

**MEETING MINUTES OF THE
EXECUTIVE BOARD
COCHISE COUNTY COMPLEX
1415 MELODY LANE, BUILDING G
BISBEE, ARIZONA
FEBRUARY 27, 2015**

OFFICERS PRESENT: Chair David Gomez, Supervisor, Greenlee County

MEMBERS PRESENT: Ron Oertle, Mayor, City of Bisbee
Ann English, Supervisor, Cochise County
Danny Smith, Supervisor, Graham County
John Doyle, Mayor, City of Nogales
Danny Ortega, Mayor, City of Douglas
Marvin Mull, San Carlos Apache Tribe (alternate for Tribal Chairman Rambler)
Tony Sedgwick, Private Sector Representative, Santa Cruz County
Richard Ortega, Councilmember, City of Safford
Gerald Lindsey, Councilmember, City of Willcox

STAFF PRESENT: Randy Heiss, Executive Director
Cindy Osborn, Accounts Manager
Julie Packer, Housing Programs Manager
Larry Catten, Economic Development Program Manager
Chris Vertrees, Transportation Planner
Zoya Greene, Office Assistant

GUESTS: Kathy Boyle, ADOT Public Affairs Office
Shane Dille, City Manager, City of Nogales
Jesus Kataura, Mayor's Executive Assistant, City of Nogales
Cesar Parada, Councilman, City of Nogales
Kevin Adam, Rural Transportation Advocacy Council
Jim Usevitch, Colby & Powell

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE/INTRODUCTIONS

Chair David Gomez called the meeting to order at 10:10 a.m. and asked Supervisor Ann English to lead in the Pledge of Allegiance.

Chair Gomez welcomed Jim Usevitch, of Colby & Powell, and asked him to give a brief update on the SEAGO audit. Jim reported that the SEAGO audit went well. There were no disagreements and SEAGO uses good accounting principles. Jim reported that the only audit finding was the AAA Program needs to do better at fiscal monitoring of subrecipients.

II. MEMBER ENTITIES' DISCUSSION

Chair Gomez made a call for items to discuss. Kathy Boyle thanked Greenlee County for hosting the State Transportation Board meeting. Kathy commented that the Board is still talking about the Morenci Mine Tour as well as the outstanding accommodations. Kathy also announced that the ADOT Rural Consultation Meeting is scheduled for March 19, 2015 at 1pm and that elected officials can expect to see an invitation to attend.

Supervisor Ann English invited those in attendance to tour the Cochise County Jail, state of the art shooting range, and new equipment, after the meeting. Ms. English stated that a benefactor, the Buffet Foundation, helped pay for it and it wasn't funded by Cochise County.

Mayor Danny Ortega announced that a bill, SB 1465, passed in 2011, took away the B1/B2 visa as a form of identification in Arizona. Some businesses who sell liquor have been unable to accept these as identification from Mexican citizens in the US legally. Mr. Ortega suggested it's a red flag that may impact hotels and other businesses throughout Arizona. Ortega stated the chart that lists acceptable forms of ID, includes Canadian IDs as acceptable and Mexican IDs as not acceptable, including Visas that are issued by the American Government.

Supervisor English encouraged that members of the Executive Board be more aware of all the bills in front of the legislature before they are passed. Ms. English stated that all the information is online and that they can send emails that will become part of record and will take into consideration when discussing a bill.

Mayor Ron Oertle commented that the Arizona League of Cities and Towns holds teleconference meetings on Mondays at 11 a.m. to discuss various bills coming up.

III. CALL TO THE PUBLIC

Chair Gomez made a Call to the Public and no one spoke.

IV. ACTION ITEMS

1. CONSENT AGENDA

- a. Approval of the November 21, 2014 Minutes
- b. Approval of New Advisory Council on Aging Member for Town of Patagonia
- c. Update to Transportation Advisory Committee Bylaws
- d. Transportation Advisory Committee Future Project Procedures

MOTION: Supervisor Ann English moved to approve the Consent Agenda

SECOND: Councilmember Sam Lindsey

ACTION: **APPROVED UNANIMOUSLY**

2. ELECTION OF OFFICERS

Randy Heiss announced that former Sierra Vista Councilman Tom Reardon chose not to seek reelection and is no longer on the Executive Board. Therefore, a new officer to represent Cochise County must be elected. On February 10th, Randy distributed an e-mail to all of the Cochise County members of the Executive Board to determine if any of them are interested in serving on the Board.

Randy stated that Gerald 'Sam' Lindsey offered to step up as Vice-Chair if no one else is willing. Supervisor Ann English commented that she supports Sam Lindsey to take Tom Reardon's position as an Officer for Cochise County.

The proposed slate of officers for calendar year 2015:

Chair: Mayor Bob Rivera, Town of Thatcher

First Vice-Chair: Cochise County Representative (to be determined)

Second Vice-Chair: Supervisor Rudy Molera, Santa Cruz County

Treasurer: Supervisor David Gomez, Greenlee County

MOTION: Mayor Danny Ortega made a motion to approve the proposed slate of officers as presented with Councilmember Sam Lindsey, Cochise County Representative as First Vice-Chair

SECOND: Councilmember Richard Ortega

ACTION: **APPROVED UNANIMOUSLY**

3. DRAFT SEAGO FUND BALANCE POLICY

Randy Heiss stated at their February 12th meeting, the Administrative Council discussed the proposed policy at length. Much of the discussion revolved around what different members felt would be the appropriate Minimum and Surplus levels of fund balance. After considerable discussion, they recommended (with one dissenting vote [Safford]) setting the Minimum level of fund balance at 50% and the Surplus level of fund balance at 50%. They also recommended adding standards for the margin of votes required for the Executive Board to approve recurring and nonrecurring expenditures when the Surplus level of fund balance is reached. The recommendations are reflected in the attachment that Randy provided.

MOTION: Councilmember Sam Lindsey moved to approve SEAGO Fund Balance Policy as amended

SECOND: Mayor John Doyle

ACTION: APPROVED UNANIMOUSLY

4. POSSIBLE NEW SEAGO ASSESSMENT SCHEDULE

Randy Heiss commented that the current method of assessing member dues has been in place since well before he went to work for SEAGO. Currently, dues are assessed to raise the local matching funds for the EDA Planning Partnership Grant, annual dues to the Rural Transportation Advocacy Council, and to cover expenditures that are unallowable under Federal guidelines, such as food, lobbying, advertising, etc.

The assessment for SEAGO annual dues is currently based on the 2010 Census population for each member entity multiplied by 30 cents per capita. Approximately 53% of the annual dues are used to fund the cash match for the EDA grant. The RTAC annual dues are based on the 2010 population of each nonmetropolitan area of each member entity multiplied by 8.2 cents per capita. The resulting cost is then split 70/30, with transportation planning funds paying 70% and member assessments paying the remaining 30% of the RTAC dues. Randy provided the 2015 SEAGO Member Assessment schedule for reference.

Randy stated that at their February 12th meeting, the Administrative Council discussed the possible new SEAGO Assessment Schedule at length, and requested the following changes be presented in the version to be considered in May:

- Add a column to provide funding for a grant writer who will assist member entities in identifying and applying for grant opportunities as reflected in the priorities expressed in the strategic planning retreat;
- Add a column to reflect the percentage of the total assessment paid by each member entity;
- And for staff to take into consideration all shortfalls and needs we could encounter in the next fiscal year, include those items in the new assessment schedule, along with a recommendation of how to transition into those fees with the use fund balance as a transition mechanism.

Councilmember Sam Lindsey expressed concern regarding the various fees amounts for different locations. Mr. Lindsey commented that it is usually the smaller communities that struggle with budget challenges than larger entities. Randy Heiss followed up stating that it was the smaller entities that expressed that they weren't paying enough regarding the services they receive. Randy suggested that he 'massage' the population blocks more to find a better balance.

Shane Dille commented that a lot of the dialogue started at the retreat that led to series of discussions that many of the smaller communities don't have funding for technical assistance position, so they tend to rely heavily on SEAGO. It was discussed to have a regional grant writer and technical assistance position that aids the entire SEAGO region entities. Shane asked Randy how he came up with the fee structure. Randy followed up stating that in the example, SEAGO Dues are based on population blocks with the larger entities paying less per capita, and the smaller entities

who generally need more services paying more per capita. Per capita rates currently vary from 80 cents to 10 cents per capita, but adjustments may need to occur in the final version.

Councilmember Richard Ortega commented that a grant writer/technical assistance position will be a useful tool for many of the members.

Shane Dille stated that concerns expressed at the Administrative Council meeting included that members are currently working on their individual budgets which include the current fees and wonder how they will be impacted after the new fees are approved. Discussion included the use of excess fund balance to help soften the transition.

Tony Sedgwick suggested that the fees be assessed on a 'pay as-you-go' module so that the entities that don't utilize any services are not impacted. Randy Heiss followed up stating that he thinks easing into a grant writer position is the better route than hiring someone full time. For example, SEAGO would put out an RFP for a grant writer and then the grant writer would contract directly with that entity requesting assistance.

Chair Gomez asked how many members attended the retreat and stated that he asked because it seems no one is aware of what was discussed and didn't have a chance to share their ideas etc. Randy followed up stating 9 Administrative Council members and 8 Executive Board members attended the retreat. Randy stated that it was not the turn out that was anticipated considering 14 from the AC and 14 EB confirmed attendance to the retreat.

Councilmember Lindsey commented that the City of Willcox is looking at possibly spending \$200k-\$300k of their reserve to balance their budget in 2015. Lindsey stated that anything additional adds to the deficit that is already being operated on. Randy stated that he will take the feedback, comments and direction from the Council and Board and bring it back in May to review again. No motion necessary.

5. CONSIDERATION OF RESOLUTION NO. 2015-01 (HURF)

Randy Heiss stated that Thatcher Mayor Bob Rivera expressed an interest again this year in the Executive Board considering a resolution urging the Governor and Legislature to eliminate the diversion of HURF funds to the State General Fund. Randy borrowed heavily from information prepared by the RTAC in creating the Resolution for the Board's consideration. The Resolution also includes language urging the powers that be to modernize the mechanisms needed to develop and maintain our State's transportation infrastructure.

At their February 12th meeting, the Administrative Council unanimously recommended approval of Resolution No. 2015-01.

MOTION: Councilmember Sam Lindsey moved to approve Resolution No. 2015-01 (HURF)

SECOND: Councilmember Richard Ortega

ACTION: **APPROVED UNANIMOUSLY**

6. UPDATED TRANSPORTATION ISSUES POSITION STATEMENT

Randy stated that the SEAGO TAC held a substantive discussion regarding transportation issues of concern at their January 15th meeting. A number of concerns were raised this year regarding the ability of local governments to plan and implement transportation projects. Several specific issues were identified that the TAC felt were particularly important and they recommended that a position on these issues be formally taken by the SEAGO Executive Board. The following issues were presented within the 2015 – 2016 Transportation Issues Position Statement that Randy provided to the Board:

1. End the diversion of dedicated transportation funding

Position Statement: Urge the Governor and Legislature to direct dedicated transportation funding to its intended uses as requested in Resolution No. 2015-01.

2. Restore the HURF Exchange Program

Position Statement: Encourage ADOT to restore the HURF Exchange Program.

3. Explore all possible funding options to resolve the ST 189 bottleneck

Position Statement: Encourage ADOT to support the efforts of the Regional Planning Agencies to raise above the line revenue to advance the preferred build alternative for SR 189 into the ADOT Five-Year Transportation Facilities Construction Program and to build a long-term solution that reduces the commercial traffic congestion on SR 189, facilitates cross border trade, enhances economic growth, and fosters job creation in Arizona, as expressed in Resolution No. 2014-05.

4. Expand transportation infrastructure funding mechanisms

Position Statement: Urge the Governor, Legislature, and Congress to expand existing dedicated transportation funding sources, and develop sustainable alternative state and federal transportation funding mechanisms.

5. Empower ADOT staff to challenge the process

Position Statement: Encourage ADOT and Federal Highway Administration to uphold the categorical exclusion provisions in MAP 21 as intended by Congress and impose the minimum federal requirements and allow maximum flexibility for small local public agency projects with no significant environmental effect.

6. Raise Title 34 limitation on use of local forces

Position Statement: Urge the Governor and Legislature, to reset the Title 34 limitation on use of local forces to construct street, road, bridge, water or sewer projects without advertising for bids to \$500,000 and/or exclude the cost of materials from the calculation of project costs.

At their February 12th meeting, the Administrative Council unanimously recommended approval of the 2015 – 2016 Transportation Issues Position Statement.

MOTION: Councilmember Sam Lindsey moved to approve the updated Transportation Issues Position Statement

SECOND: Mayor Danny Ortega

ACTION: **APPROVED UNANIMOUSLY**

7. CONSIDERATION OF RESOLUTION NO. 2015-02 SUPPORTING THE SECTION 559 PROPOSAL FROM THE CITY OF DOUGLAS

Mayor Danny Ortega explained the City of Douglas' plans to move forward in partnership with the City of Agua Prieta, Sonora to build a new commercial Land Port of Entry (LPOE), and its Section 559 Donation Acceptance Authority Proposal to U.S. Customs and Border Protection (CBP). The proposed new LPOE will be constructed on city-owned property located approximately 5 miles west of Douglas through a private public partnership project delivery mechanism. The estimated bond/debt issuance for the construction of this facility includes an anticipated construction cost of \$23M, as well as facility improvements intended to facilitate cross border traffic both inbound and outbound at the existing Douglas LPOE at a projected cost of \$3M.

The City is proposing to enter into a 30-year lease agreement with CBP and will donate up to 80 acres of land to CBP in conjunction with the execution of the lease. The City will own, manage, and maintain this facility for the entire duration of the lease period, and will donate the facility to CBP at the end of the lease period. The proposed lease agreement will cover all capital, interest, debt issuance, facility maintenance, and depreciation costs over the life of the lease with the exception of the land being donated by the City, and road construction costs which will be funded by others. The provided Resolution speaks to the need for the new commercial LPOE and improvements at the existing facility.

At their February 12th meeting, the Administrative Council unanimously recommended approval of

Resolution No. 2015-02.

MOTION: Councilmember Richard Ortega moved to approve Resolution No. 2015-02
SECOND: Supervisor Ann English
ACTION: **APPROVED UNANIMOUSLY**

8. GREENLEE COUNTY EXECUTIVE BOARD PRIVATE SECTOR REPRESENTATIVE

Randy stated that he had been notified by Ms. Gail Hackney that she is unable to continue her service as Greenlee County's Private Sector Representative on the Executive Board. The Board must have private sector representation as a requirement of the Economic Development Administration.

Per SEAGO's Bylaws, Private Sector Representatives are appointed from the nominations submitted by the Member Entity Representatives from each county area, and must represent a low income or minority group, or representative organization, or represent the principal economic interests in the region, such as, but not limited to business, industry, finance, utilities, education, the professions, agriculture, or labor.

Based on an e-mail Randy received from Clifton Town Manager Mr. John Schempf, the member entity representatives from Greenlee County have discussed nominees and agree that Ms. Dusti Robinette of Duncan Farm and Garden Center would be an excellent choice for the position, and she has agreed to serve if selected.

At their meeting on February 12th, the Administrative Council unanimously recommended appointment of Ms. Dustie Robinette as the Greenlee County Private Sector Representative.

MOTION: Councilmember Sam Lindsey moved to approve Ms. Dustie Robinette as the Greenlee County Private Sector Representative.
SECOND: Supervisor Ann English
ACTION: **APPROVED UNANIMOUSLY**

V. INFORMATION ITEMS

A. FUTURE MEETING DATES

Randy Heiss explained that the August 2015 meeting of the Executive Board will be moved to August 28th to avoid conflict with the League of Cities and Towns Annual Conference. The February 2016 meeting dates will be moved one week as shown to avoid a conflict with the ACMA Winter Conference. Randy provided a schedule of future meeting dates of the Administrative Council, Executive Board and Administrative/Executive Committee.

B. STRATEGIC PLANNING RETREAT REPORT

Randy Heiss shared that on January 21st and 22nd, SEAGO held a strategic planning retreat at the Cochise College Benson Center. As of November 17th the final attendance poll determined 14 members of the Administrative Council and 14 members of the Executive Board had indicated they could attend on these dates, yet only 9 members of the Administrative Council and 8 members of the Executive Board actually attended.

Despite a lower than expected turnout, those who did attend were thoroughly engaged, thoughtful, and positively participatory. Randy stated Amy St. Peter, Human Services and Special Projects Manager from the Maricopa Association of Governments did a great job facilitating the retreat, and the exercises generated a lot of data that will be used to develop the SEAGO strategic plan goals, objectives, strategies and tactics. Randy asked members to submit comments by March 15, 2015.

C. SCCOA FUNDING REPORT

Randy Heiss commented that at the November meeting of the Executive Board, Dr. Marcelino Varona, President of the Santa Cruz Council on Aging (SCCOA), spoke at Call to the Public to report the progress the SCCOA has made in correcting deficiencies in their contract compliance, improving the conditions at the Nogales Senior Center, and increasing participation in their congregate meals program, nutrition education program, and socialization activities at the Center.

Randy stated that Dr. Varona also enumerated the effort the SCCOA has made to raise additional funds for their program, but expressed that they continued to struggle financially and urged the Executive Board to increase SEAGO support for the congregate meals program at the Nogales Senior Center. After hearing Dr. Varona speak, several members of the Executive Board expressed a desire for SEAGO staff to look for any way possible to program additional funds for SCCOA congregate meals.

Randy announced that near the end of January, a small amount of unobligated funding was identified for Congregate Meals. On February 2nd, the Area Agency on Aging Program Manager allocated \$5,000 dollars of these funds to the Santa Cruz Council on Aging. In addition, the amount of Non-Federal Cash in the SCCOA budget was reduced by \$10,000 through a contract amendment. The net effect of these adjustments was a funding increase of \$15,000 to the SCCOA congregate meals contract. Staff is expecting additional funds to become available for congregate meals within the next 45 days and will make every effort to program as much of that money as possible toward the SCCOA congregate meals program.

D. SECOND QUARTER FINANCE REPORT/FY14 ANNUAL AUDIT

Cindy Osborn provided the Board with the SEAGO Statement of Revenues & Expenditures for the period December 2014 and FY15 to date. Cindy stated that in order to manage the size of Board packets, the FY14 audit had been posted to the SEAGO website and can be downloaded from the following page: <http://seago.org/?q=february-2015-executive-board-meeting>

E. TRANSIT REPORT

Chris Vertrees reported that SEAGO completed the RFQ process for the training program consultant on January 22nd. M. Greene Planning & Resource Development was the only responded to the RFQ. She is very qualified to lead this project. A contract was entered into on January 27th. The first deliverable is a Regional 5310 Training Plan to be delivered to SEAGO by March 15, 2015.

F. ECONOMIC DEVELOPMENT DISTRICT REPORT

Larry Catten expressed that it is an honor and privilege to be appointed to the position of SEAGO Economic Development Planner, effective January 19, 2015. He has had the opportunity to work in the field of economic development for more than 18 years, working with local governments in identifying, developing and implementing economic development strategies. That experience has been buttressed with more than 7 years of experience in the private sector, working for companies in various initiatives of business development, business expansion and retention, and inter-corporate and inter-governmental relations. This public and private sector experience has afforded him the opportunity to view, from both perspectives, government's essential role in developing and growing a community's prosperity.

G. HOUSING PROGRAM STATISTICS

Julie Packer shared housing statistics through FY15 second quarter. She received phone calls from an additional 104 families in addition to the clients she already worked with during the second quarter. Currently Financial Education and Homebuyer Education classes are being scheduled throughout the region to meet the funding requirements of a grant from the Attorney General's Office. Classes are being scheduled for the end of February, March and early April.

By this meeting, PSA's will have been sent out to area newspapers and radio stations along with flyers to banks, realty companies and low income housing complexes.

VI. RTAC REPORT

Kevin Adam provided the latest RTAC Legislative Update to the Executive Board.

VII. FUTURE AGENDA ITEMS

Chair Gomez made a call for future agenda items and Randy Heiss commented that the performance review for his position is up in May and that he will forward the information to the new Chair, Mayor Bob Rivera. Randy said that he will leave it up to Mayor Rivera to include an executive session as an item on the next agenda or a future agenda.

VIII. ADJOURNMENT

Chair Gomez asked for a motion to adjourn the meeting.

MOTION: Supervisor Danny Smith moved to adjourn the meeting

SECOND: Mayor Danny Ortega

ACTION: **APPROVED UNANIMOUSLY**

Chair Gomez adjourned the meeting at 12:02 p.m.