

MINUTES

EXECUTIVE COMMITTEE MEETING

June 12, 2013

Kanab, Utah

MEMBERS IN ATTENDANCE

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

REPRESENTING

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

OTHERS IN ATTENDANCE

Bryan Thiriot
Scott Leavitt
Gary Zabriskie
Carol Hollowell
Diane Lamoreaux
Dave Conine
Janice Kocher
Jason Justice

Five County Association of Governments
USDA Rural Development
USDA Rural Development
USDA Rural Development

I. WELCOME AND CALL TO ORDER

Commissioner Jim Matson, Chair, called the meeting to order and welcomed those in attendance.

II. MINUTES MAY 8, 2013 & MAY 31, 2013 REVIEW AND APPROVAL

It was noted that a quorum was present for the conduct of business. Chairman Matson entertained a motion to approve minutes of the May 8, and May 31, 2013 Executive Committee meetings.

MOTION WAS MADE BY COMMISSIONER CLARE RAMSAY TO APPROVE MINUTES OF THE MAY 8, 2013 & MAY 31, 2013 MEETINGS AS PRESENTED. MOTION WAS SECONDED BY COMMISSIONER DENNY DRAKE AND CARRIED BY UNANIMOUS VOTE.

III. & IV. FY 2013 BUDGET REVISIONS AND FY 2014 BUDGET DISCUSSION

Commissioner Jim Matson indicated that Scott Leavitt was en route and expected to arrive shortly. He indicated that these items would be covered later in the meeting.

V. USDA RURAL DEVELOPMENT SELF-HELP PROGRAM DISCUSSION

Ms. Janice Kocher and Mr. Jason Justice were in attendance to present information regarding the self-help program administered by USDA Rural Development. A handout was provided outlining the program and pertinent information directly related to work in the Five

County area under the direction of Color Country Community Housing, Inc. (CCCHI) since that partnership was established in 2001. It was noted that this is an important program that provides assistance to low income individuals to construct their homes. Clients are required to provide 65% of the labor associated with building their home. This provides a lot of skill building and a working relationship between families as each group works to complete their homes. In the past, USDA contracted with CCCHI for technical assistance to construct 22 homes in the Five County region. A contract totaling approximately \$25,000 is provided for each home. Under the current contract with CCCHI, nine homes are currently under construction, four more families are waiting to begin construction, leaving 9 homes remaining in the current grant that need to be completed. The original grant which was signed on 9/7/12 is typically awarded for a two-year contract term which would expire in September 2014. However, an extension to this time frame could be requested. A balance of \$274,780 in remaining funds is available to support construction of the 11 homes. Roles and responsibilities of the grantee include the following: 1) Recruit applicants; 2) Preliminary review of applicant eligibility; 3) Conduct applicant meetings to explain the MSH program; 4) Assist in acquisition and development of building sites; 5) Selecting and developing affordable house plans; 6) Obtaining cost estimates for construction materials and any required contracting; 7) Provide construction supervision and training to applicants during the construction process; and 8) Maintain the construction accounts for each applicant. A construction supervisor is on-site to teach and direct groups of 4-6 households during all phases of construction on the homes. This is required because there is no general contractor associated with the construction. Each family is required to provide 30-35 hours each week working on the home construction. Each participant generally has a number of family members, volunteers, and friends that assist with providing the required number of construction hours each week.

USDA staff members outlined the successes of the Mutual Self-Help Program in the Five County area as follows: 1) Seven MSH grants have been previously awarded in the area; 2) Over 100 homes have been built by low and very low-income households; 3) The program has provided an economic boost to local businesses including sub-contractors and suppliers; 4) Helped to meet the growing need of affordable housing; and 5) Participants have been taught skills as well as increased confidence and ability.

Commissioners asked about all equipment and tools that are currently in the possession of CCCHI and whether these would transfer as part of the program. Carol Hollowell indicated that all of these items would be transferred as part of the grant to Five County. She also explained that Five County will be required to make application with USDA to continue the MSH program in the area. It is also hoped that the two construction supervisors working for CCCHI would work on contract for Five County. Tracy Dutson will work to transfer all of the multi-family housing operated by CCCHI to other non-profit organizations and/or agencies. It was noted that USDA provides direct loans to applicants that are fixed rate 30-year loans. Ms. Janice Kocher indicated that USDA does not want to suspend the program or lose any of the momentum that is currently in place. The transfer to Five County needs to proceed immediately in order to complete the required number of homes in a timely manner. She also noted that there are three other Associations of Governments that partner with USDA to operate the MSH program. It was also indicated that Five County will not assume any liability of CCCHI associated with this program. The contract with Five County will be for technical assistance and on-site construction management. There are currently four applications in process that are waiting

to build on property in Ivins where CCCHI has some lots adjacent to other units that have been constructed. Ms. Hollowell explained that because Five County has an internal control system already in place, it should be an easy transition to operate this program. Utilizing current CCCHI employees on a contract basis will provide familiarity with the process and oversight requirements of the program. Funds provided for this program can be used anywhere in the Five County area. Staff is proposing that Scott Leavitt would be a good fit for this program because of his familiarity in administering the HOME program at Five County and his role as the Chief Financial Officer. Commissioners expressed some concern regarding the liability of Five County should a home be constructed with inferior building materials and/or techniques. It was explained that each county is governed under a building code and inspectors are on site to examine work completed on the homes. All building permits require engineering plans as well. Commissioner Dale Brinkerhoff indicated that the downside of the program is having the ability to construct homes in Beaver, Garfield and Kane counties and the difficulty of finding a suitable number of applicants in each of these areas. USDA staff suggested that a public open house could be conducted in each of the counties to provide information to residents regarding the program as well as to generate interest. Commissioner Jim Matson indicated that a business plan should be in place prior to making a decision on accepting the program. It was noted that the group would need to examine the profit and loss statements for CCCHI before committing to take on this program. The group also expressed concern with adding additional employees to Five County. Being able to contract for the direct on-site supervision makes the program much more appealing. Ms. Hollowell indicated that she would provide copies of the P&L statements for review over the lunch hour. Scott Leavitt estimated that the program would require approximately 15% of his time for applicant intake, financial monitoring and drawing down funds. Further discussion will continue over during the lunch hour.

Dave Conine, USDA State Director, reported that several of the other AOGs operate the MSH program. The addition of this program allows agencies to expand into other areas related to housing programs. The program also provides a great benefit to participants to develop skills and confidence under a fair amount of pressure. A substantial amount of funding stimulates the local economy through contracts for items such as HVAC, concrete, excavation, etc. A flyer was provided that includes contact information of USDA housing staff members. Mr. Conine reviewed various other programs provided by USDA that benefit rural Utah. Copies of the USDA annual report are available online or by contacting their office directly.

VI. OPTIONS COUNSELING PROGRAM DISCUSSION

Mr. Brian Thiriot referenced an e-mail contained in the packet from Ms. Carrie Schonlaw indicating that the state of Utah has offered funding to the Five County AOG to establish this pilot program. Start-up funding in the amount of \$5,000 is available as well as \$10,000 for a ½ time employee. The program would provide one-on-one planning to meet the long-term care needs. This is very similar to what is already in place as part of the information and assistance services. The associated work load to help clients understand all of their options can be absorbed by existing case management staff. Commissioners questioned the VA grant reference as well as the amount of funding that the state would provide. Another concern was adding a program that could eventually require additional funding from the Association of Governments budget.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER DALE BRINKERHOFF, INSTRUCTING STAFF TO PROVIDE SPECIFIC DETAILS REGARDING THIS PROGRAM PRIOR TO ANY DECISION OF ACCEPTANCE. MOTION CARRIED BY UNANIMOUS VOTE.

VII. NATURAL RESOURCES COORDINATION AND COOPERATING AGENCY TRAINING COURSE

Commissioner Jim Matson presented information outlining training that could be made available to the five counties collectively. This is an eight hour course that covers implementation of coordination with federal and state agencies to protect the local economy, property rights and way of life. For many years, counties have fought issues with coordinating and cooperating with federal land management agencies. The total cost of this training would be approximately \$4,000 (\$2,500 plus the cost for training). Commissioner Matson is proposing that the Five County AOG host this training and bill the counties for the cost. The education provided would be very valuable for each county. The problem that currently exists with federal agencies is not allowing counties to function in a coordinating status. The federal land management agencies will allow counties to function as a cooperating agency, which does not provide actual input in the planning process. Other commissioners indicated that they would like to discuss this training with their respective commissions prior to making a decision. Commissioner Denny Drake explained issues that Washington County is experiencing in regard to the Washington County Land and Conservation Bill and completion of their general plan that includes travel corridors. A notice of right-of-way was filed with the Bureau of Land Management for the Northern Corridor but it was denied. Washington County has submitted an appeal letter which includes a request to be a coordinating agency. This will likely end in litigation against the federal government. It was determined that Commissioner Matson would contact each representative commissioner over the next few weeks to determine a direction for this proposed training.

III. FY 2013 BUDGET REVISIONS

Mr. Scott Leavitt referenced copies of the FY 2013 budget revisions and explained that there were few changes. He pointed out the larger amounts of revisions and entertained questions of committee members. Some revisions were required to be shifted from salaries/wages to fringe. Funds were shifted in meals and meals supplies in order to purchase some equipment for the senior citizen centers. Funds were shifted in the Weatherization and HOME program budgets to cover general operating expenses and rent costs. In the past these budgets included rent costs in materials as well as some funds in the rent line item. The budget amount decreased from FY 2012 mainly because the American Recovery and Reinvestment Act (ARRA) funding to the Weatherization programs ended.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE TO APPROVE FY 2013 BUDGET REVISIONS AS PRESENTED. MOTION WAS SECONDED BY COMMISSIONER CLARE RAMSAY AND CARRIED BY UNANIMOUS VOTE.

IV. FY 2014 BUDGET DISCUSSION

Mr. Scott Leavitt provided copies of the FY 2014 budget because of some minor corrections from information provided in the packet. The budget was discussed in depth during the Executive Committee May 31, 2013 work meeting. The only changes from information presented during the work meeting are the 2013 total budget amounts. Budget revisions will be made at mid-year to reflect proposals by Bryan Thiriot for salary adjustments. It was noted that the Washington County Rural Planning Organization (RPO) funds have ended and the group has merged into the Dixie Metropolitan Planning Organization. A number of contracts to the AOG are for pass through funding. As explained earlier, the crisis funding to the HEAT program has been shifted back to the state of Utah for payments. Pass through funding to the Community Services Block Grant (CSBG) program was reduced, and the nutrition program moved monies to purchase equipment. Increases to fringe benefits will cover costs associated with additional insurance premiums. Percentage wise, the budget has remained fairly stable from FY 2013 to FY 2014. Several programs received cuts resulting from the federal sequestration. However, the volunteer center was able to write grants to maintain funding levels. Some additional funding was brought into special contracts to cover increases and expansion of some of the volunteer center programs.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER CLARE RAMSAY, TO APPROVE THE FY 2014 BUDGET AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

VIII. EXECUTIVE COMMITTEE AND STAFF BUSINESS

Brian Thiriot announced that the next AOG staff meeting will be held on Monday, June 24, 2013. Executive Committee members are welcome to attend. Commissioner Matson suggested that consideration be given to shift AOG staff meetings to Friday. It would be easier for commissioners to adjust their schedules to attend. A copy of the annual staff meeting schedule will be provided to commissioners via e-mail.

Being no further business, the meeting adjourned at 11:40 a.m.