

**SEAGO ADMINISTRATIVE COUNCIL MEETING MINUTES**  
**THURSDAY, MAY 1, 2025 9:00 A.M.**  
**1025 HWY 90, BENSON, AZ AND ZOOM**

OFFICERS PRESENT:           Brown, Heath – Chair, Town of Thatcher  
                                      Rapier, Derek – Secretary, Greenlee County  
                                      Valdez, Jesus – Treasurer, Santa Cruz County

MEMBERS PRESENT:           Guerra, Juan – City of Nogales  
                                      Hinton, Terry – Town of Duncan  
                                      Kirschmann, Robert – City of Willcox  
                                      McLachlan, Matt – City of Sierra Vista  
                                      Pauken, Stephen – City of Bisbee  
                                      Pedroza, Luis – City of Douglas  
                                      Volker, Greg – City of Benson  
                                      Welker, Dustin – Graham County

STAFF PRESENT:               Vertrees, Chris – Executive Director & Transportation  
                                      Program Manager  
                                      Curtiss, Dina – Accounting Manager  
                                      Gibbons, Carrie – AAA Deputy Program Director (Z)  
                                      Fowler, Kevin – Economic Development Manager  
                                      Merideth, John – Acting IT Manager  
                                      Osborne, Will – Community Development Manager  
                                      Vasquez, Celeste – AAA Program Director  
                                      Glenn, Heather – Administrative Assistant

GUESTS:                       Kevin Adam – RTAC

Note: With the exception of Carrie Gibbons, the only participants attending in person were Staff; everyone else attended by Zoom.

**I. CALL TO ORDER/PLEDGE OF ALLEGIANCE / INTRODUCTIONS**

Chair Brown called the meeting to order at 9:05 a.m. and led members in the Pledge of Allegiance.

**II. MEMBER ENTITIES' DISCUSSION**

**Chair Brown, Thatcher**, provided updates regarding the City's ADOT projects, Commercial permits.

**Steve Pauken, Bisbee**, invited everyone to the Ribbon Cutting Ceremony for their new City Hall on Saturday, May 24 at Noon where it will be combined with an Open House and will end when the last person leaves.

**Greg Volker, Benson**, thanked SEAGO for their help with cameras on buses and assistance with Lion's Park improvements.

**Luis Pedroza, Douglas**, advised they will be breaking ground on the commercial Point of Entry background in August 2025, they have several large projects starting soon, downtown revitalization including streetscape in the fall; utility expansion to the west; and the long-awaited Chino Road extension at SR80/191, and the drilling of a new well #18.

**Robert Kirschmann, Willcox**, stated they are very busy and thanked SEAGO for their help with transit program projects. The new splashpad will have a grand opening on the 24<sup>th</sup> and he invited everyone. Hosting representatives from the State. Working on upgrading irrigation systems in their parks. Hosted an Earth Day clean-up that filled 11 dumpsters. Southwest Disposal Dumpsters made a \$2,000 donation to the senior high school class towards their senior trip; over 50 seniors participated in the clean-up. Working with ADOT to try to keep commercial truck parking within the city to encourage drivers to spend locally rather than elsewhere. Taco Bell wants to come to Willcox and they are excited about working on the plans with them.

**Dustin Welker, Graham County**, advised they are working on ADA sidewalks and also a master plan park by the Fairgrounds.

**Derek Rapier, Greenlee County**, stated that working on a budget during uncertain times has been challenging. Several other members concurred.

### **III. CALL TO THE PUBLIC**

No members of the public were present.

### **IV. ACTION ITEMS**

#### **1. Consent Agenda**

##### **a. Approval of the February 6, 2025 Minutes**

Chair Brown called for a motion to approve the January 6, 2025 meeting minutes.

**MOTION:** Steve Pauken, Bisbee

**SECOND:** Derek Rapier, Greenlee County

**ACTION:** Unanimous; motion passed

#### **2. Election of Officers for the Administrative Council**

Chris Vertrees reviewed SEAGO's Bylaws (Article VII, Section C), saying that they provide for the election of one Administrative Council officer to represent each County in the region, with a rotation schedule to allow each County representative the opportunity to serve as Chair every four years. Per the Bylaws:

- There will be four officers elected – a Chair; a Vice-Chair; a Secretary; and a Treasurer. For the most part, the officer positions ensure there is someone available to chair the Administrative Council meetings. These officers also comprise the Administrative Committee who are authorized to make recommendations on time sensitive, program related business in between regular meetings.

- The Chair position rotates between counties. In FY 2025, the rotation raised the Graham County officer to the Chair position, the Cochise County officer to Vice-Chair, and the Greenlee officer to Secretary. The Santa Cruz County officer dropped to the bottom of the rotation to the Treasurer position. Jesus Valdez replaced Ron Robinson as the Santa Cruz officer.

In the election of your FY 2026 officers, the individuals elected last year (as listed below) can be retained to represent their respective counties, an entirely new group of officers may be elected, or a combination of new officers and existing officers may be elected to represent the four counties. However, regardless of the individuals serving in these positions, the rotation of the Chair, Vice-Chair, Secretary, and Treasurer will need to continue as described above.

The current slate of officers has agreed to continue if confirmed by the Administrative Council, with one exception. Vice Chair Dan Coxworth has left Cochise County. A new officer from Cochise County is needed. As of today's date, I have reached out to potential candidates and have not heard back. I will continue to work on an officer nomination for Cochise County. Note that these stated commitments do not preclude other nominations for the Cochise, Graham, Greenlee and Santa Cruz County officers.

If we continue with our current slate of officers, the following would be the rotation schedule for FY26:

Chair: Cochise County officer (currently vacant)

Vice-Chair: Greenlee County officer (currently Derek Rapier, Administrator, Greenlee County)

Secretary: Santa Cruz County officer (currently Jesus Valdez, Administrator Santa Cruz County)

Treasurer: Graham County officer (currently Heath Brown, Town Manager, Thatcher)

Steve Pauken confirmed that whoever accepts the Cochise County spot would rotate into the Chair position. He stated that he would prefer to see someone younger take the position, but he is willing to step up if no one else from Cochise County does.

Steve Pauken made a motion to elect the following slate of officers for 2025:

Chair:	Steve Pauken, Bisbee
Vice Chair:	Derek Rapier, Greenlee County
Secretary:	Jesus Valdez, Santa Cruz County
Treasurer:	Heath Brown, Thatcher

Dustin Welker seconded the motion.

**MOTION:** Steve Pauken, Bisbee  
**SECOND:** Derek Rapier, Greenlee County  
**ACTION:** Unanimous; motion passed

### 3. Fiscal Year 2026 Budget Items

a. Sustainability of Fund Balance (information only)

Chris Vertrees explained that the purpose of this memorandum is to enable the Administrative Council and Executive Board to better understand the uses of fund balance (if any) in prior years, the amount of fund balance currently available, and to provide a projection of how long uses of fund balance may be sustained. This information is intended to guide decisions as to how much of the fund balance should be used in balancing the annual budget if or when such use is requested.

Chris advised that the fund balance policy established by the Executive Board on February 27, 2015, sets the minimum unrestricted fund balance in the General Fund at 50% of the prior fiscal year's total operating expenditures. In FY 2024, operating expenditures were \$2,168,562. Fifty percent of FY2024's operating expenditures is \$1,084,281. Fund balance (\$2,416,323) less 50% operating expenditures (\$1,084,281) conceptually makes \$1,332,042 available for use in future budget year before the minimum level of fund balance is reached.

Chris advised that SEAGO would be able to operate for a considerable period of time with moderate use of fund balance and still maintain an operating reserve of \$1,084,281. However, because almost all SEAGO's programs operate on a cost reimbursement basis, limited unrestricted revenue is generated in a given year that can be used to cover any program deficits that may occur. As a Council of Governments, SEAGO has no taxation authority. Apart from the annual assessment charged to our member entities, CDBG project administration fees, and a few limited programs within the AAA, SEAGO has no predictable source of unrestricted revenue. Therefore, at this time, there is no use of fund balance that could be considered 'sustainable' in the purest sense of the term.

As a result, SEAGO intends to adhere to the following guidelines to sustain the existing fund balance for as long as possible:

1. Track the use of fund balance annually to monitor the level of fund balance available for future years.
2. Present annual budgets that minimize the use of fund balance to the extent practicable.
3. Clearly identify any proposed use of fund balance in the annual budget approval process so that the Administrative Council and Executive Board have the option to control the amount of fund balance used.
4. Operate programs within their approved budgets and evaluate accordingly.
5. Continue seeking new grants and funding sources, and/or developing new programs and services that generate revenue to replenish any fund balance used.
6. Expense depreciation of buildings and improvements to the benefiting programs and use those funds to replenish fund balance that was used to purchase and improve these assets.

Derek Rapier asked where the funds come from? Chris responded that funds are generated by CDBG program administration fees and a few small programs in AAA. Mr. Rapier asked if the fund balance is sustainable if things change? Mr. Vertrees responded affirmatively and explained that an austerity plan is in place and that there is a very streamlined budget this year. Matt McLachlan asked if the CDBG funds are unrestricted

after a certain time. Mr. Vertrees stated that he believes the CDBG funds are not restricted. Mr. Vertrees and Will Osborne answered that SEAGO has an agreement with ADOH whereby fees are generated independently of the approved funding and are passed through towards CDBG Colonias grants. Mr. Osborne elaborated that SEAGO uses the 1% technical assistance fund where we supplement State services in providing consultation to communities pursuing CDBG Colonias grants or State special projects and invoices ADOH for that 1% for reimbursement on those expenditures.

**Chair Brown asked for discussion and possible action to approve the FY 2026 Assessment Schedule.**

Chris Vertrees directed the Board to the proposed Assessment Schedule for Fiscal Year 2026. He stated that we are happy to report that there are no anticipated increases in the per capita amount used to calculate the dues charged to SEAGO member entities (see Column B).

We are not expecting changes to the EDA planning assessment (see Column C). This assessment enables SEAGO to raise and commit matching funds required for our EDA planning grant. If EDA notifies us of an increase in our match requirement, we may need to choose whether to cover the increase with a one-time use of fund balance or update the member entity assessments accordingly.

Chris advised that he reached out to Kevin Adam concerning RTAC assessment schedule for FY 26. He has advised that the RTAC Board will meet on April 28, 2025, to approve the FY26 RTAC budget. A recommendation will not be made to change the assessment, leaving the assessment unchanged from last fiscal year at 11.3 cents per capita (see Column d).

There are no program changes impacting the total FY 2026 assessment (shown in Column e). Our Strategic Plan adopted in August 2023 does call for exploration of potential expanded services such as a regional grant coordinator, grant search engine subscriptions, or reviving SEAGO's Housing Program to address the shortage of affordable housing choices across the region. Some of these objectives identify "developing equitable member entity assessments" to pay for these enhanced services. However, staff are not proposing changes to the assessment schedule for the upcoming fiscal year. Should staff propose changes for FY 2027, and if approved by our Executive Board, additional columns would be added to the assessment schedule as appropriate.

Derek Rapier made a motion to approve the Fiscal Year 2026 Assessment Schedule.

**MOTION:** Derek Rapier, Greenlee County  
**SECOND:** Dustin Welker, Graham County  
**ACTION:** Unanimous; motion passed

- b. Discussion and possible action to recommend approval of the proposed FY 2025 SEAGO Budget

Dina Curtiss presented the SEAGO Fiscal Year 2026 Budget and stated that the assumptions used in developing the FY 2026 budget are as follows:

- SEAGO member assessments remain unchanged from FY 2025.
- Congress will continue funding current programs at or above current levels.
- A \$150,000 contingency line item from the fund balance has been included in this year's budget for unanticipated expenses or events that may come up in FY 2026. The Administrative and Executive Committees will be informed of the need to use contingency funds as far in advance as possible.

Dina Curtiss stated the proposed FY 2026 budget worksheet provides a detailed overview of each program's budget. Program Managers have participated in the development of their program budget(s), and successful budget implementation will depend on diligent monitoring of revenue and expenditures by each Program Manager.

Chair Brown asked how this year's budget compares to last year's. Ms. Curtiss answered that SEAGO had ARPA funds left over last year that have been used. She stated the budget is tight like last year, but we keep an eye on it regularly. Mr. Vertrees stated that the funds for this year have been confirmed; however, some grants expired from last year to this year. Matt McLachlan asked what the WIFA funds are for? Ms. Curtiss responded that they are reimbursement for conducting labor standards monitoring per the David Bacon Act.

**MOTION:** Steve Pauken, Bisbee  
**SECOND:** Robert Kirschmann, Willcox  
**ACTION:** Unanimous; motion passed

#### 4. Classification Plan Update

Chris Vertrees stated that In November 2023, an update to SEAGO's Classification and Compensation Plan was approved by the SEAGO Executive Board. Since that time, it has become necessary to realign that plan in response to program/administrative requirements, to provide upward mobility, and to be more reflective of the actual duties performed by staff. In addition, we have found the need to adjust pay grades to address severe retention issues involving case management staff. As a result, the following changes to our Classification and Compensation Plan are being requested:

### Information Technology Services

**IT Manager:** As you are aware, our previous Executive Director (Randy Heiss) performed IT management for SEAGO for many years. His successor (Keith Dennis) also had a skill set that allowed him to assume some IT management duties with the assistance of an IT consultant and our GIS Analyst II. I lack the skill set to perform this function and investing time in learning those functions would be cost prohibitive and time consuming. With 21 active positions, SEAGO has grown to the point that an IT Manager is needed to address the IT needs of the agency and staff. John Merideth our GIS Analyst II has a skill set that allows him to transition into the position of IT Manager. The cost will be minimal as John will maintain GIS Analyst duties.

**Technical Services Coordinator:** With moving John Merideth to IT Manager, the reassignment of his current duties is necessary. Those duties include our Pavement Management Assessment project, our traffic counting program, and our population data

collection requirements. These duties fit in nicely with our Training Coordinator position that includes the upkeep of our Transit Asset Management and Training databases. No new costs are anticipated as they have already been included in our transportation and mobility management work program and budgets.

**GIS Analyst I and II:** These job classes have been moved from transportation to Information Technology Services.

### **Area Agency on Aging**

**Case Manager:** SEAGO has experienced extremely high turnover rates in our case management positions. The starting salary for the position is \$17.80 per hour. This is significantly less than other like positions in the Region as most case managers are starting above \$20.00 per hour. It is recommended that the pay grade be shifted from 102 to 105. This will shift the starting salary to \$20.60 per hour.

**Case Manager Supervisor:** To align duties with the position title and provide an upward mobility opportunity it is requested that this position be retitled from Case Manager Coordinator to Case Manager Supervisor. To avoid salary compression with the Case Managers, it is recommended that the pay grade be shifted from 105 to 107. This will result in a pay increase of .50 cents per hour.

**Health and Nutrition Program Coordinator:** SEAGO has tried for years to fill this position with very little luck. No one has held this position for more than a few months. Our current Ombudsman Program Coordinator has supported this program for several years. We are recommending eliminating this position and combining it into one position Ombudsman/HPR Coordinator. This better aligns with the duties being performed by the Ombudsman Program Coordinator. To address the additional duties, it is recommended that the pay grade be shifted from 104 to 107. This will result in a salary increase of \$2.58 per hour.

**Office Specialist II:** To provide upward mobility and to align current duties with the position title, it is recommended that this position be changed to AAA Administrative Assistant. It is recommended that the pay grade be shifted from 102 to 103. This will result in a pay increase of .50 cents per hour.

**Office Specialist I:** This position is split between 2 staff that perform information and referral services for the Area Agency on Aging. It relieves case managers from performing these services. It is recommended that the position title be changed to Information and Referral Specialist. The pay grade for the position will be 102.

From a budget standpoint, the elimination of the Health and Nutrition Program Coordinator position eliminates a salary of \$40,810 and ERE costs of \$14,283 from our operating budget. This more than covers the costs of the AAA salary recommendations above and will generate cost savings of \$19,205.

Job descriptions for active positions within the classification plan have been updated or are in the process of being updated to reflect the incumbents' current responsibilities. When we encounter a need to fill inactive positions in the classification plan, we intend to

seek authority to do so through the budget process or request position specific action by the Board. Job descriptions for vacant, inactive or new positions will be updated or created as authority to fill them is granted. Updating job descriptions does not require Board approval, whereas updating our classification plan does.

Derek Rapier asked whether the personnel changes are sustainable? Mr. Vertrees responded affirmatively, stating that SEAGO is working within the current budget. Chair Brown stated he appreciates the scrutinizing done by Mr. Vertrees. Dustin Welker declared it is a tremendous plan and thanked staff for the amount of work that was put into reclassifying positions; he knows how cumbersome it can be.

Dustin Welker made a motion to approve the proposed classification plan updates.

**MOTION:** Dustin Welker, Graham County  
**SECOND:** Derek Rapier, Greenlee County  
**ACTION:** Unanimous; motion passed

## **V. INFORMATION ITEMS**

### **A. Future Meeting Dates**

Chris Vertrees advised the members that the next Administrative Council Meeting is scheduled for August 7, 2025. He also stated that there is no need for a Joint Committees meeting before then.

### **B. Quarterly Finance Report**

Dina Curtiss gave an update on the quarterly finance report and was available for questions.

### **C. Community Development Report**

Will Osbourne gave an update on community development and was available for questions.

### **D. Community Development Block Grant Updates**

William Osbourne gave an update on community development and was available for questions.

### **E. SEAGO Economic Development District Report**

Kevin Fowler gave an update on economic development and was available for questions.

### **F. AAA Program Updates**

Celeste Vasquez gave an update on AAA updates and was available for questions.

### **G. AAA Legislative Updates**

Celeste Vasquez gave an update on AAA legislative issues and was available for questions.

### **H. IT Updates**

John Merideth gave an update on IT and was available for questions.

### **I. Transportation Program Updates**



Chris Vertrees gave an update on Transportation and was available for questions.

## **VI. RTAC REPORT**

Kevin Adam provided an update on RTAC issues and was available for questions.

## **VII. STAFF ANNOUNCEMENTS/ CURRENT EVENTS**

Chris Vertrees thanked SEAGO staff for their assistance during his transition. Heath Brown thanked SEAGO staff as well. [OBJ]

## **VIII. FUTURE AGENDA ITEMS**

Chris Vertrees stated that members will likely see the following items for the next meeting:

- Title VI Plan will need to be approved at our August meeting
- Meeting Calendar Update – He would like to have a discussion about moving the Administrative Council meetings from hybrid to virtual meetings.
- By-Laws Changes – Chris advised he has had some bylaw change recommendations that will be presented at our next meeting.

## **IX. ADJOURNMENT**

Chair Brown moved to adjourn the meeting at 10:52 a.m.