

**MINUTES OF
THE ADMINISTRATIVE COUNCIL MEETING
9 A.M., THURSDAY, MAY 2, 2019
COCHISE COLLEGE BENSON CENTER
1025 HIGHWAY 90
BENSON, ARIZONA**

OFFICERS PRESENT: Williams, Matthew – Huachuca City (Chair)
Skeete, Horatio – City of Safford (Treasurer)

MEMBERS PRESENT: Blaschke, Caleb – City of Willcox
Brown, Heath – Town of Thatcher
Coxworth, Dan – Cochise County (phone)
Gale, Kay – Greenlee County
McLachlan, Matt – City of Sierra Vista (phone)
Pauken, Steve – City of Bisbee
Rybski, Faith – City of Tombstone (phone)
Welker, Dustin – Graham County

STAFF PRESENT: Catten, Larry – Economic Development Planner
Dennis, Keith – Community Development Manager
Glenn, Heather – Administrative Assistant
Heiss, Randy – Executive Director
Hobson, Dawn – AAA Caregiver Coordinator
Pashley, Diane – Accounts Manager
Villa, Laura – AAA Program Director

GUESTS: Adam, Kevin - RTAC

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE/ INTRODUCTIONS

Chair Williams called the meeting to order at 0996. Introductions were made.

II. MEMBER ENTITIES' DISCUSSION

Matt McLachlan, Sierra Vista, shared that their CDBG plan is going to Council next week. The bulk of funding is proposed for public infrastructure and facilities. He stated that there's been some discussion about more effectively dealing with the homeless population. He explained that he knows there's been talk on a regional basis of possibly forming a Continuum of Care Committee that involves all the counties that are a part of SEAGO. He would like to see the Committee broaden the discussion to include the critical needs cities face in that regard, including mental health. Their strategic planning process has been completed; their budget is also nearing completion. Sierra Vista hired a new code enforcement officer and they are continuing clean-ups and enforcement action around the city. Their Council is considering parking regulations throughout the city. **Dan Coxworth**, Cochise County, stated that they are moving forward with census meetings; the next one will be scheduled in June or July. **Faith Rybski**, Tombstone, announced that they will be drilling another well and are working on the second floor of their City Hall renovation. She shared that the city will be taking over the Boot Hill Gift Shop. **Horatio Skeete**, Safford, stated that they are working on the budget. He proposed a 3% pay increase for city staff, which was not popular. He stated that there is a perception that all the home building activities are happening outside of Safford. They don't have an aggressive annexation policy. They are proposing a one year building permit moratorium and economic development fund used to supplement impact fees for utilities. They hope to generate 40 new homes. Commercial development is not happening. He shared that the city is offering \$10,000,

interest-free, to city employees to build a home inside the city. Matt Williams asked if there is a residency requirement attached to the conditions of the loan. Horatio stated no. Randy asked if Safford city staff have had any raises in the past 5 years. Horatio responded that employees have received merit increases only. **Steve Pauken**, Bisbee, stated they have many open positions. Their search for a new City Manager is well under way; applications are being reviewed to determine qualifications and they are conducting background and social media checks. He shared that they held budget workshops a couple of nights last week. They started with \$300k deficit in General Fund and he said he will review the budget with the mayor and council to show them the impact of their budget decisions. The city has not covered the employee health insurances costs and is changing that this year. There has been no discussion about general increases overall, but they may make some adjustments. Their new Public Works Director, Jesus Jaro, is on board; his career started in Casa Grande; he has an engineering degree and comes from a public service background. Filling that position has already cut Steve's workload in half. He stated they hope to be selecting a Tourism Director soon. There is an Operations Manager position in Public Works but Steve says he wants the new director to be involved in the hiring process. Steve announced that he is NOT a candidate for City Manager and he will be returning to retirement at the end of his contract. Randy thanked Steve for returning to keep the City running. **Kay Gale**, Greenlee County, stated that they are also working on the budget, as well as a housing study and economic target industry study. **Matt Williams**, Huachuca City, announced that the new water sewer rates happened April 1 and added a new commercial rate that hadn't been there before. He stated that they are looking for Town Clerk. He said that budget season is in full swing and that Huachuca City will have a balanced budget as of today. Deficit spending has caused the problems that occurred in the past and stated he needs to educate his Council on what deficit spending is. He stated that they are undertaking a sewer fund project which needs to cap the originals. He thanked Keith for his help. He stated they are hoping to leave the sludge and cap it; but if not, it will be expensive. He announced that the City will be purchasing the Dusk 'til Dawn property and lease it out as a commercial business. He shared that more businesses are coming into town. They are updating the junk car ordinance and other old city ordinances. They have cut their prosecutor costs and are bringing in revenue through fines. He stated they are budgeting for a 1% raise across the board although health insurance costs are increasing 10%. He announced that he and his wife are expecting a son in September. **Caleb Blaschke**, Willcox, stated they are doing a rate study. Their wastewater treatment plant is under way and a new visitor website is being created. They are cleaning up the city; rewriting codes for enforcement. They are also experiencing health care cost increase of 7-8%. They provide 90-10 split for insurance for employees. They are trying to focus on the visitor center and long-term plan for it and employees. Most visitors are enroute to Phoenix or Flagstaff and not Willcox and they are hoping to change that.

III. CALL TO THE PUBLIC

No one from the public was present.

IV. ACTION ITEMS

1. Consent Agenda

a. Approval of the February 7, 2019 Minutes

Chair Williams called for a motion to approve the minutes.

MOTION: Kay Gale

SECOND: Horatio Skeete

ACTION: Unanimous

2. Election of Officers

Randy Heiss advised that Chair. Williams and Secretary Skeete are willing to continue on the Board, but that has not heard back from John Basteen on whether he wishes to continue as Vice Chair. Mr. Heiss stated that Mr. Skeete believes it is time for some new blood on the Council; however, he is willing to continue on the Board, if the group wishes. Mr. Heiss explained that the members could also vote to keep the current slate. Caleb Blaschke offered to serve.

Kay Gale made a motion to keep Matt Williams as Chair, Horatio Skeete as Secretary and elect Caleb Blaschke as Vice-Chair. Steve Pauken seconded. Congratulations, everyone!

MOTION: Kay Gale
SECOND: Steve Pauken
ACTION: Unanimous

3. Fiscal Year 2020 Budget Items

a. Discussion and possible action regarding Resolution 2019-01 EDA Grant Authorization
Larry Catten provided an overview, described how the process works and answered questions.

Horatio Skeete made a motion to recommend approval to the Executive Board of Resolution 2019-01 for an EDA Partnership Planning Assistance Grant in the amount of \$75,000 and matching funds of up to \$35,357 funded through annual assessments paid by SEAGO member entities.

MOTION: Horatio Skeete
SECOND: Kay Gale
ACTION: Unanimous

b. Sustainability of Fund Balance (discussion only)

Mr. Heiss and directed members to the chart on page 10 and provided an overview of the fund balance, stating that the fund balance is 48% above the amount mandated by policy.

c. Discussion and possible action regarding the FY 2020 Assessment Schedule

Randy Heiss advised that there are no changes to the schedule this year and he anticipates the DEA assessment will remain the same with the match.

Steve Pauken made a motion to recommend approval of the FY 2020 Assessment Schedule to the Executive Board. The motion was seconded by Horatio Skeete.

MOTION: Steve Pauken
SECOND: Horatio
ACTION: Unanimous

Mr. Skeete commended Randy and the SEAGO staff for being able to provide the services requested.

d. Discussion and possible action regarding the proposed FY 2020 SEAGO Budget

Diane Pashley directed members to page 14 showing a list of programs budgeted for this year. Mr. Heiss stated he expects Congress to fully fund the programs and that salary increases across the board for SEAGO employees are unsustainable at this time. He explained that staff made adjustments to labor and expenses where needed. Mr. Heiss commented that they had a

recommendation from their audit this year that SEAGO hire a consultant to help with fund accounting when making adjustments. \$50,000 was programmed into the budget in case of another government shutdown for 2020 so that staff doesn't have to come back and ask for authorization to use those funds. Vice Chair Blaschke asked how they plan to fill the consultant position and if SEAGO would be interested in an IGA. Mr. Skeete supported Randy's suggestion to address the fund accounting issue. Me. Heiss provided a synopsis of the audit process and steps being taken to address the issue with a very risk-averse firm. Mr. Pauken and Mr. Williams concur with Mr/ Skeet's comments. Kay Gale asked what RCM's contract terms are.

Kay Gale made a motion to recommend approval of the FY 2020 Budget to the Executive Board. The motion was seconded by Steve Pauken/

MOTION: Kay Gale
SECOND: Steve Pauken
ACTION: Unanimous

4. Discussion and possible action regarding Resolution 2019-02 requesting the removal of concertina wire from the International Border Wall within the SEAGO Region

Randy Heiss provided an overview and answered questions. Steve Pauken stated he has multiple years' experience living adjacent to the border and has addressed questions from relatives who have a different perception of the actual reality. He believes the concertina wire does nothing to secure the border. He believes we should be able to weigh in with Washington on concertina wire. Horatio Skeete stated he is uncomfortable with what he perceives as sending a message to Washington. He does not believe this is a function of our organization and stated we should support our members rather than present a watered down version. Matt Williams clarified that Mr. Skeete would rather see SEAGO support cities as to aesthetics. SEAGO recognizes cities' rights, Mr. Skeete said SEAGO supports the city's right to express their positions on border security. Caleb Blaschke stated he would feel more comfortable not setting policy; that is the job of Council, and he would rather stay away from it. Mr. Pauken stated the resolution is about concertina wire; not border security. Perhaps the best thing to do is do nothing and allow the Executive Board to take action.

Mr. Skeete moved to recommend approval to the Executive Board to reword Resolution No. 2019-02 to lend support to neighboring agencies without committing the SEAGO organization. There was no second. Being that there was no second to the motion, the motion dies.

MOTION: Horatio Skeete 1:06-1:07 on tape
SECOND: None
ACTION: Motion Dies

5. Discussion and possible action to recommend approval of the FY 2019 CDBG Regional Account applications

Keith Dennis provided an overview and answered questions. Vice Chair Blaschke asked if everyone pools the funds together and allocations rotate. Keith explained the distribution method. Horatio Skeete explained it could be a problem if government doesn't fund CDBG and the cities have been waiting. Mr. Dennis explained that the distribution method only affects regional funds. There are other CDBG funding options available to cities.

Vice Chair Blaschke made a motion to recommend approval of the FY 2019 CDBG Regional Account project applications to the Executive Board.

MOTION: Caleb Blaschke
SECOND: Steve Pauken
ACTION: Unanimous

6. Discussion and possible action regarding the proposed Fiscal Year 2020 AAA Subaward Recommendations

Laura Villa explained the process that AAA implemented this year and advised that applications are currently being reviewed. Caleb Blaschke thanked Laura for coming to Willcox and meeting with their Senior Center. Matt McLachlan wanted to confirm that Southern Arizona Legal Aid (SALA) is no longer involved and asked why. Randy Heiss explained that it doesn't mean that SALA will cease operation; just that they will not receive SEAGO funds, since they felt the paperwork was too cumbersome for the amount of money received. Horatio asked if services will change based on the proposals. Randy explained that things should remain the same; just adding more clarification on service delivery.

Steve Pauken made a motion to recommend approval of the provisional Fiscal Year 2020 AAA subaward recommendations to the Executive Board; Kay Gale seconded the motion.

MOTION: Steve Pauken
SECOND: Kay Gale
ACTION: Unanimous

V. INFORMATION ITEMS

A. Future Meeting Dates

Randy Heiss announced that at the next Joint meeting, May 30, they will have a TIP amendment from Chris Vertrees. He stated that the next Administrative Council meeting is scheduled for August 1.

B. Strategic Plan Implementation Progress Report

Randy Heiss provided an update and answered questions.

C. Quarterly Finance Report

Diane Pashley provided an update and answered questions.

D. SEAGO Economic Development District Report

Larry Catten provided an update and answered questions. Kay Gale thanked Larry for his efforts on their housing and target industry studies.

E. AAA Updates

Laura Villa provided an update and answered questions.

VI. RTAC REPORT

Kevin Adam provided an update and answered questions.

VII. STAFF ANNOUNCEMENTS / CURRENT EVENTS

Randy Heiss announced that the Administrative council needs a Greenlee County private sector representative and asked for recommendations if any members knew of someone who might be interested. He shared that the Wilson Center released a new report that Mexico is not just Arizona's #1 trade partner but for the entire US. He stated that planning for the Rural Transit Summit is moving along. The conference committee visited the casino resort and they have received great input for

speakers and topics. He announced that registration opens this month; the hotel is now accepting reservations and is about 60% filled already.

VIII. FUTURE AGENDA ITEMS

Mr. Heiss told members to expect items regarding procurement and a Title VI update on the agenda for the upcoming meeting.

Chair Williams stated he would like to see SEAGO become a forms repository for the region to streamline the process for the cities. Mr. Heiss said it was a good idea and some resources may be also be available from the League. Chair Williams stated he needs a boilerplate for police officer employment and several members offered to share theirs with him.

IX. ADJOURNMENT

Chair Williams called for a motion to adjourn the meeting. Vice Chair Blaschke made the motion, which was seconded by Steven Pauken. The meeting was adjourned at 1142 hours.

Motion: Caleb Blaschke
Second: Steve Pauken
Action: Unanimous