

**MINUTES OF THE
ADMINISTRATIVE COUNCIL
COCHISE COLLEGE BENSON CENTER
1025 STATE ROUTE 90
BENSON, ARIZONA
MAY 4, 2016**

OFFICERS PRESENT: Soltis, Tedmond – City of Willcox (*Chair*)

MEMBERS PRESENT: Gale, Kay – Greenlee County
McCormick, Jeff – Town of Pima (*by phone*)
McGaughey, Ian – City of Clifton
Mitchell, Tammy – Town of Huachuca City
McLachlan, Matt – City of Sierra Vista
Rivera, Carlos – City of Nogales
Stephens, William – City of Benson
Teel, Dave – Town of Patagonia
Valdez, Jesus – Santa Cruz County
Vlahovich, Jim – Cochise County (*by phone*)

STAFF PRESENT: Catten, Larry - Economic Development Planner
Heiss, Randy - Executive Director
Merideth, John - Office Assistant
Osborn, Cindy - Accounts Manager
Vertrees, Chris - Transportation Planner
Villa, Laura – AAA Manager
Williams, Bonnie - CDBG Program Manager

GUESTS: None

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE Chair Soltis
/ INTRODUCTIONS

II. MEMBER ENTITIES' DISCUSSION Chair Soltis

Ms. Tammy Mitchell announced that Huachuca City had passed a Mayor/Manager form of government ordinance. Ms. Kay Gale announced the closure of the Duncan branch of National Bank.

III. CALL TO THE PUBLIC

Chair Soltis

No one from the public was present.

IV. ACTION ITEMS

1. Consent Agenda
 - a. Approval of the February 11, 2016 Minutes
 - b. Nomination to the Advisory Council on Aging

Mr. Ian McGaughey made a motion to approve Consent Agenda Items 1a.

MOTION: Ian McGaughey
SECOND: Bill Stephens
ACTION: **APPROVED UNANIMOUSLY**

Ms. Mitchell made a motion to approve Consent Agenda item 1b.

MOTION: Tammy Mitchell
SECOND: Carlos Rivera
ACTION: **APPROVED UNANIMOUSLY**

2. Election of Officers

Mr. Randy Heiss discussed the election of officers and Chair Soltis opened discussion to nominations.

Ms. Mitchell made a motion to nominate Mr. Horatio Skeete for the position of Secretary.

MOTION: Tammy Mitchell
SECOND: Ian McGaughey
ACTION: **APPROVED UNANIMOUSLY**

Ms. Gale made a motion to nominate Ms. Tammy Mitchell for the position of Vice-Chair.

MOTION: Kay Gale
SECOND: Carlos Rivera
ACTION: **APPROVED UNANIMOUSLY**

Ms. Mitchell made a motion to nominate Mr. Ted Soltis for the position of Chair.

MOTION: Tammy Mitchell
SECOND: Bill Stephens
ACTION: **APPROVED UNANIMOUSLY**

3. Fiscal Year 2016-2017 Budget Action Items

a. Discussion and Possible Action Regarding the Revised Regional Grant Services Project /Annual Assessments

Mr. Heiss discussed the Regional Grant Services Project, stating that the Executive Board wanted more time to consult with their respective Administrative Council members before making any decisions on the issue. He also proposed several new options for how to fund the project.

Option 1 – the proposed \$20,000 assessment is split evenly between the 19 member entities with no population formula. This is offered in consideration that each member entity will theoretically have the same potential to benefit from participating in the program and should bear an equal share of the cost.

Alternate A: Assuming all member entities participate the cost would be \$1,053 each.

Alternate B: Assuming that Sierra Vista does not participate the cost for each remaining member entity would increase to \$1,111 each with no impact on fund balance.

Alternate C: If additional entities choose to opt out of participating in the program, the cost to the remaining participating jurisdictions would increase accordingly. This Alternate would provide the flexibility for any member entity to opt out of the program with fund balance picking up the cost of the non-participating members. The cost for the participating members would remain fixed at \$1,053 in the first year of the contract.

Option 2 – This Option assesses the \$20,000 cost on a modified population based formula, but also allows the flexibility for any member entity to opt out of the program with fund balance picking up the cost of the non-participating members. No Alternatives to this Option are offered.

Option 3 – No assessment for the program is proposed. Two Alternatives for this Option are offered.

Alternate A: No direct services to member entities would be available, and SEAGO would contract with CDP to search for funding opportunities to expand or enhance regional services and fulfill the goals of our Strategic Plan, including Goal 1, Tactic C – Prepare and Submit a Regional Technical Services Center Grant Application in order to establish a technical services center that could be utilized by member entities in developing projects in their communities. SEAGO would work with CDP to identify several priorities that would become the focal points of grant opportunities. The cost would be no more than \$10,000 in the first year and would be paid from fund balance.

Alternate B: The project would go forward as proposed at the February meeting with the entire cost of \$45,000 for the first contract year coming from the fund balance. If the program meets

performance measures, there would be an expectation that a member entity assessment would cover most, if not all of the program costs in the second contract year.

Ms. Gale asked whether there were indications from the other members whether they would participate or not. Mr. Heiss reported he had met with Cochise County and they were comfortable participating for the first year under Option 3, Alternate A. Ms. Gale asked whether an entity would be able to opt out in a future year if they decided to participate in the first year and Mr. Heiss responded they would.

Mr. McLachlan asked why the scope of services mentioned in paragraph 2 of the contract was not included and recommended it be included. Mr. Heiss mentioned that the scope is incorporated into the contract in Exhibit A, Item No. 5. He also stated that the scope of the original contract will be narrowed in light of recent discussions.

Ms. Gale asked whether the contract language that states there would be a minimum of five projects each year was still valid and Mr. Heiss commented that that language would be taken out.

Chair Soltis stated he felt there was not enough input from the member entities and that at a minimum Option 3, Alternate A was a good option. He felt that there should be some safeguards to protect member entities from increased cost if other members choose not to participate.

Mr. Stephens commented that it would benefit the City of Benson but prefers full participation from all member entities under Option 1.

Mr. McGaughey commented that Option 1, Alternate A would be the preference of Town of Clifton.

Ms. Mitchell also commented that Option 1, Alternate A would be the preference of the Town of Huachuca City.

Mr. Teel commented that Option 3, Alternate B would be the preference of the Town of Patagonia.

Ms. Gale commented that Option 1, Alternate C would be the preference of Greenlee County.

Mr. Rivera commented that Option 1, Alternate C would be the preference of the City of Nogales.

Mr. Valdez asked whether every member would be able to participate and what the cost is to prepare the grant application? Mr. Heiss responded yes except for Option 3, Alternate A and it would cost the entity approximately \$2,000 – \$5,000 to depending on the complexity of the application. Mr. Valdez commented he thought it was great and would benefit Santa Cruz County.

Mr. McLachlan asked whether the consultant would be reimbursed through the grant or paid entirely through the contract. Mr. Heiss responded that it would be unlikely grant funds could be used to pay the consultant as this is generally not allowed. Mr. McLachlan asked what the contract would cover if Sierra Vista were to participate and Mr. Heiss responded that it would cover identification of top two priorities and the consultant would look for funding opportunities that match the priorities identified by the City. Once an opportunity is identified, the consultant would work directly with the City to pursue an application, at a separate cost.

Ms. Gale asked for a simple one page outline of the services offered which she could take to her Board and Mr. Heiss responded that he would put something together.

A motion was made by Bill Stephens to recommend the options outlined by staff to the Executive Board.

MOTION: Bill Stephens
SECOND: Ian McGaughey
ACTION: **APPROVED UNANIMOUSLY**

Ms. Gale asked what the timeframe was for determining whether the member entities would participate or not. Mr. Heiss responded that it would probably be about one month following the Executive Board meeting.

Annual Assessments

Mr. Heiss discussed the annual member assessments, stating that with the exception of using the Office of Employment and Population Statistics (OEPS) estimate as the population base for each community, the column for SEAGO Member Dues remains unchanged from the Option adopted for Fiscal Year 2016.

b. Resolution 2016-02 EDA Grant Authorization

Mr. Larry Catten presented for consideration Resolution No. 2016-02, EDA Grant Authorization which is for the Economic Development Administration (EDA) planning partnership assistance grant for the funds in the amount of \$75,000 to continue the stability and ability of SEAGO to administer the Economic Development District (EDD) program.

Mr. Bill Stephens made a motion to recommend to the Executive Board approval of Resolution 2016-02 for an EDA Partnership Planning Assistance Grant in the amount of \$75,000 and matching funds of \$35,357 funded through assessments paid by SEAGO member entities.

MOTION: Bill Stephens
SECOND: Matt Mclaughlan
ACTION: **APPROVED UNANIMOUSLY**

c. Fiscal Year 2016-2017 Budget

Ms. Cindy Osborn presented the FY17 Budget and assumptions.

Mr. Dave Teel made a motion to provide a 3% cost of living adjustment for staff which would come from fund balance.

MOTION: Dave Teel
SECOND: Chair Soltis

Mr. McGaughey asked whether the savings from Housing would cover the proposed salary increases and Ms. Osborn responded that it would not. Mr. Carlos Rivera asked when the last time employees were given raises and Mr. Heiss responded that a 2.5% salary adjustment was provided last year.

ACTION: 1 AYE, 10 NAY

A motion was made by Chair Soltis to recommend approval of the FY17 Budget to the Executive Board as presented and with modifications outlined by Ms. Osborn.

Ms. Gale asked what the plan was for the Housing Program and Mr. Heiss responded that it would be impossible to hire a qualified replacement person and to maintain SEAGO's HUD certification with the funds available.

MOTION: Chair Soltis
SECOND: Ian McGaughey
ACTION: APPROVED UNANIMOUSLY

4. Fiscal Year 2016 CDBG Regional Account Applications

Ms. Bonnie Williams outlined the FY16 CDBG applications and that based on the Letters of Intent submitted April 1, the following is the list of applicants for FY16:

Cochise County (\$231,778) Huachuca City (\$231,778), Thatcher (\$195,450), Patagonia (\$314,946) and Duncan (\$100,000). She stated that all applications are due to SEAGO by July 1 and to the ADOH CDBG Program by August 1.

Mr. Jim Vlahovich stated that Cochise County had allocated \$30,000 for the Rural Accent Bowie Community Center and Food Pantry but had run into some issues so those funds would be instead used for the AZ Children's Haven project. The total for Cochise County remains at \$231,778.

Chair Soltis asked how the CDBG funds are allocated and Ms. Williams explained funds from the state are based on population statistics and those funds are then divided up between each county also based on population, poverty, and other demographic information. The members within each county decide through the Method of Distribution (MOD) how to split up the funds.

MOTION: Dave Teel
SECOND: Kay Gale
ACTION: **APPROVED UNANIMOUSLY**

5. Consideration of Fiscal Year 2017 AAA Contract
Renewal Recommendations

Ms. Laura Villa presented the FY17 AAA Subaward Renewal Recommendations stating that the initial funding levels may be increased or decreased based on subaward negotiations, alerts from ADES, or to reallocate units to areas of greater need in order to better manage the carryover of funds.

Ms. Gale asked about the meals program in Greenlee County and Ms. Villa responded there was a small meals program in Greenlee and that most in the area preferred the SEACUS meals.

Chair Soltis asked about the \$10,000 Willcox unobligated transportation funds. Ms. Villa responded that those funds are being held in anticipation of restarting the Willcox transportation services in the future.

MOTION: Kay Gale
SECOND: Tammy Mitchell
ACTION: **APPROVED UNANIMOUSLY**

6. Discussion and consideration of Resolution No. 2016-03
Relating to the Douglas Land Port of Entry Project

Mr. Larry Catten presented Resolution No. 2016-03 supporting the City of Douglas' efforts to modernize and expand the current Raul H. Castro Port of Entry, and to construct a new port of entry facility to accommodate commercial cargo.

Mr. Rivera commented on the struggles Nogales has had trying to fully staff the Nogales POE and that the Nogales Mayor and Council may have a problem with approving the proposed resolution for Douglas.

Ms. Tammy Mitchell made a motion to recommend approval of Resolution No. 2016-03 to the Executive Board.

MOTION: Tammy Mitchell
SECOND: Bill Stephens
ACTION: **Nine Aye, Two Nay**

Ms. Gale commented that perhaps SEAGO should consider proposing another resolution in support of the City of Nogales' efforts as well.

V. INFORMATION ITEMS

A. Future Meeting Dates

Mr. Heiss presented the future meeting dates and responded to questions.

B. Strategic Plan Implementation Progress Report

Mr. Heiss provided a brief report on the implementation of the goals set forth in the FY16-20 Strategic Plan.

C. Graham County Private Sector Representative Vacancy

Mr. Heiss discussed the Graham County Private Sector Representative position remained vacant.

D. Quarterly Finance Report

Ms. Osborn provided the quarterly Finance report and responded to questions.

E. SEAGO Economic Development District Report

Mr. Catten provided the EDD report and provided an update on the CEDS progress as well as recent training opportunities offered through SEAGO. Mr. Catten asked the Council to please review the draft CEDS and give him any suggestions they may have.

Chair Soltis asked whether the economic development professionals periodically met to work on economic development issues. Mr. Catten responded that Cochise County does have that in place and that the goal is to do something similar for the other three counties.

F. Transit Report

Mr. Chris Vertrees provided updates for the Transit and Mobility Management programs and responded to questions.

G. Strategic Regional Highway Safety Plan Update

Mr. Vertrees provided an update on the progress of the SEAGO/SVMPO Joint Regional Strategic Highway Safety Plan project.

H. AAA Updates

Ms. Laura Villa provided updates on AAA program and responded to questions.

I. Housing Program Statistics

Mr. Heiss provided the Housing program statistics and responded to questions.

VI. RTAC REPORT

In the absence of Mr. Adam, Mr. Heiss reported on the \$96 million one-time funding and that \$30 million of it would go towards the widening of I-10 and \$25 million would go to State Route 189 in Nogales..

VII. STAFF ANNOUNCEMENTS / CURRENT EVENTS

Mr. Heiss reported that SEAGO and possibly SVMPO will be hosting the 19th Annual Rural Transportation Summit in October 2017.

VIII. FUTURE AGENDA ITEMS

Staff will look at a resolution in support of the City of Nogales Port of Entry staffing.

IX. ADJOURNMENT

Mr. Stephens made a motion to adjourn the meeting at 11:02 AM.

MOTION: Bill Stephens
SECOND: Kay Gale
ACTION: **UNANIMOUS**