

**Central Oregon Intergovernmental Council
Board Meeting Minutes**

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| Date: August 1, 2019 | City of Redmond Public Works Department 243 E Antler Ave., Redmond, OR | Prepared by: B. Taylor Reviewed by: T. Baney |
| <p>COIC Board Members: Commissioner Wayne Fording, Jefferson County; Commissioner Patti Adair, Deschutes County, Commissioner Jerry Brummer, Crook County; Councilor Andrea Blum, City of Sisters; Councilor Barb Campbell, City of Bend; Councilor Bartt Brick, City of Madras; Councilor Connie Briese, City of La Pine; Councilor Gail Merritt, City of Prineville; Councilor Jay Patrick, City of Redmond; Katy Brooks, Appointed Board Member representing Deschutes County, and Thomas O’Shea, Appointed Board Member representing Deschutes County.</p> <p>COIC Staff: Tammy Baney, Executive Director; Michelle Williams, Fiscal Services Manager; Scott Aycock, Community, Economic Development (CED) Manager; Derek Hofbauer, Outreach and Engagement Administrator; Andrea Breault, Senior Transit Planner, and Jim MacKinnon, Loan Manager.</p> <p>Guests: Theresa Conley, Region 4 Transit Coordinator, ODOT</p> | | |
| Agenda | Discussion | Action Item |
| Call to Order | <p>Chair Brummer called the August 1, 2019 meeting of the COIC Board of Directors to order at 5:39 pm</p> <p>Introductions were made by all those in attendance.</p> | |
| Public Comment | There were no public comments. | |
| Consent Agenda | Chair Brummer asked the Board if there were any questions or comments regarding the consent agenda. He entertained a motion for approval of the consent agenda including minutes from the June 6, meeting as written. Commissioner Adair made a motion to approve the consent agenda, Councilor Brick seconded; the motion carried. | Motion: Commissioner Adair made a motion to approve the consent agenda, Councilor Brick seconded; the motion carried. |
| ODOT Sub-recipient vs. Contractor | <p>Fiscal Services Manager, Michelle Williams introduced Theresa Conley, Region 4 Transit Coordinator with ODOT to the Board. Ms. Williams informed the Board Ms. Conley was invited to the meeting to keep the board informed of current region-wide projects that affect not only COIC but Cities and Counties as well.</p> <p>Ms. Williams noted that the City of Redmond, Sisters, Madras, Prineville (hereafter known as “Cities”), Deschutes County and the Confederated Tribes of Warm Springs (hereafter known as “Tribe”) are being required to perform a procurement process for their pass down 5310 funds. 5310 funds from ODOT are Federal Transportation Administration funds used to enhance mobility for seniors and people with disabilities. 5310 funds are given to and passed down from Cities, Deschutes County, and the Tribe to COIC to provide services. During the most recent contract renewal, a concern was raised if COIC should be a contractor or sub-</p> | |

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| | <p>recipient for those funds. Ms. Conley informed the Board that historically there has been a purchase service arrangement between COIC and Cities, Deschutes County, and the Tribe with no procurement process needed because typically a procurement process was not needed between two public agencies however because agencies with purchase service agreements get a much more favorable match rate, a procurement process is now required by the FTA regardless if the two agencies are public or not.</p> <p>Ms. Conley reported that COIC could apply for the funds directly, eliminating the need for the procurement process however they would receive a 50% match rate; with a procurement process, COIC would receive a 10.2% match rate. She added that because applications have been submitted and awards made, in the short term it would make sense to go through the procurement process. Ms. Conley noted that for the years 21-23, COIC may want to talk regionally about funding arrangements and if a different structure would make sense.</p> <p>Ms. Williams informed the Board that COIC will be providing gap service until contracts are awarded. She added that Cities of Madras, Sisters, and Prineville are not paying for their service directly, they are part of a bigger pie. She said in the future as more local and state funding is available, they could look at going back to the 50/50 match rate.</p> <p>Ms. Conley conveyed that the next steps would be having each jurisdiction host a procurement process according to their policy and consistent with the FTA procurement guidelines. She added that she is available as a resource.</p> <p>Katy Brooks, appointed Board Member representing Deschutes County, inquired about the time it would take for the procurement process to be completed. Ms. Conley said she expects procurements could be completed around the October/November timeline.</p> <p>Ms. Baney added that COIC's resources are available to any of the partners around the table affected by the procurement requirement.</p> | |
| <p>CET Transit Master Plan</p> | <p>Andrea Breault, Senior Transit Planner, reminded the Board that the presentation given in May by Derek Hofbauer, Outreach and Engagement Administrator was an overview of the STIF master plan process. She noted her presentation today would be an update on the projects. Ms. Baney added that the agenda notes the presentation is an action item however, it is only an update.</p> <p>Ms. Breault reported that the transportation team is 8 months into the process, working closely with Kittleson Associates and thus far have created an existing conditions memo specifically what exists in terms of service, a planning precedent memo, short term implementation memo, and have collected 425 completed rider surveys. She added that into the fall and winter, long-range planning efforts will be the focus.</p> | |

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| | <p>Results from the rider survey were reviewed. Overall the rider results showed that many who take the bus take the bus for work, are in the 25-34 age bracket, are lower-income, and walk to their bus stop. Operators of the busses were also surveyed and common themes included difficulty in navigating some streets, the need for better radio communications, and scheduling and break concerns.</p> <p>Ms. Breault informed the Board that with the funds from STIF payroll tax, additional money from the Bend MPO, and a grant Scott Aycock submitted in 2015 and received this year, CET will be looking to increase frequency to all routes as well as weekend routes, enhancing bus stops, and acquiring a new radio system. She added that with the help of the consultants they will also be discovering ways to increase service to attract choice riders, as well as investigating the need and feasibility for an airport shuttle.</p> <p>Ms. Breault noted that the second round of open houses are scheduled for the fall and at that time, Cities will be able to pull out their individual plans that are part of the master plan.</p> <p>Ms. Baney reminded the Board that the Transportation Department is without a manager. She thanked Derek Hofbauer, Outreach and Engagement Administrator; Andrea Breault, Senior Transit Planner, and Marty Hopper, CET Operations Manager for all they have been doing for the organization during this transitional time. She noted that the planning process is critical because funds from STIF are directly linked to specific projects thus it is important people participate and get their ideas on a plan.</p> <p>Ms. Breault added that two themes emerged that were not in the existing plan but will be prominent in the next plan include providing services to areas such as Crooked River Ranch and Juniper Canyon as well as micro-transit specifically more on-demand tailoring and trying to keep up with Uber and Lift. Andrea reminded the Board that if something is missing on the current plan to please let her know so they can add it to the next one. She added the goal is to have the master plan ready for adoption early spring.</p> <p>Areas of land to be used as “park and rides” were discussed.</p> | |
| Financial Report | <p>Fiscal Services Manager, Michelle Williams informed the Board that the June financial report will look different once the year is closed. She added that they would like to skip the June financial presentation going forward so Board members have an accurate financial picture when the year is closed.</p> <p>Ms. Williams reviewed each business line with the Board. She explained that many programs will end with a net zero for the year end and due to grant regulations, some programs with money specific for a project will have that money roll over into the next year without impacting the budget.</p> | <p>Motion: Councilor Campbell made a motion to approve COIC’s June financials; Commissioner Adair seconded, the motion carried.</p> |

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| | <p>The Board was informed that the organization will be using 7% of its fund balance to support their programs this year. Councilor Brick added that by the end of the next business cycle the organization’s budget will represent priorities however the budget now shows that priorities are not matching revenue hence the use of the fund balance. He added that he is comfortable using 7% of the reserves once but would be concerned if the organization used reserves more than once.</p> <p>Ms. Williams reminded the Board that the organization will be going through an audit process in the fall.</p> <p>Chair Brummer asked if there was a motion to approve the June financials. Councilor Campbell made a motion to approve COIC’s June financials; Commissioner Adair seconded, the motion carried.</p> | |
| <p>Loan Program Update</p> | <p>Jim MacKinnon, Loan Program Manager updated the Board regarding the future of COIC’s loan program after the retirement of the department in September. He noted that there is a separate entity that operates a larger SBA real estate loan program called Oregon Business Development Corporation (OBDC). The OBDC has contracted with COIC for years but due to Jim and Lisa’s retirement, will be ceasing operations and will be merging the program with Evergreen Business Capital. Evergreen runs the same program in Washington and Oregon, has a local representative, and would keep the program safe and services available to those in Central Oregon.</p> <p>Mr. MacKinnon noted that with the elimination of the SBA program, the remaining COIC loan programs would be without someone to oversee them. He said the organization is considering hiring someone through Community Economic Development to find opportunity while out in the community. Additionally, the organization is considering hiring out the underwriting process by contracting with Evergreen, which would keep the program sustainable. Mr. MacKinnon added that Evergreen has said they would consider underwriting for us and also use the same loan software as COIC.</p> <p>Ms. Baney reported that the organization is still in the discovery phase but will bring back a more formal proposal in the fall. Additionally, she noted that organization will continue servicing loans already in place for the next year and if an employee is hired as part of the CED team, when they are in a community thinking of grant programs and funding opportunities, they could also be thinking of micro-lending which would give COIC a broader package to bring to the community in terms of assisting with their needs. Mr. MacKinnon added that the loans in place are all currently good loans and little to no risk to the organization so the Board could take their time in making any decision.</p> <p>Councilor Brick inquired about the underwriting and the risk to the organization. Mr. MacKinnon reported that many credit unions also use a third party for underwriting and the contract could be written however COIC wishes so that if they wanted the third party to just do a pre-screen they could contract accordingly. Mr.</p> | |

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| | <p>MacKinnon noted that the underwriting part is all behind the scene and something the contractor will never see.</p> <p>Councilor Patrick commented that he has been proud of COIC’s loan program and would encourage the organization to have an employee as a contract person. Ms. Baney added that the goal is to have a formal proposal to bring to the Board by September and the hope is to continue the program with a point person on site.</p> | |
| <p>Suttle Lake Resort Loan Write-Off</p> | <p>Jim MacKinnon, Loan Program Manager reminded the Board that similar to the Board approving a loan, they need to approve a write off of a loan that is no longer collectible. He reported that in 2004 a loan was given to Suttle Lake as part of a much larger financial package with several guarantors. Payments were made on the loan until the beginning of 2015 when both the guarantors filed bankruptcy. The Suttle Lake business was eventually sold however proceeds were not enough to pay off all of the loans.</p> <p>Mr. MacKinnon added that since the original loan date, COIC has been paid \$99,170 in principal, \$111,011 in interest, \$4,641 in late fees and \$2,700 for the original loan fee. COIC was also paid \$4,149 of the original legal bill of \$10,722. Mr. MacKinnon said over the last several years, COIC pursued legal action and did receive a small amount of money but since 2015 the payments have stopped and it was apparent the cost of further legal action wasn’t justified. Mr. MacKinnon recommended the principal balance of \$87,229.87 be charged off along with accrued interest and late fees in addition to the legal bill receivable of \$6,573.23 effective June 30, so the charge is off the books for the end of year audit.</p> <p>Chair Brummer entertained a motion to write off the principal balance of \$87,229.87 along with accrued interest and late fees in addition to the legal bill receivable of \$6,573.23. Councilor Patrick made a motion to write-off the principal balance of \$87,229.87 along with accrued interest and late fees in addition to the legal bill receivable of \$6,573.23; Councilor Blum seconded; the motion carried.</p> | <p>Motion: Councilor Patrick made a motion to write-off the principal balance of \$87,229.87 along with accrued interest and late fees in addition to the legal bill receivable of \$6,573.23; Councilor Blum seconded; the motion carried.</p> |
| <p>Housing for All, Letter of Support</p> | <p>Scott Aycock, Community, Economic Development (CED) Manager informed the Board that COIC received a rural business development grant for the amount of \$50,000 from USDA rural development to support COIC’s ongoing work to enhance and expand the local food system in Central Oregon focusing on the growth of the wholesale market. He added that Janel Ruehl was the author of the grant.</p> <p>Mr. Aycock asked Fiscal Services Manager, Michelle Williams, to inform the Board about the new jurisdictional fund process. Ms. Williams reported that going forward individual jurisdictional dues requests will not be brought to the Board for approval, rather the board approved \$40K in jurisdictional dues for Mr. Aycock’s budget; \$7,500 of which designated for the regional administrators’ meetings. She added that a quarterly report would be provided to the Board showing what money from the funds were used for, how much was leveraged, etc. She added if money is not spent, it would be put back in the fund for the next year. Mr. Aycock</p> | <p>Motion: Katy Brooks, Appointed Board Member representing Deschutes County made a motion to approve the letter to OHCS on behalf of the three counties and eight cities; councilor Briese seconded; the motion carried.</p> |

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| | <p>reported that he would provide a detailed quarterly report including how much is being leveraged but wanted to inform the Board that the jurisdictional dues are currently being used for eight different projects. Ms. Williams asked the Board if they were okay with the proposed process. After discussion, the Board agreed with the new process. Ms. Williams added that if the Board finds that the process isn't working to their satisfaction, the topic will be readdressed.</p> <p>Mr. Aycock reported that he is bringing to the Board a proposed letter on behalf of the three counties and eight cities of Central Oregon to meet with the Oregon Housing and Community Services (OHCS) staff regarding the Qualified Allocation Plan update and methods OHCS uses to define regions. Currently, the state is divided into three jurisdictions; Metro, Participating Jurisdictions, and Balance of State. Mr. Aycock said that the gap to fund projects between the balance of state and participating jurisdictions is concerning. The ask of the letter is for the OHCS to allow our region to compete on an equitable playing field with the participating jurisdictions. Mr. Aycock added that others in the community such as Neighbor Impact, City of Sisters, and Housing Authority have also submitted letters to OHCS asking to combine the balance of state and participating jurisdictions as well. Mr. Aycock recommended supporting the request.</p> <p>Chair Brummer asked for a motion to approve the letter to OHCS on behalf of the three counties and eight cities. Katy Brooks, Appointed Board Member representing Deschutes County made a motion to approve the letter to OHCS on behalf of the three counties and eight cities; councilor Briese seconded; the motion carried.</p> | |
| <p>Resolution 308 – Approve Bank Signers</p> | <p>Ms. Baney informed the Board that there are three internal COIC check signers, herself, Michelle Williams, Fiscal Services Manager and Jim MacKinnon, Loan Manager. With the departure of Mr. MacKinnon, she is requesting Jane Foote, HR Manager be added to the list of internal COIC check signers.</p> <p>Chair Brummer asked for a motion to accept Jane Foote, HR Manager as a check signer on behalf of COIC, Resolution 308. Councilor Briese moved to approve Resolution 308 adding Jane Foote, HR Manager to the list of approved bank signers; Commissioner Fording seconded, the motion carried.</p> | <p>Motion: Councilor Briese moved to approve Resolution 308 adding Jane Foote, HR Manager to the list of approved bank signers; Commissioner Fording seconded, the motion carried.</p> |
| <p>Executive Director Report</p> | <p>Ms. Baney informed the Board that Adult WorkSource Program Manager, Penny Newton has given her notice to retire. She added that Ms. Newton will be contracting with the organization in a limited capacity through October. Ms. Newton will also assist in writing a large contract, secured through the state, to ensure funding.</p> <p>Ms. Baney reported that starting January 1, 2020, the CERC program will look different. She reminded the Board that due to contracting deliverables required by Pacific Source, COIC will not meet the new requirements for the CERC program. She reported that COIC will be contracting with Gridworks to continue offering services in some capacity. Ms. Baney said the new arrangement will provide COIC the opportunity to</p> | |

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| | <p>look at the transportation department as a whole and bring back CET and CERC. She said COIC will hold off on hiring a Transportation manager until the organization as a better idea what the contract with Gridworks looks like but will bring to the Board any proposal for their support before any significant changes.</p> <p>Ms. Baney informed the Board that they will be looking to restructure the Education program specifically moving the current education manager over Redmond and La Pine with the head instructor overseeing the Bend location, increasing teacher office hours and setting goals for the new school year. She added that COIC will be continuing with the Redmond program.</p> <p>Ms. Baney conveyed COIC is continuing to work with the Hawthorne Neighborhood association and had a productive meeting with Janet Hruby with the City of Bend who gave the organization several great facilities planning ideas for the current location.</p> <p>Ms. Baney reported that she would like to begin the strategic planning process in October. She asked the Board if they wanted to add an hour to the regularly scheduled Board meeting or hold a different day/time for the strategic planning process. Ms. Baney noted that much of the 2015-2018 strategic plan is still relevant including the re-branding goal. She added that another consultant is reviewing re-branding work previously completed to offer next steps and provide assistance to get COIC a finished product. She said the hope is to have something to show the Board at the Strategic Planning meeting.</p> | |
| Regional Round Table | Those in attendance reported on events, activities, concerns, and opportunities in their respective areas. Ms. Baney thanked those in attendance for their time. | |
| Adjourn | There being no further business, Chair Bummer adjourned the meeting of the COIC Board of Directors at 7:47 pm. | |