

MID-COLUMBIA COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, May 28, 2013 1:00 p.m. to 4:00 p.m.
Board Room, 1113 Kelly Avenue, The Dalles, Oregon

ORIGINAL

2013 Board of Directors:

Gilliam County: *Mike Weimer, Steve Shaffer
Hood River County: *Maui Meyer, Les Perkins, Ed Weathers
Sherman County: *Michael Smith, Cliff Jett, Tom McCoy
Wasco County: *Rod Runyon, Steve Kramer, Carolyn Wood
Wheeler County: *Chris Perry, Jack Lorts, Anne Mitchell
(*denotes Executive Committee Members)

I. CALL TO ORDER

A. Roll Call and Introductions

Michael Smith called the meeting to order at 1:05 p.m. Introductions around the table.

Present: Maui Meyer, Mike Weimer, Steve Shaffer, Cliff Jeff, Michael Smith, Tom McCoy, Steve Kramer, Anne Mitchell, and Chris Perry.

Absent: Les Perkins, Ed Weathers, Jack Lorts and Rod Runyon.

Staff: John Arens, Executive Director; Sarah Braumbaugh, Fiscal Director; Holli Francis, WIA Director; Marti Kantola-Dane, Mediation Director; Bill Fashing, Community Development Director; Marvin Pohl, AAA Director, and Tine Meriwether, Executive Assistant.

Guests: David Staehnke, Meals On Wheels; Bill Lennox, Gary Casady, Jensie Bryan, Emily Plummer & Marti Kantola Dane of Six Rivers Community Mediations Services; Will Carey, MCCOG Legal Counsel.

B. Approval of April 16, 2013 minutes.

Chair Smith recommended changes to the minutes - pages 2, deleting reference to 250 pounds in last paragraph and replacing with 2800 pounds, and page 3, fifth paragraph, correcting 'school drop-out' and replacing with 'graduation rate'.

Following the changes, Chris Perry moved, Cliff Jett seconded, to approve the minutes as amended. The motion carried unanimously;

II. Open Agenda

(This time set aside for the public and board members to introduce subjects NOT on the agenda).

Chair Smith stated he wanted to talk about the StRUT Program.

Scott Hege, Wasco County Commissioner, stated he wanted to talk about Building Codes.

Tom McCoy stated he wanted to talk about the Assessment project.

These items will be discussed after the public hearing.

III. Public Hearing – Budget Document

A. Public Hearing on Fiscal Year 2013-2014 Budget Document and Adoption of Resolution No. 12-19, Cost Allocation Plan and Operating Budget Document for Fiscal Year 2013-2014.

Chair Smith opened the public hearing to receive public comments..

Sarah Brumbaugh stated the only change to the budget as approved by the Budget Committee is the removal of the \$50,000 loan for the AAA from Building Codes.

Brumbaugh discussed the difference in this budget from last year: no COLA increases for employees; changed personnel services in health insurance for higher deductible with VEBA to stay under the \$700 cap as set by the Board. Overall, not much different from last years with the exception of slightly lower revenue. This budget only estimates revenues; revenue confirmation has not yet been received by [from] all of MCCOG's ~~vendors~~{grantors}. Therefore, a Budget Modification will be forthcoming. We have received confirmation of a 10% reduction in the WIA program but that is not reflected in this budget document. That change along with others when known will come forward in the Budget Modification. Also, Brumbaugh stated that any changes made in the budget today can be included in the Budget Modification document.

There being no further public comments, Chair Smith closed the public hearing

Jett moved, seconded by McCoy, to accept Resolution No. 12-19. The motion carried unanimously.

Scott Hege, Wasco County Commissioner, stated he did not understand how MCCOG can contemplate making loans from the Building Codes Reserve Fund when the Building Official has stated the program is depleted. Further, the Building Official wants to raise permit fees to bring in more revenue. Hege stated over a million dollars from the Building Codes (BC) reserves have been loaned to a host of activities at preferential rates to the detriment to the people who use BC services. Hege questioned the rationale behind making loans thereby depleting BC reserves and then raising fees by 40% to increase revenue. He stated his understanding was that the large reserves were due to the wind farm projects in Sherman and Gilliam counties. He suggested those reserves should be spent down to supplement the program before raising fees by 40%. Also, he stated the reserves should not be spent outside of the BC program.

Chair Smith stated BC has been subsidized over a number of years. The question before the Board is whether MCCOG should continue to subsidize the program, or raise rates so the program can be self-sustaining. He stated the loans are, in large part, benefitting the BC program.

Carolyn Wood stated her belief that MCCOG should not be raising fees when they have cash in the bank.

Jett stated he did not see a problem of increasing fees to sustain the BC program. Because the money came from wind farm projects in two of the five counties MCCOG serves, he questioned why the BC reserves should be used to subsidize Wasco County.

A discussion about the proposed interest rate for the BC loans was discussed. The consensus was that the rate should set higher than the LGPI rate.

Mike Weimar stated it will be good to hear the reasoning behind the fee increases (at the public hearing). However, he stated his brother is an electrical contractor in another state and he says these rates are low compared to other areas. He stated he did not see a big risk in the loans we've made inside the MCCOG organization and he didn't perceive them to be at a super low rate.

Brumbaugh stated the current reserve amount is \$500,000. The BC operating fund is short about \$250K which is now being addressed. The loans remain on the balance sheet and within the BC funds as a receivable. It is a loan. The 40% increase is enough to cover the cost of operating the BC itself.

Assessments discussion – McCoy stated he attended the Columbia Gorge Public Health Council meeting last week. At that meeting a member spoke about a meeting he had with AAA staff regarding AAA's Assessment project and that he misspoke by discouraging the AAA project. The member asked McCoy to clarify the Council's support of the AAA's efforts and hopes they will be part of the overall Coordinated Care project. John Arens confirmed a meeting was held with MCMC and Providence where AAA's Assessment Project was discussed. AAA wants to create a model for future assessments and does not intend to conflict with current assessments being conducted. Marvin Pohl spoke and stated the idea with AAA's assessment is to gather information that can help change the funding formula for the AAA program.

Marvin spoke about the Assessment project and also discussed the Senior Advisory Council's (SAC) recent meeting. The SAC voted unanimously to go to a 12 month equal payment system for the senior nutrition program. He stated the Sequester cut 10% of funds to AAA.

StRUT discussion – John Arens spoke about the StRUT Program Manager recruitment and stated applications are currently under review. In a brief discussion about missing robots, Chair Smith stated he knew some of the robots were loaned specifically to the StRUT Director from Lego for the purposes of training students outside of the StRUT program.

IV. Action Items

- A. Consideration of Resolution No. 12-15, Establishing an Interfund Loan Policy for Building Codes Reserve Fund;
- B. Consideration of Resolution No. 12-16, Repeals Resolution No. 10-04 by Restating Purpose and Terms;
- C. Consideration of Resolution No. 12-17, Repeals Resolution No. 12-01 by Restating Purpose and Terms;
- D. Consideration of Resolution No. 12-18, Repeals Resolution No. 12-02 by Restating Purpose and Terms.

Arens discussed the BC Program as assumed by MCCOG in 2007. Last year we realized the commercial wind farms were subsidizing the program and the entire region for the past seven years. He stated he believed the program needs to be self-sustaining from the fees it gets from building permits. He stated MCCOG cannot reduce staff because we are at "bare bones minimum" providing services to six counties. When inspectors go on vacation, staff relies on contracting for services with others counties.

Arens reviewed recent events surrounding the need to bring Resolutions 12-15, 16, 17 and 18 before the Board. He stated the MCCOG Board of Directors (BOD) rescinded the AAA loan (Resolution No. 12-12) at their April 16, 2013 meeting. On April 18th MCCOG staff received a letter from State Building Codes (SBC) about Resolution No. 12-12, and on May 7th MCCOG staff responded that the resolution had been rescinded. Arens further commented that in discussions with SBC, it was discussed what was allowable in making loans from BC reserves. The documents before the Board bring MCCOG in compliance with State Statutes. Will Carey, MCCOG legal counsel, reviewed the resolutions to make sure we are in compliance with State Statutes.

Will Carey addressed the BOD. He stated if the BC wants to loan their money they can do so but they should get an interest rate over and above what LGPI can provide and also get security for the loan in the form of a First Trust Deed with a promissory note. Loans must be repaid within 10 years. The resolutions before the BOD repeal and replace the old resolutions on record for loans from BC and bring MCCOG into compliance. He suggested that the interest rates be increased from what is provided for in the resolutions before the BOD.

Brumbaugh requested that BOD not increase the interest rates as the budget would not allow it.

The issue of a First Trust Deed was discussed. Carey said state law outlines how building codes can use their revenue and clarifies they are a separate entity. Security is only required for Building Codes.

Following discussion Meyer moved, seconded by Shaffer, to repeal Resolutions 12-16, 12-17 and 12-18. The motion passed. Nay vote by Steve Kramer – he stated the resolutions are not clear that loans go to the MCCOG General Fund and should be amended to state they are transfers [loans] to the General Fund.

Meyer stated he meant to pass the resolutions, not repeal them. Carey stated Meyer's motion should be to pass the resolutions before the Board, not repeal them. The motion failed.

Meyer then moved to approve Res 12-16-17-18 with amendments as proposed by Kramer, identifying the recipient of the payment of the loan. Jett seconded the motion.

Carey clarified that the addition to the resolutions shall be "and the loans shall be repaid to the Building Codes Reserve Fund."

Following discussion, the question was called and the motion passed unanimously.

Consideration of Resolution No. 12-15, Establishing an Interfund Loan Policy for Building Codes Reserve Fund;

The issue of the interest rate was discussed.

McCoy moved to pass Resolution No. 12-15 with an amendment to add "plus 1% after Investment Pool" to the last sentence. Seconded by Carolyn Wood.

Following discussion, the question was called and the motion passed. Nay: Weimar.

V. Reports/Communications

A. Six Rivers Community Mediation Services Report.

Following a five minute break, the BOD resumed the meeting to receive Marti Kantola Dane's report.

Marti Kantola-Dane addressed the Board. She stated she has been waiting for 3 years to talk to the MCCOG Board about Six Rivers Mediation (6R). She introduced members of the Advisory Committee in the audience. They were approved by the Board and have been working for the past year - Bill Lennox, Susanne Julien, Jensie Brian, and Gary Casady. Emily Plummer the coordinator of the program.

Dane presented a Power Point slide show and gave history of the mediation program. Packets of her presentation were handed out. A photo was passed around of people involved in the first mediation training. She stated Six Rivers is the only place in the Gorge to address conflicts in communities. Dane gave an overview of the prevention and intervention services available. Family mediation continues to grow and has the biggest potential for growth.

Dane stated 4,862 people have been served since 2009. Their approach to mediation is interest based. Current revenue for 6R is \$113,000. The Sequester did not affect their budget. Dane reviewed her revenue stream as outlined in her handout. She stated over 700 children have been served. She stated the program does not need to grow but it does need to be sustainable.

Dane stated perhaps the program does not need to be under MCCOG; that it might be too expensive. She stated \$73K requested from MCCOG in allocation dollars does not make sense to her program and she can find cheaper rent. MCCOG has historically provided in-kind support of IT, office, phones, cars, etc. She stated she understood MCCOG is under budget constraints and 6R has been asked to pay for their allocations. She said she did not know how to provide the allocation dollars requested.

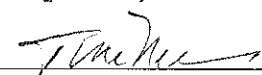
The Board reviewed 6R's budget. Meyer stated the budget as presented was confusing and he felt it needs explanation and clarification.

Following discussion, staff was asked to prepare a cost allocation plan for the next Board meeting.

III. ADJOURN

There being no further business to come before the MCCOG Board of Directors, the meeting adjourned at 1:01 p.m.

Respectfully submitted by:



Tine Meriwether, Executive Assistant

ATTEST:



Michael Smith, Board Chair