

**Central Oregon Intergovernmental Council  
Board Meeting Minutes**

<b>Date:</b> June 7, 2018	City of Redmond Public Works Department 243 E Antler Ave., Redmond, OR	Prepared by: B. Taylor Reviewed by: K. Friend
<p><b>County Commissioners:</b> Wayne Fording, Jefferson County; Tony DeBone, Deschutes County, and Jerry Brummer, Crook County  <b>City Councilors:</b> Gail Merritt, City of Prineville; Jay Patrick, City of Redmond; Chuck Ryan, City of Sisters; Connie Briese, City of La Pine; Bruce Abernethy, City of Bend; Andy Byrd, City of Culver, and Jay Patrick, City of Redmond.  <b>Appointed Representatives:</b> Katy Brooks, Deschutes County, and Katie Condit, Deschutes County.  <b>COIC Staff:</b> Karen Friend, Executive Director; Michelle Williams, Fiscal Services Manager; Michelle Rhoads, Transportation Manager; Scott Aycock, Community and Economic Development (CED) Manager; Penny Newton, Adult WorkSource Program Manager; John Bouchard, Youth Education Program Manager; Josh Lagalo, Youth Education and Training Program Manager; Lisa Kyle, Loan Officer; Jane Foote, Human Resource Manager, and Mike Derrickson, Medical Ride Brokerage Manager.  <b>Guest:</b> Lynn McConnell, Russel Grayson and Carolyn Eagan from the City of Bend.</p>		
<b>Agenda</b>	Discussion	Action Item
<b>Call to Order</b>	<p>Chair Fording called the COIC Board meeting to order at 5:37 p.m.</p> <p>Introductions were made by those in attendance.</p>	
<b>Public Comment</b>	<p>Chair Fording noted that there were no comments from the public.</p>	
<b>Consent Agenda</b>	<p>Chair Fording asked the Board if anyone had any comments, questions or discussion regarding the consent agenda. Councilor Abernethy made a motion to approve the consent agenda, Commissioner Brummer seconded; the motion carried.</p> <p>Chair Fording informed the Board that the agenda would be rearranged to allow guest presenters from the City of Bend an earlier spot on the agenda.</p>	<p><b>Motion:</b> Councilor Abernethy made a motion to approve the modified consent agenda, Commissioner Brummer seconded; the motion carried.</p>

<p><b>Commitment to Future Services</b></p>	<p>Ms. Rhoads introduced Lynn McConnell, Affordable Housing Manger, from the City of Bend. She informed the Board that at the end of Ms. McConnell’s presentation, the Board will be asked to endorse Resolution 300 in support of the City of Bend’s affordable housing proposal.</p> <p>Ms. McConnell noted that the resolution is related to the City of Bend’s application to be the State House Bill 4079 pilot project site. A pilot project under HB4079 allows expansion of the Urban Growth Boundary that would allow up to 50 acres brought into the UGB. Ms. McConnell noted that only cities with population over 25K are eligible to apply and the City of Redmond and the City of Bend are the only cities locally competing for the pilot. Additional requirements included having 7 units per acre for market rate homes in addition to affordable housing, as well as ensuring the housing is within .75 miles from a fixed bus route; in this instance, the fixed routes are routes 5, 6 and 7.</p> <p>Ms. McConnell reported that the goal for this pilot project is to promote affordable housing. She added that at least 30% of the units will be developed as affordable; guaranteeing affordable housing to a certain percentage of population for at least 50-years. Additionally, none of the units in the project site location can be short-term rentals and annual reporting requirements back to the state would be required for up to 10-years.</p> <p>Ms. McConnell reported that in terms of alignment with CET goals, they identified, and strategically prepared for community growth to enhance transit system efficiency and effectiveness as well as long term policies that support transit. She added that they feel availability to transit, employment and schools are part of ensuring affordability to families; not just securing rent but also ensuring people can get to amenities they need. Ms. McConnell said she feels this is a tremendous opportunity to add much needed affordable housing within the City of Bend near established transit corridors. Ms. Friend added that the City worked with CET regarding the choice of locations they were considering specifically which areas with the least increase in cost, have access to transit, seeing as the City would have to pay for any necessary expansion of service.</p> <p>Commissioner DeBone inquired about the distance from the proposal development to the fixed bus routes. Ms. McConnell noted that the routes are no farther than .75 miles away. Ms. Friend added that if expansion of the routes is necessary, the expansion could be eligible under STIF funding.</p> <p>Ms. Brooks asked if the project planners are considering or would consider incorporating a child</p>	<p><b>Motion:</b> Councilor Abernethy moved to approve the endorsement of Resolution 300, Ms. Brooks seconded; the motion carried.</p>
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	<p>care facility into the development since affordable child care is at a crisis level. Ms. McConnell said that they are considering some commercial space or having a dedicated non-profit space for such purposes, in addition to working with others in the community to support the issue.</p> <p>Ms. McConnell showed the Board a map of the proposed project site, as well as its proximity to CET fixed routes. She noted that the project site consists of three different parcels of land which were combined into one for the project proposal.</p> <p>Chair Fording inquired if the project involved three different land owners for the three different parcels of land. Ms. McConnell replied that yes and there are three different owners, in addition to three different architects for the project; ensuring the project will have a variety of looks.</p> <p>Councilor Abernethy moved to approve the endorsement of Resolution 300, Ms. Brooks seconded; the motion carried.</p>	
<p><b>Approval of Special fund Supplemental Budget for 17/18</b></p>	<p>The supplemental budget was reviewed. Ms. Williams reported that two notable modifications to the supplemental budget included updating the supplemental budget's beginning fund balance to match COIC's audited financial statements for fiscal year 17/18 and updating revenue sources for changes that occurred in fiscal year 17/18 revenue.</p> <p>Ms. Williams informed the Board that contracts and grants, originally budgeted at \$17M, was now \$18M and total revenue, originally budgeted at \$19M was now \$21M.</p> <p>Ms. Williams reported that wage expense has been increased from the amount originally budgeted by about \$70K. One of the elements of change was a new ATU Union agreement which paid each union employee a \$1K bonus instead of a retro merit. Ms. Williams added that COIC originally budgeted for a 2.5% increase in health insurance however, there was no actual increase in health insurance costs for 17/18 thus total benefits were decreased by over \$200K.</p> <p>Ms. Williams reported that total utilities and janitorial was updated and reflects a change in agreement with the ECWIB about responsible party. Legal fees were updated to reflect an increase due to union negotiations, and contracting increased due to COIC being required by Pacific Source to pay non-emergent ambulance transport providers for rides instead of Pacific Source paying providers; a service not included in the original budget for 17/18. Additional materials and services were reviewed including fuel expenses, client job training services, capital outlay, pass through and</p>	<p><b>Motion:</b> Commissioner DeBone made a motion to approve adoption and appropriations of the supplemental budget by approving Resolutions 298 and 299, Commissioner Brummer seconded; the motion carried.</p>

	<p>staff training and education.</p> <p>Ms. Williams reported that with regards to special funds which include the EDA, IRP, and LJC funds, the fund balance has been updated to match the 2017 audited financial statements in addition to reflecting changes that occurred during the year. She added that the amount available for loans will be a separate line item; a recommendation by the Budget Committee since only a portion of the \$1.9M under operating contingency is available for loans.</p> <p>Chair Fording informed the Board that Resolutions 298 and 299, the adoption of The General and Special Fund Supplemental Budget and Appropriations of Fiscal year 2017/2018, would need Board approval. Commissioner DeBone made a motion to approve adoption and appropriations of the supplemental budget by approving Resolutions 298 and 299, Commissioner Brummer seconded; the motion carried.</p>	
<p><b>Approval of Annual Budget and Appropriations</b></p>	<p>Ms. Williams informed the Board that the total proposed 18/19 budget represents a 2% decrease from the prior year because total revenue is expected to decrease by \$1.4M or 7%. Budgeted personnel costs are projected to increase a modest 1% however, total personnel is projected to decrease by 3%. Total materials and services is expected to increase by over \$400K or 5% and Capital Outlay is expected to decrease by over \$2M.</p> <p>Ms. Brooks inquired as to why the total net revenue is budgeted to decrease. Ms. Williams reported that the organization has fewer budgeted capital projects than in years past due to the Redmond Hub being close to completion and the organization receiving all but one of the buses purchased through previous grants.</p> <p>Ms. Williams reported that with the renegotiation of the ATU Union contract, union members will be receiving a new salary schedule in order to be competitive with the market and reflects increased wages. Ms. Friend added that the budget for personnel services includes a 3% COLA for non-represented staff since the organization has been a little behind in wages. Ms. Williams added that the projected FTE from year over year has decreased due to COIC's departure from region 11. Total materials and services, special funds, and reserve funds were reviewed. Ms. Williams said that some of the biggest changes will be in contracting, primarily due to funding cuts or grant expirations. In addition slightly lower resources have been budgeted for employment and training mostly due to funding cuts from WIOA and DHS.</p> <p>Ms. Williams informed the Board that, similar to the supplemental budget, the amount available for</p>	<p><b>Motion:</b> Commissioner Brummer made a motion to approve adoption and appropriations of the 18/19 general and special loan fund budgets, authorize appropriations and approve accompanying Resolutions 296 and 297. Ms. Brooks seconded; the motion carried.</p>

	<p>lending will be a separate line item.</p> <p>Ms. Williams informed the Board that the special building funds for both Hawthone and Antler/Bear Creek are part of a general fund, more like a savings account, in the event the buildings need a major repair. She noted that COIC charges its programs “rent” in the amount of interest expense and depreciation and what is not paid back out as interest on loans for long term debt related to these buildings is saved and grows for future building repairs, becoming a reserve for major repairs.</p> <p>Ms. Williams informed the Board that even though COIC’s total overall current year resource budget has decreased from 17/18 to 18/19 by 7% and the current year requirements budget has decreased by 8%, through COIC’s programs diligent efforts and the fiscal departments close monitoring and forecasting, COIC believes we will still be able to provide excellent services to Central Oregon.</p> <p>Councilor Ryan asked for clarification regarding the reserve fund. Ms. Williams said that COIC has been making every effort to build towards its desired reserve fund needs to assure adequate cash flow however the only department that has met and exceeded the desired reserve level is the loan program. All other programs and COIC as a whole are short of desired reserve levels since the majority of COIC’s funding sources are expense reimbursement grants and contracts. It is important for the Board to understand that the amounts in the fund balance should be internally restricted to the programs that have been able to accumulate the reserves to assure adequate cash flow.</p> <p>Chair Fording asked the Board if there was a motion to adopt the 18/19 General Fund and Special Loan Funds budget and authorize appropriations through approval of accompanying Resolutions 296 and 297. Commissioner Brummer made a motion to approve adoption and appropriations of the 18/19 general and special fund budgets, authorize appropriations and approve accompanying Resolutions 296 and 297. Ms. Brooks seconded; the motion carried.</p> <p>Commissioner DeBone complimented the great work product presented.</p>	
<p><b>CET Service Modification</b></p>	<p>Ms. Rhoads presented the Board with a handout highlighting the background of COIC and the City of Bend’s strategic partnership.</p>	<p><b>Motion:</b> Councilor Abernethy moved to approve the</p>

	<p>Ms. Rhoads reminded the Board that in 2015, COIC participated in a service expansion pilot project which included new routes and enhancements to the Bend community. She noted the funding for the pilot project is set to expire June 30, which will result in a \$450K budget gap. Ms. Rhoads said that COIC/CET performed a ridership analysis to explore ways to modify services while also minimizing the impact of any modification to riders and the community.</p> <p>Ms. Rhoads reported that after vetting with community partners, riders and RPTAC, the proposal is to eliminate Route 12 which serves the two colleges due to low ridership, restructure Route 6 in order to save money and modify Route 7 to increase on-time performance.</p> <p>Ms. Rhoads informed the Board that the elimination of Route 6 was contemplated however they persuaded the community partners to continue to support Route 6 since the route serves low-income households and older adults and provides stops at St. Charles, the VA clinic and other key destinations. She noted that the City of Bend issued a challenge to the other partners to save Route 6 and the City Councilors endorsed \$150K of the \$235 needed to continue the route, with the rest of the money needed coming from the remaining community partners. Ms. Rhoads added the proposed route changes, if approved, would take effect July 1, 2018.</p> <p>Commissioner Brummer asked if route eliminations or expansions are typical. Ms. Rhoads replied that the expansion was a result of the pilot project, which is coming to a close. Ms. Friend added routes are continuously evaluated to ensure they are still providing the right service in the right locations. Ms. Rhoads noted that they continually address the evolving transportation needs of the community and small changes are made on a continual basis however, significant route changes, eliminations or modifications are brought to the Board for approval.</p> <p>Councilor Briese asked for clarification to the modification of Route 7, specifically the cut to the Veterans Clinic. Ms. Rhoads replied that they still service the area only they would stop on 27<sup>th</sup> instead of going down Courtney in front of the clinic. She added that Dial-a-Ride is also an option for service and her team works with individuals who are directly affected by any route change and eligible for Dial-a-Ride.</p> <p>Councilor Abernethy moved to approve the modification to Route 7, the elimination of Route 12, and the restructure of Route 6, Ms. Condit seconded; the motion carried.</p>	<p>modification to Route 7, the elimination of Route 12, and the restructure of Route 6, Ms. Condit seconded; the motion carried.</p>
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	<p>Ms. Rhoads reported that the FTA Triennial Review found CET 100% compliant with zero deficiencies. Additionally, they are expanding Ride Bend and Ride the River services to promote community livability, support economic development and tourism and mitigate traffic and parking impacts. In addition, Ms. Rhoads showed the Board the new e-fare wristband CET will be using for Ride the River services beginning on June 16.</p> <p>Councilor Briese asked if that was the first time the organization received zero deficiencies. Ms. Friend reported that yes, when transferring services from the city, they received 5 deficiencies, last time 3, and this year zero. Ms. Rhoads added that the transportation department is always trying to continuously improve.</p> <p>Ms. Rhoads reminded the Board that the Redmond Hub ribbon cutting ceremony would commence on Thursday, June 21.</p>	
<p><b>Sunrise Pool &amp; Spa</b></p>	<p>Ms. Kyle informed the Board that Mr. Forseth, a navy veteran and sole owner of Sunrise Pools and Patio in Prineville Oregon is requesting COIC’s assistance to purchase a building for his business. She noted that his current location is in a low visibility area and not adequate in size resulting in Mr. Forseth keeping his inventory stored off-site in a separate warehouse. The location Mr. Forseth is requesting a loan for is the former Ford dealership located across the street from the Bi-Mart, next to a Starbucks. Ms. Kyle reported that the total project cost will be \$935,000. Mid Oregon Credit Union is considering a request for \$555,500 and COIC is considering an IRP loan for \$250K with the rest covered by Mr. Forseth. Ms. Kyle added that Mid Oregon is unable to finance the entire project as the loan value would be higher than their policy allows.</p> <p>Ms. Kyle added that Mr. Forseth’s business will only utilize 2/3 of the building and Mr. Forseth has had conversations with other businesses, including breweries interested in leasing out the unused portion of the building.</p> <p>Ms. Kyle noted that Mr. Forseth pays cash or credit for most everything, and has been running the business successfully for 24- years.</p> <p>Councilor Ryan asked if Mr. Forseth would sign a personal guarantee. Ms. Kyle reported that personal guarantees are required of all their loans.</p> <p>Councilor Abernethy moved to approve the loan to Mr. Forseth, Councilor Patrick seconded; the</p>	<p><b>Motion:</b> Councilor Abernethy moved to approve the loan to Mr. Forseth, Councilor Patrick seconded; the motion carried.</p>

	motion carried.	
<p><b>Deschutes Water Alliance</b></p>	<p>Mr. Aycock informed the Board that the Deschutes Water Alliance (DWA) was created by Central Oregon cities, counties, irrigation districts, the Confederated Tribes of Warm Springs and the Deschutes River Conservancy to provide a basis for long term water management in the Deschutes Basin for agriculture, in-stream needs for fish and recreation and water for people in urban communities; three separate needs.</p> <p>Mr. Aycock reminded the Board that at a Regional Administrators’ meetings, city managers and county administrators expressed concerns about the lack of an inclusive, neutral table at which to apply the information developed from the Upper Deschutes Basin Study process to develop and implement a water management plan. The administrators asked COIC staff to explore re-engaging the DWA, with dedicated staff to help push the process, ensure follow-up activities, create a centralized archive of data, and implement identified solutions. Mr. Aycock added that at the February Board meeting, COIC staff requested \$6K in regional capacity funds to support staff time to, among other things, confirm goals with the Regional Administrators, meet with voting members of the DWA to determine interests and needs, and based on those outcomes create a draft proposal to re-engage the DWA, engage in fundraising and development, and launch the DWA.</p> <p>Mr. Aycock added that COIC has met individually with all voting member groups of the DWA to determine interests and needs, attended and presented at 4 Central Oregon Cities Organization Water Subcommittee meetings, attended and presented at the May Basin Study Working Group (BSWG) Planning Team and full group BSWG meeting, discussed findings at Regional Administrator’s meetings, and held one on one conversations with various other regional players, including the Regional Solutions Coordinator, Upper Deschutes Watershed Council, DRC staff and others. Mr. Aycock reported that the consensus from all groups is that it is viable and appropriate to re-engage the DWA; the question now would be how, who to include and what would be the goals.</p> <p>Mr. Aycock noted that additional stakeholder engagements are needed as a next step to create a 1-year goal, develop staffing and financial plans and fund raise. He asked the Board for an additional \$5K in capacity funds to support COIC’s continued staff time to fulfill the needed next steps. He added the funds would be matched with \$5K in EDA planning grant funds to create a \$10K fund to support the needed activities.</p>	<p>Motion: Ms. Brooks made a motion to approve the \$5K capacity fund request to support the DWA activities, Commissioner Abernethy seconded. Chair Fording asked if there were any questions. After discussion, a vote was called, the motion carried.</p>

	<p>Ms. Brooks made a motion to approve the \$5K capacity fund request to support the DWA activities, Commissioner Abernethy seconded. Chair Fording asked if there were any questions.</p> <p>Commissioner DeBone asked who would lead the DWA since it includes Cities and Counties and what is the main goal. Mr. Aycock noted that at this time, the committee is still sorting out responsibilities. Ms. Brooks added that COIC could add value as the only truly tri-region entity that could touch on all parts of the issue as a neutral party. Ms. Condit added that COIC's role as a facilitator would indeed add value. Mr. Aycock added that much of what they do is identify the right processes for complex issues.</p> <p>After discussion, a vote was called, the motion carried.</p>	
<b>Executive Director Report</b>	<p>Ms. Friend informed the Board that the position for Executive Director has received 1200 views on Neogov and COIC has received 18 applications to date. She added that the list will be narrowed down and the Hiring Steering Committee contacted as a next step. Ms. Friend reminded the Board that Katy Brooks, Steve Forrester and Eric King serve on the Hiring Steering Committee in addition to the three County Commissioners and Board Vice-Chair.</p> <p>Ms. Friend reported that members of the Branding Steering Committee had met to review proposed new organization names with the consultant. However the feedback received was that the proposed names were not far enough removed from the original; new name choices were selected and the committee voted once again with similar results. Ms. Friend noted that a suggestion was made by a few members of the group to consider hitting pause on the process while COIC goes through the Executive Director recruitment process. Ms. Friend asked the Board if they desired to hold off on the branding of COIC until such time as a new director is in place and the organization goes through the goal setting process. After discussion, the Board agreed the name selection process was valuable but agreed to table the branding discussions until the Board, along with the new director; complete the strategic planning and goal setting process.</p>	<b>Action:</b> The Board agreed the name selection process was valuable but agreed to table the branding discussions until the Board, along with the new director; complete the strategic planning and goal process.
<b>Regional Round Table</b>	<p>Commissioner DeBone shared with the Board that he has been on the Neighbor Impact Board for many years and they did a policy agenda in support of legislative positions at state level. He noted that he is bringing up the topic because it may be interesting if there is a list of common topics for Cities and Counties that COIC would like to support when legislators are in session; a list of thought out topics would be valuable. Ms. Brooks asked if COIC has a lobbyist. Ms. Friend noted that COIC does not currently have a lobbyist.</p>	
<b>Other Business/</b>	No other business or announcements were made.	

<b>Announcements</b>		
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There being no further business the meeting was adjourned at 7:34 by Wayne Fording, Chair