



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
FROM: RANDY HEISS, EXECUTIVE DIRECTOR
DATE: MAY 13, 2015
SUBJECT: EXECUTIVE BOARD MEETING

Please see the details below for the Executive Board meeting date, time, and location.

Thursday, May 21, 2015 at 10 a.m.
Graham County General Services Building
921 Thatcher Blvd.
Safford, AZ. 85546

The May meeting of the Executive Board is being graciously hosted by Graham County Supervisor Danny Smith. The meeting will be held in the Assembly Room in the Graham County General Services Building at the address listed above. For a map of the meeting location, please click the link below and zoom out to choose the best route to the meeting:

<https://www.google.com/maps/place/921+W+Thatcher+Bld,+Safford,+AZ+85546/@32.8346088,-109.7185188,17z/data=!3m1!4b1!4m2!3m1!1s0x86d7fc8f5897c25b:0xe45426b20bd8a546>

If you are unable to attend, please send an alternate to ensure that we will have a quorum at the meeting.

The Executive Board Packet will be sent to members through the e-mail (via a link to the packet posted on the SEAGO website) to save postage and copying costs. **We will not be mailing a hard copy of the packet unless you request one.**

If you have any questions, please call me at (520) 432-5301 Extension 202. You can also send an e-mail to rheiss@seago.org.



EXECUTIVE BOARD AGENDA

10 A.M., THURSDAY, MAY 21, 2015
GRAHAM COUNTY GENERAL SERVICES BUILDING
921 THATCHER BOULEVARD
SAFFORD, ARIZONA 85546

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE / INTRODUCTIONS	Chair Rivera	
II. MEMBER ENTITIES' DISCUSSION (Common Critical Issues)	Chair Rivera	
III. CALL TO THE PUBLIC	Chair Rivera	
IV. PRESENTATION – SEACAP SERVICES AND NEEDS ASSESSMENT	Librado Ramirez	
V. ACTION ITEMS		<u>Page No.</u>
1. Consent Agenda		
a. Approval of the February 27, 2015 Minutes	Chair Rivera	1
b. Discussion and Possible Recommendation to Approve the Changes to the ACOA Bylaws	Laura Villa	9
c. Nomination to the Advisory Council on Aging	Laura Villa	10
2. Discussion and Possible Action to Approve the SEAGO Five-Year Strategic Plan FY2016 - FY2020	Randy Heiss	11
3. Fiscal Year 2015-2016 Budget Action Items:	Randy Heiss	
a. Resolution 2015-03 EDA Grant Authorization	Larry Catten	15
b. Fiscal Year 2015-2016 Budget	Cindy Osborn	17
c. Annual Assessments and RTAC Membership	Randy Heiss	19
4. Fiscal Year 2015 CDBG Regional Account Applications	Bonnie Williams	31
5. Discussion and Possible Action to Adopt ADOT's DBE Plan	Chris Vertrees	33
6. Consideration of Fiscal Year 2016 AAA Subaward Renewal Recommendations	Laura Villa	34
VI. INFORMATION ITEMS		
A. Future Meeting Dates	Randy Heiss	38
B. Private Sector Representative Vacancies	Randy Heiss	39
C. Quarterly Finance Report	Cindy Osborn	40

D.	SEAGO Economic Development District Report	Larry Catten	42
E.	Housing Program Statistics	Julie Packer	44

VII. RTAC REPORT Kevin Adam

VIII. STAFF ANNOUNCEMENTS / CURRENT EVENTS Chair Rivera

IX. FUTURE AGENDA ITEMS Chair Rivera

X. EXECUTIVE SESSION Chair Rivera

1. The Board may vote to adjourn to Executive Session pursuant to A.R.S. §38.431.03 Subsection A.1. for purposes of evaluating the performance of the Executive Director.

XI. RE-CONVENE PUBLIC SESSION Chair Rivera

1. Discussion and possible action relating to the performance evaluation of the Executive Director.

XII. ADJOURNMENT Chair Rivera

DIRECTION MAY BE GIVEN TO SEAGO STAFF ON ANY ITEM ON THE AGENDA.

Individuals with disabilities who require special accommodations may contact Zoya Greene at (520) 432-5301 extension 215 at least 72 hours before the meeting time to request such accommodations.

Individuals wishing to participate in the meeting telephonically may do so by contacting Zoya Greene at (520) 432-5301 extension 215. Contact must be made at least 48 hours before the meeting in order to obtain the call-in information. Please note that the option to participate telephonically may not be available unless requested as instructed above.

Si necesita acomodaciones especiales o un intérprete para esta conferencia, debe ponerse en contacto con Zoya Greene al número (520) 432-5301, extensión 215, por lo menos setenta y dos (72) horas antes de la conferencia.

**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.



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: LAURA VILLA, AREA AGENCY ON AGING PROGRAM MANAGER
DATE: MAY 12, 2015
SUBJECT: CONSIDERATION OF PROPOSED CHANGES TO THE ACOA BYLAWS

A Proposal to amend Article III Section 1 of Advisory Council on Aging Bylaws was brought before the ACOA members on April 16, 2015. The amendment is to incorporate verbiage that opens memberships to all communities within each county in the region and reads as follows:

“Membership on the Advisory Council shall consist of eight (8) representatives from Cochise County, four (4) representatives from Graham County, and three (3) representatives from Greenlee and Santa Cruz Counties. *Representatives may reside in any of the incorporated or unincorporated communities within each county.*”

In recent years, there has been difficulty finding representatives to serve on the ACOA from within each individual member entity. This has been especially difficult in the smaller communities where the pool of volunteers is small and over utilized. The proposed change would allow recruitment of ACOA members from anywhere within each of the counties, but when a vacancy occurs in an incorporated city or town, recruitment efforts would focus on identifying candidates from within the incorporated community or in outlying unincorporated areas nearby. For example, a vacancy occurring in Clifton could be filled by someone from Morenci, a vacancy occurring in Willcox could be filled by someone from Bowie or San Simon, or a vacancy from Patagonia could be filled by someone from Sonoita. The ACOA unanimously approved the proposed changes as written.

When the Administrative Council reviewed the proposed changes, there was concern expressed that the language could potentially result in lack of representation for each SEAGO member agency. As an example, if a vacancy occurred in the Town of Patagonia, and the Town was unable to find someone from within their community to fill the vacancy, the proposed language could result in someone from Tubac, who knows little about issues relating to aging in Patagonia, being appointed to fill the vacancy. After some discussion, the Administrative Council was comfortable with the ACOA nominating individuals from outside the jurisdictional boundaries when a vacancy occurs in representation from an incorporated city or town so long as the city or town approves the nomination. Staff was directed to draft revised language to specify that nominations to fill vacancies from incorporated communities with individuals from outside the jurisdictional boundaries of those communities be approved by the member entity where the vacancy occurred and return the matter to the ACOA for review and approval at their next meeting.

Attachments: None.

Action Requested: Information Only Action Requested Below

A motion to ratify the direction given by the Administrative Council.



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: LAURA VILLA, AREA AGENCY ON AGING PROGRAM MANAGER
DATE: MAY 12, 2015
SUBJECT: NOMINATION TO ADVISORY COUNCIL ON AGING

On November 6, 2014 the Advisory Council on Aging (ACOA) made a nomination and recommended the appointment of Rebecca Phifer for a Cochise County vacant seat. A brief bio for Ms. Phifer follows:

Rebecca Phifer is an 18 year veteran from the U.S. Army, who was given a medical discharge in 1987. She moved to Arizona and started volunteering in different organizations mostly relating to domestic violence in Cochise County. After relocating to Cochise County she started to provide advocacy services to families in the areas of special education and Fetal Alcohol Spectrum Disorders. She was introduced to Eileen Tucker who is on the AZ Governor's Council for Developmental Disabilities and began serving with the Council for two years. She later became an employee of the Governments' Council for Cochise, Graham, Greenlee and Santa Cruz for several of years. Mrs. Phifer had also become a caregiver for her father-in-law, which opened up her interest in aging issues as they came across challenges when trying to get services. He passed away a couple of years ago and most recently her husband was diagnosed with Alzheimer's. Her interest is to know more about the services for elderly, especially in her area of San Simon as they have many challenges including no local newspaper, transportation services or home delivered meals.

Consideration of Ms. Phifer's nomination was held pending the ACOA's proposed changes to their bylaws. If the bylaws changes are not approved, the ACOA will need to revisit the vacancy for the Willcox area of Cochise County.

The Administrative Council voted to table this item for consideration after the ACOA has adopted the revised language to the ACOA Bylaws as requested by the Administrative Council.

Attachments: None.

Action Requested: Information Only Action Requested Below

A motion to ratify the action of the Administrative Council.



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
FROM: RANDY HEISS, EXECUTIVE DIRECTOR
DATE: MAY 12, 2015
SUBJECT: APPROVAL OF THE SEAGO FIVE-YEAR STRATEGIC PLAN

As reported at your February meeting, a strategic planning retreat was held at the Cochise College Benson Center on January 21st and 22nd. Despite a lower than expected turnout, those who did attend were thoroughly engaged, thoughtful, and positively participatory. 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 has since been used to develop our strategic plan goals, objectives, strategies and tactics.

After the retreat, I requested that Amy prepare a Retreat Report. The draft report was provided to both the Administrative Council and Executive Board at their February meetings and comments were requested by March 15th. After hearing and seeing no comments or suggestions, I proceeded to develop the first draft of the strategic plan based on the data contained in the Retreat Report.

The first draft was presented at our March 23rd staff meeting where only positive comments were received. Since Amy was integral to gathering the data during the retreat and was responsible for preparing the retreat report, I felt it was critical for her to review the plan and offer any comments prior to finalizing the draft that will be presented to the Administrative Council and Executive Board in May. After reviewing the draft, Amy had nothing but positive comments. The draft of the strategic plan was then posted to our website and a link distributed to the Administrative Council and Executive Board. Comments were requested by April 20th, and to date, I've only had one response and it too was positive.

I've attached the Strategic Plan Executive Summary to this memo. But should you be interested in reading or downloading the entire 70 page document, you may do so by clicking the link provided below. The Plan is posted immediately below the Mission and Vision statements on the following page:

<http://seago.org/?q=organizational-information>

The Administrative Council unanimously recommended approval of the SEAGO Five-Year Strategic Plan as presented by staff. I look forward to discussing the Plan with you at the meeting.

Attachments: SEAGO Five-Year Strategic Plan Executive Summary

Action Requested: Information Only Action Requested Below:

A motion to approve of the SEAGO Five-Year Strategic Plan FY2016 – FY2020.

EXECUTIVE SUMMARY

Background:

The SouthEastern Arizona Governments Organization (SEAGO) is a regional planning agency which serves the four counties of Cochise, Graham, Greenlee, and Santa Cruz. SEAGO was established in 1972, and for many years after its establishment, SEAGO operated without a Board-driven vision statement, mission statement, or strategic plan. Over the years, the organization had become increasingly fractured, resulting in siloes which limited inter-program cooperation and collaboration. Under the leadership of a new Executive Director and with a goal to “Unite as one SEAGO”, in December 2009, staff initiated efforts to develop a strategic plan for the agency.

After crafting vision and mission statements at the staff level, the SEAGO Administrative Council and Executive Board held a one-day retreat in January 2011 where the draft vision and mission statements were refined. In February 2011, the Executive Board adopted the agency’s first vision and mission statements. Funding challenges brought about by the impact of the Great Recession delayed efforts to organize additional retreats to identify goals, strategies or tactics supporting the Board-adopted mission and vision for the agency. As a result, efforts were made at the staff level to begin implementing the Board-adopted vision and mission statements, until it became apparent that the same issues and dynamics created by the funding challenges the agency experienced had actually become the impetus to continue the strategic planning effort.

In recognition of the value a strategic plan could bring the agency, the Executive Board approved a small budget to hold a retreat with the Administrative Council and SEAGO staff, and in January 2015, twenty-one leaders from the region met for a two-day strategic planning retreat. The Board- adopted mission and vision statements became the foundation to create a path forward for the organization’s Five-Year Strategic Plan. A written report on the outcomes of the 2015 Strategic Planning Retreat is provided as **Appendix A.**

Overview of Five-Year Strategic Plan:

The Five-Year Strategic Plan defines primary goals, objectives and measureable outcomes upon which to focus and execute during Fiscal Years 2016 – 2020. It is intended to provide guidance and set direction for the SEAGO Administrative Council, Executive Board, Executive Director, and staff with respect to improving the agency’s relevance, sustainability, performance and stakeholder engagement.

In regional planning, an array of programs work in concert to support sustainable regional growth and provide services to local governments and their constituents. An integrated network of services provided in the region helps improve economic conditions, keeps the region competitive, and enhances quality of life. Even in a challenging economy, SEAGO and its member agencies should persist to achieve the goals set forth in the Strategic Plan and continue to build upon the successes in place today.

Vision Statements are typically a one-sentence statement describing the clear and inspirational long-term desired change resulting from an organization's or program's work. Mission Statements are typically a one-sentence statement describing the reason an organization or program exists and are used to help guide decisions about priorities, actions, and responsibilities.

Key Results Areas, or goals, include strategies or tactics to strengthen existing programs, establish new services or programs, and achieve the vision and mission statements set by the Board. Goals should be Specific, Measurable, Achievable, Realistic, and Timed (SMART).

The attached summary illustrates our vision, mission, goals and tactics, as well as our implementation plan. **The vision, mission and goals are highlighted below:**

Vision Statement: SEAGO, as a highly motivated, energetic team, commits to being a respected credible source of leadership, information, funding, planning, technical expertise, and services.

Mission Statement: SEAGO stimulates social and economic progress in our four-county region.

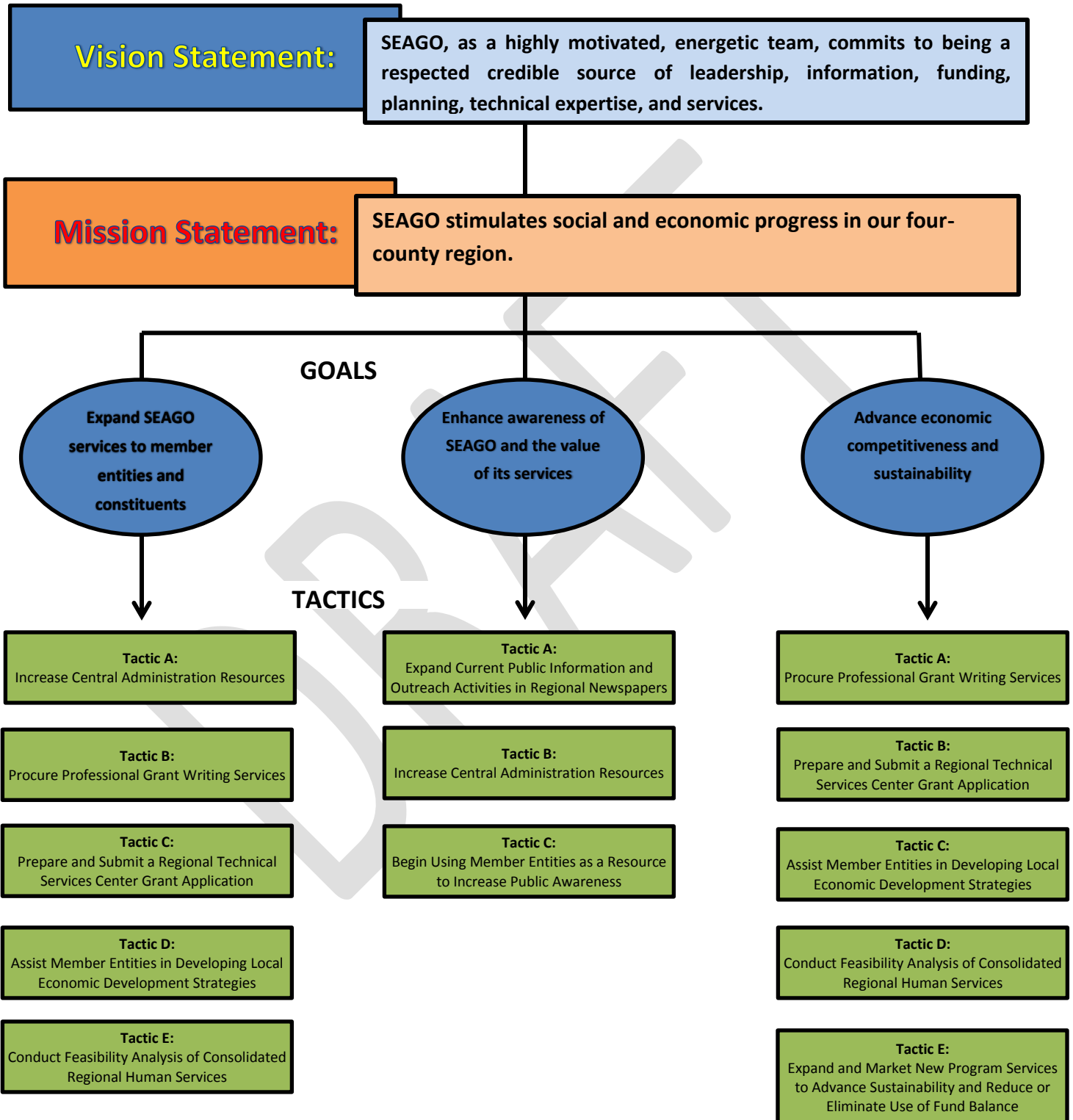
Five-Year Strategic Plan Goals:

1. Expand SEAGO services to member entities and constituents
2. Enhance awareness of SEAGO and the value of its services
3. Advance economic competitiveness and sustainability

The tactics for each goal are illustrated in **Figure 1** on the following page. Additional detail is provided in the Strategic Plan.



Figure 1: SEAGO Five-Year Strategic Plan 2016 – 2020





EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: LARRY CATTEN, ECONOMIC DEVELOPMENT PLANNER
DATE: MAY 12, 2015
SUBJECT: RESOLUTION NO. 2015-03

Attached for your consideration is SEAGO Resolution No. 2015-03. This resolution is for an Economic Development Administration (EDA) partnership planning assistance grant for funds in the amount of \$75,000 to continue the stability and ability of SEAGO to administer the Economic Development District (EDD) program.

The SEAGO EDD utilizes these funds not only for existing planning work but also possible expanded activities which will further the cause of economic development. The SEAGO EDD will utilize the grant proceeds, and requisite matching funds to implement and sustain regional solutions to promote healthy, economic development throughout the four counties of the SEAGO region.

The Resolution pledges \$35,357 to provide matching funds for the EDA partnership planning grant and related economic development activities. The match is funded through an Economic Development Assessment paid by SEAGO member entities.

The Administrative Council unanimously recommended approval of Resolution No. 2015-03.

Attachment: Resolution No. 2015-03

Action Requested: Information Only Action Requested Below:

A motion to adopt Resolution 2015–03 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.



SouthEastern Arizona Governments Organization

Serving our member governments and their constituents since 1972

RESOLUTION NO. 2015-03

A RESOLUTION OF THE SOUTHEASTERN ARIZONA GOVERNMENTS ORGANIZATION AUTHORIZING SUBMISSION OF AN APPLICATION FOR FY 2016 PARTNERSHIP PLANNING ASSISTANCE GRANT FUNDS FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION

WHEREAS, the SouthEastern Arizona Governments Organization (SEAGO) has been designated by the Economic Development Administration (EDA) as an Economic Development District (EDD) for the four-county region of Cochise, Graham, Greenlee, and Santa Cruz Counties; and

WHEREAS, the SouthEastern Arizona Governments Organization is desirous of expanding activities which continue to advance the economic development of these four counties; and

WHEREAS, the Economic Development Administration of the U.S. Department of Commerce has partnership planning assistance grants which will cultivate long-range and regional planning among the SEAGO member entities to alleviate economic distress; and

WHEREAS, the current economic stress in these four counties is demonstrated by the continued depletion of full time high-wage jobs, continuing foreclosure stress on commercial and residential properties, unresolved international border issues, unacceptable unemployment levels, and persistent low/median family incomes in the majority of the SEAGO Region.

NOW, THEREFORE, BE IT RESOLVED that the SEAGO Executive Board hereby authorizes an application be made to the U.S. Department of Commerce, EDA for a 2015-2016 planning grant in the amount of \$75,000; and

THAT, up to \$35,357 is hereby committed to assure that SEAGO meets the matching funds requirement for the EDA grant, funded through annual assessment (membership) dues paid by its members; and

THAT, SEAGO's Executive Director is authorized to sign and execute all application forms, contracts, or documents for the receipt and use of these funds.

Passed and adopted by the SEAGO Executive Board on this 21st day of May 2015.

Randy Heiss, Executive Director
SouthEastern Arizona
Governments Organization

Bob Rivera, Chair
Executive Board

SEAGO Member Entities

Cochise County

- Benson*
- Bisbee*
- Douglas*
- Huachuca City*
- Sierra Vista*
- Tombstone*
- Willcox*

Graham County

- Pima*
- Safford*
- San Carlos*
- Apache Tribe*
- Thatcher*

Greenlee County

- Clifton*
- Duncan*

Santa Cruz County

- Nogales*
- Patagonia*

SEAGO Main Office

Administration **CDBG** **Economic Dev.** **Housing** **Transportation**

1403 W. Hwy 92
Bisbee, AZ 85603
520-432-5301
520-432-5858 Fax

Area Agency on Aging Office

300 Collins Road
Bisbee, AZ 85603
520-432-5301
520-432-9168 Fax

www.seago.org



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: CINDY OSBORN, ACCOUNTS MANAGER
DATE: MAY 12, 2015
SUBJECT: FY16 BUDGET

The assumptions in the FY16 budget are as follows:

- DES funding for Area Agency on Aging operations has been decreased requiring the elimination of the ¾ PT Health Promotion and Nutrition position. The plan is for the Ombudsman Program Coordinator to take over the duties previously performed by the Health Promotion and Nutrition position.
- Housing funding has been decreased requiring the reduction of the Housing Program Manager position from FT to a ¾ PT position. On the worksheet, the deficit amounts under Housing Admin and Housing HUD Counseling are offset by the surplus amounts under Housing NFMC and Housing Save Our Home. The net result is \$0.
- A 2.5% salary increase is included in the budget.
- There is no fund balance use in the proposed budget.

The proposed FY16 budget worksheet included in this packet provides a detailed overview of each program's budget. Program Managers 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.

After discussing the proposed budget and assessment options, the Administrative Council unanimously recommended approval of the FY16 Budget with the addition of \$20,500 to restore the Housing position to FT and \$10,000 for the grant writing contractor, which equals a total fund balance use of \$30,500. Per the fund balance policy, both uses are potentially recurring and will require a supermajority vote of the Executive Board members present at the meeting.

Attachments: Proposed FY16 Budget

Action Requested: Information Only Action Requested Below:

A motion to approve the FY16 Budget as recommended by the Administrative Council.

**SEAGO
FY16 Proposed Budget**

	ADEQ	CDBG	ED	Housing Admin	Housing HUD Counsel	Housing NMFPC	Housing Save Our Home	Elderly Transit	Public Transit	SPR	RMM	RMM Trng	Traffic	AAA Admin	AAA AM5	AAA SHIP	AAA IRM	AAA SMP	AAA HPR	AAA LTC	General Fund	Agency Response	Central Admin	Total	
Revenues																									
Federal/State	7,250	10,000	75,000		21,620	7,500	35,000	20,000	20,000	125,000	108,900	65,835	125,000	191,270	15,380	52,895	1,050	15,967	12,040	52,419					962,126
Local		108,282																							108,282
Assessment																							78,599		78,599
Assessment Transfer			35,357																				(35,357)		0
Use of Fund Balance				20,500																		(30,500)	10,000		0
In-Kind										31,250	12,100	7,315	7,125			1,500					4,500				63,790
TOTAL REVENUE	7,250	118,282	110,357	20,500	21,620	7,500	35,000	20,000	20,000	156,250	121,000	73,150	132,125	191,270	15,380	54,395	1,050	15,967	12,040	56,919	(30,500)	53,242	0	1,212,797	
Expenditures																									
Salary/Wages	3,998	63,559	55,088	18,592	13,200	3,200	12,295	12,099	11,856	58,678	62,770	6,451	-	95,836	9,345	22,870	538	8,224	4,680	23,400		14,658	70,997		572,332
ERE	1,289	24,939	21,755	6,626	4,819	2,205	4,675	2,916	3,188	19,079	16,707	2,062	-	31,768	3,118	11,033	276	4,132	2,046	10,237		4,727	26,067		203,666
Audit																								16,000	16,000
Purchased Services		200	6,180	400	900					1,100	250	50,000	125,000	1,200						205			13,300	4,900	203,635
Supplies		200	200	250				60	75	1,150	1,500	750		1,000		500				200	765	600	2,500		9,750
Postage	20	600	25	150					25	50	25			248		100				200	200	100	500		2,243
Copy	20	600	200	300				25	55	200	150	750		1,900		1,000				200	100	100	800		6,400
Travel	970	8,000	6,090	230				1,566	1,606	10,639	2,976	2,373		11,181		6,000				900	4,565	5,001	3,200		65,297
Meals																						1,000			1,000
Phone	20	400	900	200						500	1,200			2,744		450				230	430	100	5,000		12,174
Internet Charges		250	200	200						700	370			2,040		600								1,500	5,860
Utilities		225	200	200						200	280													3,500	4,605
Equip Maintenance														850										1,000	1,850
Equipment Purchase			100	1,000						3,500	700	366		100							300				6,066
Advertising			100																						100
Dues/Subscriptions			3,000							12,000				5,000									8,500	1,500	30,000
Miscellaneous																						100			100
Insurance		130	120	130						125	220			685										6,000	7,410
Conferences/Training	100	500	1,000							1,300	1,000	1,000		100		300				1,500	1,800	2,000	2,000		12,600
Allocated Indirect	833	18,056	14,723	5,971	3,886	975	3,613	3,334	3,195	15,279	19,862	2,083	-	33,891	2,917	10,042	236	3,611	2,084	10,417		3,056	(158,064)		0
Depreciation		623	476	603						500	890			2,727											5,819
In-Kind										31,250	12,100	7,315	7,125			1,500				4,500				12,600	76,390
TOTAL EXPENDITURES	7,250	118,282	110,357	34,852	22,805	6,380	20,583	20,000	20,000	156,250	121,000	73,150	132,125	191,270	15,380	54,395	1,050	15,967	12,040	56,919	0	53,242	0	1,243,297	
Surplus/(Deficit)	0	0	0	(14,352)	(1,185)	1,120	14,417	0	0	0	0	0	0	0	0	0	0	0	0	0	(30,500)	0	0	(30,500)	



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
FROM: RANDY HEISS, EXECUTIVE DIRECTOR
DATE: MAY 12, 2015
SUBJECT: ANNUAL ASSESSMENTS AND RTAC MEMBERSHIP FOR FY 2016

At the February meeting, the Executive Board was presented with a revised assessment methodology which was discussed at length. The Administrative Council had previously requested the following changes in the version to be considered at the meeting 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 recommendations of how to transition into those fees with the use fund balance as a transition mechanism.

In past years, the assessment for SEAGO annual dues was based solely on the 2010 Census population for each member entity multiplied by 30 cents per capita. In all of the Options presented, the annual dues are shown in a separate column, and are assessed using per capita block rates, with the smaller entities paying more per capita than the largest member entities. The per capita block rates have been softened from what was presented in February to provide additional relief to communities with populations of 2,501 and up.

In past years, approximately 53% of the annual dues were used as matching funds for the EDA grant and to fund economic development program work. In all of the Options presented, the economic development assessment is now shown in a separate column from the annual dues.

In all of the Options presented, the RTAC annual dues remain in a stand-alone column and are based on the 2010 population of each non-metropolitan member entity multiplied by 8.2 cents per capita. The resulting cost is then split 70/30, with transportation planning funds paying 70% and a member assessment paying the remaining 30% of the RTAC dues.

In all of the Options presented, new columns for a Housing Assessment and for a Grant Writing Contractor are provided. The Housing Program experienced a budget shortfall due to the Governor and Legislature's unexpected sweep of the Attorney General's Arizona Mortgage Relief Funds into the general fund to balance the FY 2016 state budget. Within Options 1, 2 and 3, the Executive Board can consider recommending use of fund balance for the Housing Program and the Grant Writing Contractor, however, doing so will require a 2/3 supermajority vote by those present and voting. Details relating to each column on the Assessment Schedule Options are provided on the 'Notes to Assessments' page for each Option. A brief overview of each Option is provided below:

Option 1 – This option provides no assessment for the Housing Program. The Housing Program Manager's work schedule has been reduced to ¾ time in order to balance the budget. She will be reduced to part-time status and remain eligible for benefits, but will be required to pick up ¼ of the costs of her health insurance. In addition, because of being reduced to ¾ time status, her ASRS benefits will be impacted. It's estimated that we will need at least \$20,000 annually to retain a professional grant writer, but since it will be December

before I have completed the RFP process, we won't know until then if that amount will be enough to attract the interest of a grant writer, or if more will be needed. This Option assumes fund balance will be used to fund the grant writer and an assessment could be considered at this time next year to replenish the amount of fund balance used. As an alternate to this Option, you could approve using fund balance to make Housing whole this next fiscal year as recommended by the Administrative Council.

Option 2 – This option provides no assessment for the Housing Program. As with Option 1, the Housing Program Manager's work schedule has been reduced to $\frac{3}{4}$ time in order to balance the budget. As an alternate to this Option, you could recommend using fund balance to make Housing whole this next fiscal year. It's estimated that we will need at least \$20,000 annually to retain a professional grant writer, but since it will be December before I have completed the RFP process, only half that amount will be required in FY 2016. This Option assumes an assessment would fund \$5,000 and fund balance will be used to cover the remaining portion of the grant writer cost in FY 2016.

Option 3 – This option assumes the \$20,500 shortfall in the Housing Program will be covered 50% by a Housing Assessment and 50% by the use of fund balance. The Housing Program Manager's work schedule would continue to be full-time in FY 2016 eliminating any impact to her benefits. The Housing Assessment portion is calculated based on the number of persons served by the program in each community since 2009 and the amount of assessment needed to balance the FY2016 budget (\$10,250). It's estimated that we will need at least \$20,000 annually to retain a professional grant writer, but since it will be December before I have completed the RFP process, only half that amount will be required in FY 2016. This Option assumes an assessment would fund the entire estimated cost of the grant writer in FY 2016 (\$10,000).

Option 4 – This option assumes the \$20,500 shortfall in the Housing Program will be covered 100% by a Housing Assessment. The Housing Program Manager's work schedule would continue to be full-time in FY 2016 eliminating any impact to her benefits. The Housing Assessment is calculated based on the number of persons served by the program in each community since 2009 and the amount of assessment needed to balance the FY2016 budget (\$20,500). It's estimated that we will need at least \$20,000 annually to retain a professional grant writer, but since it will be December before I have completed the RFP process, only half that amount will be required in FY 2016. This Option assumes an assessment would fund the entire estimated cost of the grant writer in FY 2016 (\$10,000).

After discussing the options presented, the Administrative Council unanimously voted to recommend a modified version of Option 1 that recommends using fund balance in FY 2016 to make the housing program whole (\$20,500) and to contract with a grant writer (\$10,000). This was recommended with the caveat that the grant writing services are a pilot program and its performance will monitored and reassessed next year at this time.

I will attempt to answer any questions you may have at the meeting.

Attachments: Dues and Assessment Schedule FY 2016 Options 1, 2, 3 and 4

Action Requested: Information Only Action Requested Below:

A motion to approve the Dues and Assessment Schedule FY 2016 Option 1, as modified and recommended by the Administrative Council.

OPTION 1

**SouthEastern Arizona Governments Organization
Draft Dues and Assessment Schedule
Fiscal Year 2016**

SEAGO Member	2010 Census (a)	SEAGO Member Dues (b)	ED Planning Assessment (c)	RTAC Assessment (d)	Housing Assessment (e)	Grant Writing Contractor Assessment (f)	Total FY2016 Estimated Assessment (g)	Member Percent of Total FY2016 Assessment (h)	Total FY2015 SEAGO Assessment (i)	Total FY2010 SEAGO Assessment (j)
Benson	5,105	\$1,404	\$1,078	\$126	\$0	\$0	\$2,608	3.32%	\$1,655	\$2,055
Bisbee	5,575	\$1,533	\$1,178	\$132	\$0	\$0	\$2,843	3.62%	\$1,803	\$2,305
Douglas	17,378	\$3,910	\$3,671	\$428	\$0	\$0	\$8,008	10.19%	\$5,635	\$7,078
Huachuca City	1,853	\$927	\$391	\$45	\$0	\$0	\$1,363	1.73%	\$601	\$747
Sierra Vista	43,888	\$3,292	\$2,194	\$0	\$0	\$0	\$5,486	6.98%	\$13,153	\$17,798
Tombstone	1,380	\$1,173	\$291	\$34	\$0	\$0	\$1,498	1.91%	\$447	\$579
Willcox	3,757	\$1,315	\$794	\$92	\$0	\$0	\$2,201	2.80%	\$1,218	\$1,529
Cochise County*	52,410	\$2,096	\$8,910	\$994	\$0	\$0	\$12,000	15.27%	\$16,701	\$21,406
Pima	2,387	\$1,194	\$504	\$59	\$0	\$0	\$1,757	2.24%	\$775	\$954
Safford	9,566	\$2,631	\$2,021	\$235	\$0	\$0	\$4,886	6.22%	\$3,102	\$3,859
Thatcher	4,865	\$1,703	\$1,028	\$114	\$0	\$0	\$2,844	3.62%	\$1,572	\$1,992
San Carlos Apache Tribe	4,780	\$1,673	\$1,010	\$118	\$0	\$0	\$2,800	3.56%	\$1,550	\$2,365
Graham County*	15,622	\$3,515	\$3,300	\$390	\$0	\$0	\$7,205	9.17%	\$5,072	\$5,882
Clifton	3,311	\$1,159	\$699	\$81	\$0	\$0	\$1,940	2.47%	\$1,074	\$1,281
Duncan	696	\$592	\$147	\$17	\$0	\$0	\$756	0.96%	\$226	\$290
Greenlee County*	4,430	\$1,551	\$443	\$109	\$0	\$0	\$2,103	2.68%	\$1,437	\$1,836
Nogales	20,837	\$4,167	\$2,084	\$513	\$0	\$0	\$6,764	8.61%	\$6,757	\$8,486
Patagonia	913	\$776	\$193	\$22	\$0	\$0	\$991	1.26%	\$296	\$370
Santa Cruz County*	25,670	\$4,492	\$5,422	\$631	\$0	\$0	\$10,546	13.42%	\$8,324	\$10,275
SEAGO Region Totals	224,423	\$39,101	\$35,357	\$4,141	\$0	\$0	\$78,599	100.00%	\$71,397	\$91,089

*Unincorporated area only

Notes to Assessments:

- (a) Most calculations are based on the 2010 Census population for each member community. Members may want to decide whether or not to use the mid-decade population estimates in FY 2017 and future years until the 2020 Census figures are available.
- (b) In this column, SEAGO Member 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 vary from 4/10 cent to 85 cents per capita.
- (c) The assesemnt provides matching funds for the EDA planning grant and related economic development activities. Calculations are based on a per capita rate, with entities who have economic development staff paying less per capita and the remaining entities paying more. Per capita rates vary from 1/2 cent to 21 cents.
- (d) RTAC assessment is based on the non-urbanized population of the region and 8.2 cents per capita. The SVMPO pays its dues directly to the RTAC and its population is not included in the calculation.
- (e) Due to the sweep of the Arizona Mortgage Relief fund monies in to the State General Fund, approximately 45% of the revenue for the Housing Program has been eliminated. This created a \$20,500 deficit in Housing that required reducing the program manager's position to 3/4 time in order to balance the budget. In this Option, there is no assessment to cover the deficit, but use of fund balance is an alternate that can be considered.
- (f) In this Option, no assessment for the grant writer is proposed in this fiscal year. It's estimated we will need at least \$20,000 per year, but the actual cost will not be known until we've completed the RFP process in December 2015. This Option proposes to wait until we know the cost, and use fund balalnce to retain the grant writer in the interim.
- (g) The total for this column will depend on any final adjustments to the calculations of individual program assessment columns and decisions to use fund balance rather than assessments to cover anticipated expenses.
- (h) This column displays the percent each member's assessment represents of the total FY 2016 assesement.
- (i) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2015 assessment.
- (j) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2010 assessment.

OPTION 2

**SouthEastern Arizona Governments Organization
Draft Dues and Assessment Schedule
Fiscal Year 2016**

SEAGO Member	2010 Census (a)	SEAGO Member Dues (b)	ED Planning Assessment (c)	RTAC Assessment (d)	Housing Assessment (e)	Grant Writing Contractor Assessment (f)	Total FY2016 Estimated Assessment (g)	Member Percent of Total FY2016 Assessment (h)	Total FY2015 SEAGO Assessment (i)	Total FY2010 SEAGO Assessment (j)
Benson	5,105	\$1,404	\$1,078	\$126	\$0	\$163	\$2,771	3.31%	\$1,655	\$2,055
Bisbee	5,575	\$1,533	\$1,178	\$132	\$0	\$179	\$3,022	3.61%	\$1,803	\$2,305
Douglas	17,378	\$3,910	\$3,671	\$428	\$0	\$363	\$8,371	10.01%	\$5,635	\$7,078
Huachuca City	1,853	\$927	\$391	\$45	\$0	\$114	\$1,477	1.77%	\$601	\$747
Sierra Vista	43,888	\$3,292	\$2,194	\$0	\$0	\$733	\$6,219	7.44%	\$13,153	\$17,798
Tombstone	1,380	\$1,173	\$291	\$34	\$0	\$94	\$1,592	1.90%	\$447	\$579
Willcox	3,757	\$1,315	\$794	\$92	\$0	\$136	\$2,337	2.80%	\$1,218	\$1,529
Cochise County*	52,410	\$2,096	\$8,910	\$994	\$0	\$876	\$12,876	15.40%	\$16,701	\$21,406
Pima	2,387	\$1,194	\$504	\$59	\$0	\$146	\$1,903	2.28%	\$775	\$954
Safford	9,566	\$2,631	\$2,021	\$235	\$0	\$306	\$5,192	6.21%	\$3,102	\$3,859
Thatcher	4,865	\$1,703	\$1,028	\$114	\$0	\$176	\$3,020	3.61%	\$1,572	\$1,992
San Carlos Apache Tribe	4,780	\$1,673	\$1,010	\$118	\$0	\$173	\$2,973	3.56%	\$1,550	\$2,365
Graham County*	15,622	\$3,515	\$3,300	\$390	\$0	\$326	\$7,531	9.01%	\$5,072	\$5,882
Clifton	3,311	\$1,159	\$699	\$81	\$0	\$120	\$2,060	2.46%	\$1,074	\$1,281
Duncan	696	\$592	\$147	\$17	\$0	\$48	\$803	0.96%	\$226	\$290
Greenlee County*	4,430	\$1,551	\$443	\$109	\$0	\$160	\$2,263	2.71%	\$1,437	\$1,836
Nogales	20,837	\$4,167	\$2,084	\$513	\$0	\$377	\$7,141	8.54%	\$6,757	\$8,486
Patagonia	913	\$776	\$193	\$22	\$0	\$62	\$1,054	1.26%	\$296	\$370
Santa Cruz County*	25,670	\$4,492	\$5,422	\$631	\$0	\$447	\$10,993	13.15%	\$8,324	\$10,275
SEAGO Region Totals	224,423	\$39,101	\$35,357	\$4,141	\$0	\$5,000	\$83,599	100.00%	\$71,397	\$91,089

*Unincorporated area only

Notes to Assessments:

- (a) Most calculations are based on the 2010 Census population for each member community. Members may want to decide whether or not to use the mid-decade population estimates in FY 2017 and future years until the 2020 Census figures are available.
- (b) In this column, SEAGO Member 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 vary from 4/10 cent to 85 cents per capita.
- (c) The assesemnt provides matching funds for the EDA planning grant and related economic development activities. Calculations are based on a per capita rate, with entities who have economic development staff paying less per capita and the remaining entities paying more. Per capita rates vary from 1/2 cent to 21 cents.
- (d) RTAC assessment is based on the non-urbanized population of the region and 8.2 cents per capita. The SVMPO pays its dues directly to the RTAC and its population is not included in the calculation.
- (e) Due to the sweep of the Arizona Mortgage Relief fund monies in to the State General Fund, approximately 45% of the revenue for the Housing Program has been eliminated. This created a \$20,500 deficit in Housing that required reducing the program manager's position to 3/4 time in order to balance the budget. In this Option, there is no assessment to cover the deficit, but use of fund balance is an alternate that can be considered.
- (f) The assessments in this column are a blend of per capita rates and population blocks. The amount for each entity is first calculated on the percent the population of the entitiy represents of the total population for the region, then adjusted by population blocks, with the larger entites paying less per capita and the smaller entites paying more per capita. The amount shown is 1/2 what we anticipate needing to contract with a grant writer in FY 2016.
- (g) The total for this column will depend on any final adjustments to the calculations of individual program assessment columns and decisions to use fund balance rather than assessments to cover anticipated expenses.
- (h) This column displays the percent each member's assessment represents of the total FY 2016 assesement.
- (i) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2015 assessment.
- (j) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2010 assessment.

OPTION 3

**SouthEastern Arizona Governments Organization
Draft Dues and Assessment Schedule
Fiscal Year 2016**

SEAGO Member	2010 Census (a)	SEAGO Member Dues (b)	ED Planning Assessment (c)	RTAC Assessment (d)	Housing Assessment (e)	Grant Writing Contractor Assessment (f)	Total FY2016 Estimated Assessment (g)	Member Percent of Total FY2016 Assessment (h)	Total FY2015 SEAGO Assessment (i)	Total FY2010 SEAGO Assessment (j)
Benson	5,105	\$1,404	\$1,078	\$126	\$239	\$327	\$3,174	3.21%	\$1,655	\$2,055
Bisbee	5,575	\$1,533	\$1,178	\$132	\$478	\$357	\$3,678	3.72%	\$1,803	\$2,305
Douglas	17,378	\$3,910	\$3,671	\$428	\$1,832	\$726	\$10,566	10.69%	\$5,635	\$7,078
Huachuca City	1,853	\$927	\$391	\$45	\$469	\$227	\$2,059	2.08%	\$601	\$747
Sierra Vista	43,888	\$3,292	\$2,194	\$0	\$2,284	\$1,467	\$9,236	9.34%	\$13,153	\$17,798
Tombstone	1,380	\$1,173	\$291	\$34	\$257	\$188	\$1,943	1.97%	\$447	\$579
Willcox	3,757	\$1,315	\$794	\$92	\$177	\$272	\$2,650	2.68%	\$1,218	\$1,529
Cochise County*	52,410	\$2,096	\$8,910	\$994	\$1,195	\$1,751	\$14,947	15.12%	\$16,701	\$21,406
Pima	2,387	\$1,194	\$504	\$59	\$159	\$292	\$2,209	2.23%	\$775	\$954
Safford	9,566	\$2,631	\$2,021	\$235	\$531	\$613	\$6,030	6.10%	\$3,102	\$3,859
Thatcher	4,865	\$1,703	\$1,028	\$114	\$168	\$352	\$3,365	3.40%	\$1,572	\$1,992
San Carlos Apache Tribe	4,780	\$1,673	\$1,010	\$118	\$0	\$346	\$3,146	3.18%	\$1,550	\$2,365
Graham County*	15,622	\$3,515	\$3,300	\$390	\$443	\$653	\$8,300	8.40%	\$5,072	\$5,882
Clifton	3,311	\$1,159	\$699	\$81	\$44	\$240	\$2,224	2.25%	\$1,074	\$1,281
Duncan	696	\$592	\$147	\$17	\$44	\$95	\$895	0.91%	\$226	\$290
Greenlee County*	4,430	\$1,551	\$443	\$109	\$44	\$321	\$2,468	2.50%	\$1,437	\$1,836
Nogales	20,837	\$4,167	\$2,084	\$513	\$841	\$754	\$8,359	8.46%	\$6,757	\$8,486
Patagonia	913	\$776	\$193	\$22	\$80	\$125	\$1,196	1.21%	\$296	\$370
Santa Cruz County*	25,670	\$4,492	\$5,422	\$631	\$965	\$894	\$12,404	12.55%	\$8,324	\$10,275
SEAGO Region Totals	224,423	\$39,101	\$35,357	\$4,141	\$10,250	\$10,000	\$98,849	100.00%	\$71,397	\$91,089

*Unincorporated area only

Notes to Assessments:

- (a) Most calculations are based on the 2010 Census population for each member community. Members may want to decide whether or not to use the mid-decade population estimates in FY 2017 and future years until the 2020 Census figures are available.
- (b) In this column, SEAGO Member 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 vary from 4/10 cent to 85 cents per capita.
- (c) The assesemnt provides matching funds for the EDA planning grant and related economic development activities. Calculations are based on a per capita rate, with entities who have economic development staff paying less per capita and the remaining entities paying more. Per capita rates vary from 1/2 cent to 21 cents.
- (d) RTAC assessment is based on the non-urbanized population of the region and 8.2 cents per capita. The SVMPO pays its dues directly to the RTAC and its population is not included in the calculation.
- (e) Due to the sweep of the Arizona Mortgage Relief fund monies in to the State General Fund, approximately 45% of the revenue for the Housing Program was eliminated. This created a \$20,500 deficit in Housing. In this Option, the program manager's position is restored to full-time and the deficit is split 50/50 between a member assessment for Housing and use of fund balance. The assessment portion is calculated based on the number of persons served by the program in each community since 2009 and the amount needed to balance the FY2016 budget.
- (f) The assessments in this column are a blend of per capita rates and population blocks. The amount for each entity is first calculated on the percent the population of the entitiy represents of the total population for the region, then adjusted by population blocks, with the larger entites paying less per capita and the smaller entites paying more per capita. The amount shown is what we anticipate needing to contract with a grant writer in FY 2016.
- (g) The total for this column will depend on any final adjustments to the calculations of individual program assessment columns and decisions to use fund balance rather than assessments to cover anticipated expenses.
- (h) This column displays the percent each member's assessment represents of the total FY 2016 assesement.
- (i) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2015 assessment.
- (j) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2010 assessment.

OPTION 4

**SouthEastern Arizona Governments Organization
Draft Dues and Assessment Schedule
Fiscal Year 2016**

SEAGO Member	2010 Census (a)	SEAGO Member Dues (b)	ED Planning Assessment (c)	RTAC Assessment (d)	Housing Assessment (e)	Grant Writing Contractor Assessment (f)	Total FY2016 Estimated Assessment (g)	Member Percent of Total FY2016 Assessment (h)	Total FY2015 SEAGO Assessment (i)	Total FY2010 SEAGO Assessment (j)
Benson	5,105	\$1,404	\$1,078	\$126	\$478	\$327	\$3,413	3.13%	\$1,655	\$2,055
Bisbee	5,575	\$1,533	\$1,178	\$132	\$956	\$357	\$4,156	3.81%	\$1,803	\$2,305
Douglas	17,378	\$3,910	\$3,671	\$428	\$3,665	\$726	\$12,399	11.36%	\$5,635	\$7,078
Huachuca City	1,853	\$927	\$391	\$45	\$938	\$227	\$2,528	2.32%	\$601	\$747
Sierra Vista	43,888	\$3,292	\$2,194	\$0	\$4,567	\$1,467	\$11,520	10.56%	\$13,153	\$17,798
Tombstone	1,380	\$1,173	\$291	\$34	\$513	\$188	\$2,200	2.02%	\$447	\$579
Willcox	3,757	\$1,315	\$794	\$92	\$354	\$272	\$2,827	2.59%	\$1,218	\$1,529
Cochise County*	52,410	\$2,096	\$8,910	\$994	\$2,390	\$1,751	\$16,142	14.80%	\$16,701	\$21,406
Pima	2,387	\$1,194	\$504	\$59	\$319	\$292	\$2,368	2.17%	\$775	\$954
Safford	9,566	\$2,631	\$2,021	\$235	\$1,062	\$613	\$6,561	6.01%	\$3,102	\$3,859
Thatcher	4,865	\$1,703	\$1,028	\$114	\$336	\$352	\$3,533	3.24%	\$1,572	\$1,992
San Carlos Apache Tribe	4,780	\$1,673	\$1,010	\$118	\$0	\$346	\$3,146	2.88%	\$1,550	\$2,365
Graham County*	15,622	\$3,515	\$3,300	\$390	\$885	\$653	\$8,742	8.01%	\$5,072	\$5,882
Clifton	3,311	\$1,159	\$699	\$81	\$89	\$240	\$2,268	2.08%	\$1,074	\$1,281
Duncan	696	\$592	\$147	\$17	\$89	\$95	\$939	0.86%	\$226	\$290
Greenlee County*	4,430	\$1,551	\$443	\$109	\$89	\$321	\$2,512	2.30%	\$1,437	\$1,836
Nogales	20,837	\$4,167	\$2,084	\$513	\$1,682	\$754	\$9,200	8.43%	\$6,757	\$8,486
Patagonia	913	\$776	\$193	\$22	\$159	\$125	\$1,275	1.17%	\$296	\$370
Santa Cruz County*	25,670	\$4,492	\$5,422	\$631	\$1,930	\$894	\$13,369	12.25%	\$8,324	\$10,275
SEAGO Region Totals	224,423	\$39,101	\$35,357	\$4,141	\$20,500	\$10,000	\$109,099	100.00%	\$71,397	\$91,089

*Unincorporated area only

Notes to Assessments:

- (a) Most calculations are based on the 2010 Census population for each member community. Members may want to decide whether or not to use the mid-decade population estimates in FY 2017 and future years until the 2020 Census figures are available.
- (b) In this column, SEAGO Member 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 vary from 4/10 cent to 85 cents per capita.
- (c) The assesemnt provides matching funds for the EDA planning grant and related economic development activities. Calculations are based on a per capita rate, with entities who have economic development staff paying less per capita and the remaining entities paying more. Per capita rates vary from 1/2 cent to 21 cents.
- (d) RTAC assessment is based on the non-urbanized population of the region and 8.2 cents per capita. The SVMPO pays its dues directly to the RTAC and its population is not included in the calculation.
- (e) Due to the sweep of the Arizona Mortgage Relief fund monies in to the State General Fund, approximately 45% of the revenue for the Housing Program was eliminated. This created a \$20,500 deficit in Housing. In this Option, the program manager's position is restored to full-time and the deficit is covered by a member assessment for Housing. The assessment is calculated based on the number of persons served by the program in each community since 2009 and the amount needed to balance the FY2016 budget.
- (f) The assessments in this column are a blend of per capita rates and population blocks. The amount for each entity is first calculated on the percent the population of the entitiy represents of the total population for the region, then adjusted by population blocks, with the larger entites paying less per capita and the smaller entites paying more per capita. The amount shown is what we anticipate needing to contract with a grant writer in FY 2016.
- (g) The total for this column will depend on any final adjustments to the calculations of individual program assessment columns and decisions to use fund balance rather than assessments to cover anticipated expenses.
- (h) This column displays the percent each member's assessment represents of the total FY 2016 assesement.
- (i) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2015 assessment.
- (j) Information is provided so comparisons can be drawn between total FY2016 assessment and total FY2010 assessment.



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD

FROM: RANDY HEISS, EXECUTIVE DIRECTOR

DATE: MAY 12, 2015

SUBJECT: SUSTAINABILITY OF THE SEAGO FUND BALANCE

The purpose of this memorandum is to enable the Administrative Council and Executive Board to better understand the use of fund balance 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 budget. The table below provides an overview of the use of fund balance over the last six fiscal years:

Fund Balance Use ¹			
Fiscal Year Ending	Beginning Balance	Ending Balance	Use of Fund Balance
6/30/09	\$ 1,681,043	\$ 1,921,455	\$ 240,412
6/30/10	\$ 1,921,455	\$ 1,877,819	(\$ 43,636)
6/30/11 (Restated ²)	\$ 1,451,014	\$ 1,297,124	(\$ 153,890 ³)
6/30/12	\$ 1,297,124	\$ 1,298,000	\$ 876
6/30/13	\$ 1,298,000	\$ 1,136,413	(\$ 161,587 ⁴)
6/30/14	\$ 1,136,413	\$ 1,319,039	\$ 182,626
6/30/15 (Projected)	\$ 1,319,039	\$ 1,300,011	(\$ 19,028 ⁵)

The fund balance policy established by the Executive Board on February 27, 2015 sets the minimum unrestricted fund balance in its General Fund at 50 percent of the prior fiscal year's total actual operating expenditures. In FY 2014, the most recent year for which final figures are available, actual operating expenditures were \$1,071,782. Fifty percent of the FY 2014 actual operating expenditures is \$535,891. The amount of fund balance available at the end of FY 2014 (\$1,319,039) amounts to 123% that year's actual operating expenditures. Under this scenario, there would conceptually be \$783,148 available for use in future budget years before the minimum level of fund balance is reached. The table on the following page provides an overview of how long it would take to reduce the existing fund balance of \$1,319,039 to \$535,891 under a number of different scenarios:

¹ With the exception of FY 15, all figures are from audited financial statements for said years.

² In FY 11, the Arizona Department of Housing eliminated SEAGO from the Save My Home Program and recovered \$426,804 on deposit with SEAGO so that this funding could be used for foreclosure prevention assistance in the urban counties.

³ Approximately \$152,000 of this amount was from the purchase of the SEAGO office building and associated land.

⁴ Building improvements plus amounts approved for program use in the FY 13 budget process.

⁵ Due to FY 2105 Employee Retention Incentives and funds expended for the 2015 Strategic Planning Retreat.

Impact of Fund Balance Use	
Annual Use of Fund Balance	Number of Years
\$ 5,000 per year	157
\$ 10,000 per year	78
\$ 15,000 per year	52
\$ 20,000 per year	39
\$ 25,000 per year	31
\$ 30,000 per year	26
\$ 35,000 per year	22
\$ 40,000 per year	20
\$ 45,000 per year	17
\$ 50,000 per year	16

As shown in the table above, SEAGO will be able to operate for a considerable period of time with moderate use of fund balance and still maintain an operating reserve of \$535,891. However, because almost all of SEAGO’s programs operate on a cost reimbursement basis, there is very limited excess revenue generated that can be used to cover any expenses in excess of program revenues. As a Council of Governments, SEAGO has no taxation authority, and other than the annual assessment to our member entities, SEAGO has no significant or sustainable source of unrestricted revenue. Therefore, at this time, there is no use of fund balance that is ‘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 in order 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 excess revenue to replenish any fund balance used.
- 6) Expense depreciation of buildings and improvements to the benefiting programs and use those funds to replenish the fund balance that was used for the buildings and improvements.

Attachments: None

Action Requested:

Information Only

Action Requested Below:



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: BONNIE WILLIAMS, CDBG PROGRAM MANAGER
DATE: MAY 12, 2015
SUBJECT: FISCAL YEAR 2015 CDBG APPLICATIONS

For those of you who are unfamiliar with the CDBG application process, it began last fall with the required hearings for public participation. From the start of the public participation process to the conclusion of a project is usually three years.

The deadline for submitting this year's applications to SEAGO is May 1. Throughout the year I have been in frequent contact with the CDBG contact person from all applicant communities to assist them with the planning, budgeting and preparation of their applications. After they are submitted to SEAGO, I will review and revise each application as needed, in preparation for submittal to the Arizona Department of Housing (ADOH).

With the Executive Board's approval, I will submit all applications to the ADOH CDBG Program by the deadline of August 3. ADOH staff will review each application and be in contact with your CDBG contact person when that process is complete. This may take until the end of the year or longer, as now ADOH is requiring that the Environmental Review be completed before they will fund the project.

Following is a list of the FY 2015 applications which will be submitted to SEAGO, for which I am seeking your approval to submit to ADOH:

Bisbee: \$214,600 for street and drainage improvements in the area known as Tin Town

Nogales \$334,948 for main water line improvements under McNab Street

Pima: \$209,804 for waste water system improvements

Willcox: \$214,600 for demolition of old and unsafe commercial buildings***, and/or street improvements

Duncan: \$100,000 for drinking water system booster station for the area known as Hunter Estates

Please be aware that ADOH has the final authority to award these projects. Communities must submit eligible, affordable and compliant project applications, and demonstrate the capacity to administer and complete them within the projected budget. Failure to do so may result in non-award, with the funds rolled into the State Special Projects (SSP) account. Please contact me if you have any questions.

The Administrative Council unanimously recommended approval of the above projects to the Executive Board.

BW

Attachment: None

Action Requested: Information Only Action Requested Below

A motion to approve these projects and to forward these applications to ADOH by August 3rd.



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: CHRIS VERTREES, SEAGO TRANSPORTATION PLANNER
DATE: MAY 12, 2015
SUBJECT: ADOT DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

SEAGO receives approximately \$215,000 in Federal Transit Administration (FTA) funds for some of our transportation programs. In addition, SEAGO does contract with private business for some consulting services. Any recipient of FTA funds must have a Disadvantaged Business Enterprise (DBE) Program in place to ensure that DBE's have an equal opportunity to receive and participate in ADOT-assisted contracts.

A Disadvantaged Business Enterprise or DBE is defined as follows:

- A business that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and
- A business whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

For SEAGO to continue to receive FTA funding in FY2016 we must have a DBE Program Policy/Plan in place. ADOT provides recipients with two options:

1. Agencies can develop their own DBE plan that complies with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. Any plan developed must be approved by ADOT and FTA.
2. Agencies can formally adopt ADOT's FTA DBE Program Plan.

The ADOT DBE Plan is FTA approved and is applicable to SEAGO when selecting and utilizing contract services. There does not appear to be any need for SEAGO to "reinvent the wheel". Therefore, it is recommended that we adopt ADOT's plan instead of developing our own. To manage the size of your meeting packet, we have posted ADOT's DBE Plan to the following location on our website:

<http://www.seago.org/?q=may-7-2015-administrative-council-meeting>

The Administrative Council unanimously recommended that the Executive Board formally adopt the ADOT FTA DBE Program Plan.

Action Requested:

Information Only

Action Requested Below

A motion to formally adopt ADOT's FTA DBE Program Plan.



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: LAURA VILLA, AAA PROGRAM MANAGER
DATE: MAY 12, 2015
SUBJECT: FY 2016 AAA SUBAWARD RENEWAL RECOMMENDATIONS

Last year, the AAA solicited proposals for Congregate Meals, Home Delivered Meals, Housekeeping, Personal Care, Home Nursing, Community Nursing, In-Home Respite, Legal Assistance, Transportation, Case Management, Caregiver Outreach/Training, Caregiver Adaptive Aids, and Caregiver Home Repair. Subaward agreements developed pursuant to the Request for Proposals were issued for Fiscal Year 2015, with an option to renew subawards for up to an additional 4 years as was expressed in the RFP.

The Executive Board must consider our subaward agreement renewal recommendations at their meeting on May 21st so that subaward agreements can be in place and services begun by July 1st. Based on the initial funding available from ADES for the AAA services listed above, we have developed recommendations for subaward renewal funding for Fiscal Year 2016.

The Administrative Council unanimously recommended approval of the attached recommendations for Fiscal Year 2016 subaward agreement renewals. I will attempt to answer any questions you may have at the meeting.

Attachment: Fiscal Year 2016 Subaward Agreement Renewal Recommendations

Action Requested: Information Only Action Requested Below

A motion to approve the proposed Fiscal Year AAA subaward agreement renewal recommendations.

AAA FY 2016 Subaward Recommendations

Case Management			
Provider	Service	Service Area	Contract Amount
Cochise Health and Social Services	Case Management	Cochise County - All	\$ 187,245
	Caregiver Case Management	Cochise County - All	\$ 48,132
Greenlee County Health Department	Case Management	Greenlee County - All	\$ 23,773
Santa Cruz County Public Fiduciary	Case Management	Santa Cruz County - All	\$ 45,000
Southeastern Arizona Community Unique Services	Case Management	Graham County - All	\$ 45,000

Home Care Cluster			
Provider	Service	Service Area	Contract Amount
Accent Care	Housekeeping	Cochise County - All	\$ 137,112
	Personal Care		\$ 60,990
	In-home Respite		\$ 26,099
Accent Care	Housekeeping	Graham County - All	\$ 10,000
	Personal Care		\$ 6,000
	In-home Respite		\$ 2,794
Accent Care	Housekeeping	Greenlee County - All	\$ 11,000
	Personal Care		\$ 5,000
	In-home Respite		\$ -
Accent Care	Housekeeping	Santa Cruz County - All	\$ 19,000
	Personal Care		\$ 10,500
	In-home Respite		\$ 1,000
Consumer Direct	Housekeeping	Santa Cruz County - All	\$ 19,000
	Personal Care		\$ 10,485
	In-home Respite		\$ 1,000
Greenlee County Health Department	Housekeeping	Greenlee County - All	\$ 30,000
	Personal Care		\$ 30,000
	In-home Respite		\$ 1,500
	Home Nursing		\$ 12,460
Lutheran Social Services	Housekeeping	Cochise County - All	\$ 46,571
	Personal Care		\$ 35,000
	In-home Respite		\$ 14,000

Home Care Cluster (continued)			
Provider	Service	Service Area	Contract Amount
Lutheran Social Services	Housekeeping	Santa Cruz County - All	\$ 19,000
	Personal Care		\$ 9,000
	In-home Respite		\$ 1,000
Southeastern Arizona Community Unique Services	Housekeeping	Graham County - All	\$ 79,883
	Personal Care		\$ 37,780
	In-home Respite		\$ 12,235
	Home Nursing		\$ -

Meals Programs			
Provider	Service	Service Area	Contract Amount
Catholic Community Services	Congregate Meals	Benson, Sierra Vista	\$ 30,001
	Home Delivered Meals	Rural Cochise County	\$ 138,877
City of Tombstone	Congregate Meals	Tombstone	\$ 29,084
Douglas ARC	Congregate Meals	Douglas	\$ 6,624
	Home Delivered Meals	Southeastern Cochise County	\$ 204,485
Mom's Meals	Home Delivered Meals	Cochise, Graham, Greenlee and Santa Cruz Counties	\$ 107,219
Santa Cruz Council on Aging	Congregate Meals	Nogales, Rio Rico	\$ 52,875
Southeastern Arizona Community Unique Services	Congregate Meals	Safford, Clifton and Duncan	\$ 33,930
	Home Delivered Meals	Graham and Greenlee Counties	\$ 150,686
Senior Citizens of Patagonia	Congregate Meals	Patagonia	\$ 36,722

Transportation			
Provider	Service	Service Area	Contract Amount
City of Benson	Transportation	Benson Area	\$ 18,650
City of Bisbee	Transportation	Bisbee Area	\$ 18,650

Transportation (continued)			
Provider	Service	Service Area	Contract Amount
City of Nogales	Transportation	Nogales Area	\$ 9,730
Southeastern Arizona Community Action Program	Transportation	Safford, Clifton, and Duncan areas	\$ 30,000

Other Services			
Provider	Service	Service Area	Contract Amount
Cochise Health and Social Services	Caregiver Training	Cochise County - All	\$ 5,139
	Caregiver Outreach		\$ 7,200
Southeastern Arizona Community Unique Services	Adaptive Aids	Graham County - All	\$ 6,516
	Caregiver Home Repair		\$ 5,000
Southern Arizona Legal Aid		Cochise, Graham, Greenlee and Santa Cruz Counties	\$ 13,117
Unobligated Funds	Adaptive Aids	Cochise, Greenlee and Santa Cruz Counties	\$ 6,214
	Caregiver Case Management		\$ 3,868
			\$ 1,912,146



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
FROM: RANDY HEISS, EXECUTIVE DIRECTOR
DATE: MAY 12, 2015
SUBJECT: FUTURE MEETING DATES

Beginning in *May 2013*, the Administrative Council normally meets at 9:00 a.m. on the *first Thursday* of February, May, August and November at the Cochise College Benson Center, located at 1025 Highway 90 in Benson, Arizona. The Executive Board normally meets at 10:00 a.m. on the Fridays two weeks following the Administrative Council meetings unless there is a holiday, or unless the Board sets an alternative date. The location of each Executive Board meeting is determined by the jurisdiction hosting the meeting, and therefore varies.

Administrative Council	Executive Board
August 6, 2015	August 28, 2015* Greenlee County
November 5, 2015	November 20, 2015 Santa Cruz County
February 11, 2016*	February 26, 2016* Cochise County
May 5, 2016	May 19, 2016 Graham County

**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.*

Also, below please find the schedule for the combined telephonic Administrative and Executive Committee meetings in the coming 12 months:

Combined Administrative and Executive Committee Meetings (telephonic)
June 4, 2015
October 1, 2015
December 3, 2015
March 31, 2016

Attachments: None.

Action Requested:

Information Only

Action Requested Below:



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD

FROM: RANDY HEISS, EXECUTIVE DIRECTOR

DATE: MAY 12, 2015

SUBJECT: VACANCIES IN PRIVATE SECTOR REPRESENTATION

As a requirement of the Economic Development Administration, SEAGO's Executive Board must have private sector representation. I have been notified by Ms. Bernadette Polley (Cochise County) and Ms. Marie Freestone (Graham County) that they are unable to continue their service as Private Sector Representatives on the Executive Board. I'm providing this information so Administrative Council members in the affected counties can begin to work with their elected officials to nominate qualified individuals for consideration at our August meeting.

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.

Attachments: None

Action Requested: Information Only Action Requested Below:



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: CINDY OSBORN, ACCOUNTS MANAGER
DATE: MAY 12, 2015
SUBJECT: FINANCE REPORT

The SEAGO Statement of Revenues & Expenditures for the period March 2015 and FY15 to date is attached. I will attempt to answer any questions you may have regarding the finance report at the meeting.

Attachments: Statement of Revenues and Expenditures 3/31/2015

Action Requested: Information Only Action Requested Below

SEAGO

Statement of Revenues and Expenditures - Unposted Transactions Included In Report

From 3/1/2015 Through 3/31/2015

(In Whole Numbers)

		Current Period Actual	YTD Actual	Total Budget	Percentage of Budget Used
Revenue					
General Fund	101	1,934	22,273	19,028	117.05%
Agency Response	301	(2,877)	50,668	36,040	140.58%
Community Development Block Grant	302	10,619	69,109	106,837	64.68%
Economic Development	303	9,016	64,955	117,357	55.34%
Housing	305	5,493	57,765	102,488	56.36%
Environmental Quality	306	175	2,253	7,250	31.07%
Elderly Transit	307	1,598	6,717	20,000	33.58%
Public Transit	308	934	9,799	20,000	48.99%
State Planning & Research	309	12,801	100,476	156,250	64.30%
Area Agency on Aging	310	35,376	259,307	376,885	68.80%
Regional Mobility Management	311	12,953	107,685	180,249	59.74%
Traffic Count	312	0	0	75,000	0.00%
RMM Training	314	7,134	14,283	73,150	19.52%
Total Revenue		<u>95,155</u>	<u>765,289</u>	<u>1,290,535</u>	<u>59.30%</u>
Expenses					
General Fund	101	1	22,273	19,028	117.05%
Agency Response	301	931	10,039	28,240	35.54%
Community Development Block Grant	302	10,331	85,426	106,837	79.95%
Economic Development	303	9,591	69,203	117,357	58.96%
Economic Development Revolving Loan Fund	304	0	2	0	0.00%
Housing	305	7,149	54,530	95,272	57.23%
Environmental Quality	306	175	2,253	7,250	31.07%
Elderly Transit	307	1,598	6,717	20,000	33.58%
Public Transit	308	934	9,799	20,000	48.99%
State Planning & Research	309	12,801	100,476	156,250	64.30%
Area Agency on Aging	310	35,581	258,192	371,635	69.47%
Regional Mobility Management	311	12,953	107,685	180,249	59.74%
Traffic Count	312	0	0	75,000	0.00%
RMM Training	314	7,134	14,283	73,150	19.52%
Total Expenses		<u>99,178</u>	<u>740,879</u>	<u>1,270,269</u>	<u>58.32%</u>
Balance		<u>(4,023)</u>	<u>24,410</u>	<u>20,266</u>	<u>120.44%</u>



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: LARRY CATTEN, ECONOMIC DEVELOPMENT PLANNER (EDP)
DATE: MAY 12, 2015
SUBJECT: SEAGO ECONOMIC DEVELOPMENT DISTRICT (EDD) REPORT

The recent emphasis and activity of the Economic Development Planner (EDP) has been to meet with individuals (public and private sector) involved in economic development in each community in the SEAGO Region. The purpose of the meetings is to gain an understanding of the regional economic development needs by better understanding the needs and perspectives of each community. That effort has included numerous meetings, and valuable discussions with elected and appointed officials, as well as business owners, and economic development organization leaders. To date, the meetings have included Benson, Bisbee, Douglas, Sierra Vista, Willcox, Cochise County, Pima, Safford, Thatcher, Graham County, Duncan, Greenlee County, Nogales, and Patagonia.

To broaden and deepen SEAGO's understanding of community economic development needs, this continuing initiative will include scheduling meetings in communities that have not been visited, and meeting with additional individuals in the aforementioned communities. The primary discussion in the meetings is to explore ways in which SEAGO can maximize its relevancy in the Economic Development District (EDD), and its availability as a resource for the economic development initiatives in each community. While many community economic development initiatives do not have obvious regional implications, there are also many initiatives that do have direct impact on regional economic development growth. Even the more localized economic development strategies and objectives have implications on the sustained economic growth of the entire SEAGO EDD.

Based upon the community economic development discussions, and consistent with the CEDS and SEAGO economic development strategies, the EDP is developing a list of action items intended to position SEAGO as an economic development resource on a community by community basis. As mentioned, some of the action items will have regional implications, and some are more local in nature. As an example, some of the communities have expressed a need to develop a comprehensive economic development strategic plan. They desire a relevant and practical plan that will be a guide to their respective economic development direction and activity. Pursuant to an economic development strategy identified in the recent SEAGO Strategic Planning Retreat, the EDP will assist those communities in engaging an economic development strategic planning process.

Recently, SEAGO co-sponsored and assisted in promotion of two economic development related workshops. First, was a well attended workshop to acquaint Graham County farmers, ranchers, and small business owners with two USDA grant opportunities. The workshop was co-sponsored by the Eastern Arizona College Small Business Development Center and was held at the College. Second,

was a workshop co-sponsored by SEAGO, and primarily sponsored by the Southeast Arizona Economic Development Group (SAEDG) in Benson. It consisted of a presentation by R. Glenn Williamson, Director of the Canada Arizona Business Council and Canadian Honorary Consul to Arizona. Mr. Williamson acquainted the audience with the significant impact that Canadian tourists have in our region. He presented information on the magnitude of Canadian winter visitors to Arizona, and how there are a significant number of Canadians who are relocating or expanding their business interests into Arizona. He also presented interesting information about the large number of Canadians who are now buying homes in Arizona as their winter, or full time residences. SEAGO will be involved as a co-sponsor of two subsequent workshops with Mr. Williamson to specifically address how to increase Canadian tourism in our region, and how to effectively market real estate opportunities to those Canadians that visit.

Attachments: None

Action Requested:

Information Only

Action Requested Below



EXECUTIVE BOARD PACKET

MEMO TO: EXECUTIVE BOARD
THROUGH: RANDY HEISS, EXECUTIVE DIRECTOR
FROM: JULIE PACKER, HOUSING PROGRAMS MANAGER
DATE: MAY 12, 2015
SUBJECT: FY 15 HOUSING PROGRAM INFORMATION

Current Housing Statistics through FY15 third quarter:

PROGRAM	# CLIENTS	HOMES SAVED	DENIALS	WITHDRAWN	ACTIVE
NFMC	3	1			2
SOHAZ	76	14	43		19
HUD (Fed FY)	29	5	3	12	9
AG	37	8	5	12	12
TOTAL	145	28	51	24	42

I received phone calls from an additional 76 families seeking housing information in addition to the clients I am already working with during the third quarter.

Financial Education and Homebuyer Education classes were held throughout the region during the third quarter, this is encouraging since we have not held any classes for the past three years. Only one-on-one counseling was done for these issues when requested since there were not enough clients at the same time to hold classes for the past three years.

We received word April 13 that the Office of the Arizona Attorney General will not be extending our contract next year since the Governor swept all of the AG Settlement Funds back into the General Fund. This funding cut also affects the AZ Mortgage Relief Fund program that clients were referred to when they did not qualify for the Save Our Home AZ program. These clients may have no further recourse in their efforts to keep their homes.

The Administrative Council requested the above statistics be presented in geomatrix format in future reports.

Board Action Requested: Information Only Action Requested Below