 2. The insurance broker has been successful in negotiating the increase in health insurance premium from 12% down to a 6.4% increase in the premium. Information outlined in light green depicts the change in co-pays to doctors, specialists, urgent care, prescription drugs, and emergency room visits for AOG employees. Committee members asked where the additional monies would come from to cover increased costs. Scott Leavitt explained that many contract amounts have increased but staff has been successful in keeping administrative costs flat. This provides some monies that are available to cover these increases. Committee members expressed concern that recipients of the many programs provided by the Association of Governments should not experience a cut in services. Mr. Leavitt assured members that monies are available to cover salaries and fringe benefits without having a reduction in services to recipients.

Discussion ensued regarding the 2% cost of living increase and how it should be calculated to be fair for all employees. Commissioner Denny Drake pointed out that all employees experienced a 2% cut in pay because of the increase to the Social Security tax. Commissioner Clare Ramsay commented that an across-the-board 2% increase to employees is not fair and it creates disparity. It would be better to determine a flat amount for all employees to receive. Mr. Sizemore provided some background regarding the employee co-pay amount of $100.00 toward the insurance premium cost that was enacted last year for Five County. Commissioner Mike Dalton explained that Beaver County required their employees to share in the increased cost of health insurance premiums this year. Scott Leavitt indicated that employees pay a $1,000 deductible and a maximum $3,000 out-of-pocket per person. Staff is in favor of exploring use of Health Savings Accounts (HSA) in the future. Committee members instructed staff to return to the broker to explore the use of HSA's and to explore other options to lower the premium costs. This will need to be accomplished prior to open enrollment that is scheduled for the end of May. It was suggested that an electronic meeting and e-mail notification could be utilized to scheduled a meeting to discuss the health insurance benefits.

B. COST OF LIVING ADJUSTMENT FY 2014

After considerable discussion, the Executive Committee reached consensus to recommended a 2% cost of living adjustment for Five County employees. The increase is to be determined using the total salaries dollar amount divided by the number of employees to determine a flat rate that will be paid to each employee.

C. INDIRECT COST ALLOCATION PLAN FY 2014

Copies of the FY 2014 indirect cost allocation plan were provided for review and discussion. Mr. Sizemore explained how the figures were obtained to determine the percentage that would be charged to all cost centers to cover administrative costs. Each year the percentage varies between 10 to 13 percent. The rate calculated for FY 2014 is 12.0%. Committee members were in consensus to recommend the indirect cost allocation plan to the Steering Committee for approval.

Commissioner Mike Dalton mentioned that in meetings with county commissioners to discuss an increase in the match contribution to the AOG, it has been suggested that this be deferred for one year. This will provide an opportunity for Bryan Thiriot to examine budgets and possibly consider some cost-saving measures. It was the committee consensus to defer this discussion and address a possible increase next year.

VI. EXECUTIVE DIRECTOR EXIT INTERVIEW

Executive Committee members asked that the meeting adjourn to conduct the Executive Director exit interview in a more private setting.

Being no further business, the meeting adjourned at 11:45 a.m.