

**MEETING MINUTES OF THE SEAGO EXECUTIVE BOARD  
HUACHUCA CITY COMMUNITY CENTER  
201 YUMA STREET  
HUACHUCA CITY, AZ 85616  
FEBRUARY 26, 2016**

**OFFICERS PRESENT:** Rivera, Bob – Mayor, Town of Thatcher (*Chair*)  
Lindsey, Gerald – Council Member, City of Willcox (*First Vice Chair*)  
Gomez, David – Supervisor, Greenlee County (*Treasurer*) (*by phone*)

**MEMBERS PRESENT:** Barlow, Bill – Councilman, City of Tombstone  
English, Ann – Cochise County  
Molera, Rudy – Supervisor, Santa Cruz County (*by phone*)  
Montoya, Luis – Vice-Mayor, Town of Clifton (*by phone*)  
Oertle, Ron – Mayor, City of Bisbee  
Ortega, Richard – Councilman, City of Safford  
Robinette, Dustie – Greenlee County Private Sector Rep.  
Mark Schmitt – Cochise County Private Sector Rep.  
Mueller, Rick – Mayor, City of Sierra Vista  
Smerekanich, Ilona, Cochise County Private Sector Rep.  
Smith, Danny – Supervisor, Graham County (*by phone*)

**GUESTS:** Adam, Kevin - RTAC  
Mitchell, Tammy – Town of Huachuca City

**STAFF PRESENT:** Catten, Larry – Economic Development Program Manager  
Heiss, Randy – Executive Director  
Merideth, John – Office Assistant  
Osborn, Cindy – Accounts Manager  
Packer, Julie – Housing Program Manager  
Shay Saucedo, Senator John McCain's Office  
Vertrees, Chris – Transportation Manager  
Villa, Laura – AAA Program Manager  
Williams, Bonnie – CDBG Program Manager

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

Chair Rivera welcomed everyone to the quarterly meeting of the SEAGO Executive Board and asked Ms. Tammy Mitchell the Town of Huachuca City to lead the group in the pledge of allegiance. All attendees introduced themselves

**II. MEMBER ENTITIES' DISCUSSION**

Chair Rivera made a call for items to discuss. Supervisor English discussed the proposed expanded Douglas port of entry and the efforts to work with the government to provide separate ports each for commercial and pedestrian traffic. Mayor Rick Mueller expanded on the discussion stating there is a party interested in creating a railway access through the port as well.

Supervisor Molera voiced support for the efforts of Douglas to expand the port of entry. Mr. Heiss stated that SEAGO had also resolved to support the new port of entry as well as an international rail crossing. Mr. Mark Schmitt discussed the HUB Zone initiative in Cochise County and efforts to make adjustments to included cities and towns which are not currently included.

### III. CALL TO THE PUBLIC

Chair Rivera made a call to the public and no one spoke.

### IV. ACTION ITEMS

1. Consent Agenda
  - a. Approval of the November 20, 2015 Minutes
  - b. Nominations to the Advisory Council on Aging

**MOTION:** Councilman Sam Lindsey made a motion to approve items 1a – 1b of the Consent Agenda.

**SECOND:** Supervisor English

**ACTION:** **APPROVED UNANIMOUSLY**

2. Discussion and Possible Action Regarding the Revised Regional Grant Writing Services Project Proposal (moved from Item No. 5)

Mr. Randy Heiss established a Skype connection with Ms. Mindy Mueller of Community Development Professionals (CDP), whose proposal had been selected for further evaluation and negotiation. He reported that a revised scope of services had been negotiated which would accomplish the objectives of the project at a cost of approximately \$40,000 per year, but was still twice what was originally budgeted for the project. He outlined the primary differences between the original and revised proposals.

Because the anticipated project start date was January 1<sup>st</sup>, there was \$10,000 originally budgeted for the project in FY 2016. If CDP's revised proposal is accepted, that amount should be sufficient to cover project costs this fiscal year, but we will need to budget a minimum of \$40,000 for grant writing services in FY 2017. If approved by the Executive Board, Mr. Heiss recommends we budget an additional \$5,000 for FY 2017 in the event CDP identifies a grant opportunity for a SEAGO program that aligns with our strategic plan goals. He proposed that \$20,000 of the \$45,000 anticipated for the project in FY 2017 come from a member assessment, and the remaining \$25,000 come from fund balance. He referred the group to the attached spreadsheet outlining the potential impact a \$20,000 assessment would have on each member entity. He further stated that the Administrative Council had unanimously voted to recommend a \$20,000 member assessment and the use of \$25,000 from fund balance.

Mayor Rick Mueller stated that the City of Sierra Vista would not be utilizing the grant writing service because they have their own personnel for this function, and that the City would not pay the additional assessment of \$3,095. Mr. Heiss stated that the amount would then be split between the remaining members. Chair Rivera and Supervisor English asked for further clarification regarding the scope of work and what services the assessment would cover. Supervisor English also said that Cochise County already has someone who scans for grant opportunities. Mr. Heiss and Ms. Muller responded to many questions that indicated many members of the Executive Board had not had the opportunity to review related materials over the preceding months and had not discussed the proposed program with their Administrative Council members.

Mayor Oertle commented that he felt the assessments were reasonable but that having to pay for the application seemed too risky if there was no guarantee of success. Mr. Schmitt commented that the chances of success are much better when using a professional grant writer, however it is still a gamble with an associated cost.

Councilman Lindsey suggested the item be postponed or a vote taken. He felt the cost was expensive for what they would get.

Councilman Richard Ortega commented that he would like to further discuss the matter with City of Safford Council and management.

Mayor Mueller made a motion to table this item and a reassessment of the cost impact on each member as well as the fund balance before the next discussion. This will also give the Board time to discuss the matter with their Administrative Council representatives.

**MOTION:** Mayor Mueller made a motion to table the item until the next meeting.  
**SECOND:** Councilman Sam Lindsey

Mayor Oertle commented that the City of Bisbee is successfully funding a senior housing development utilizing only in-house personnel. Mr. Schmitt commented that he would like to see value added to the proposal such as CDP looking for grant opportunities in areas that a member's in house personnel may not be looking at. Chair Rivera asked whether the scope of the grant writing services would cover areas such as police, fire, parks, administration, etc. Mr. Heiss replied that it would cover all those and more. It just depends on what the individual community identifies as priorities. Mr. Heiss encouraged the members of the Board and Administrative Council review the proposal and previous information, as well as discuss the issues with their representatives and councils so that the issue can be revisited at the next meeting. Mayor Oertle asked Ms. Mueller what CDP's success rate was for obtaining grants and her response was 78%. She added that they are very careful about only recommending viable grant prospects that have a higher chance of success.

**ACTION: APPROVED UNANIMOUSLY**

### 3. Election of Officers for Calendar Year 2016

Mr. Heiss outlined the procedures for election and rotation of officers as outlined in the SEAGO Bylaws. He stated that subject to the Board's approval, the slate of officers for calendar year 2016 would be:

Chair: Council Member Gerald ("Sam") Lindsey, City of Willcox  
First Vice Chair: Supervisor Rudy ("Bugs")  
Second Vice Chair: Supervisor David Gomez, Greenlee County  
Treasurer: Mayor Bob Rivera, Town of Thatcher

Mr. Heiss also noted that the Board could elect an entirely new slate of officers or could elect a combination of existing and new officers.

**MOTION:** Supervisor Ann English made a motion to approve the slate of officers for Calendar year 2016.  
**SECOND:** Mayor Rick Mueller  
**ACTION: APPROVED UNANIMOUSLY**

4. Discussion and Possible Approval of Resolution No. 2016-01

Mr. Heiss presented Resolution No. 2016-01 urging the Governor and Legislature to eliminate the diversion of HURF and other dedicated transportation funding sources to the State General Fund.

**MOTION:** Mayor Rick Mueller  
**SECOND:** Ms. Dustie Robinette  
**ACTION:** **APPROVED UNANIMOUSLY**

5. 2016-2017 Transportation Issues Position Statement

Mr. Heiss presented the Transportation Issues Position Statement which was approved by the Transportation Advisory Committee at their January 21 meeting. He mentioned it was mostly unchanged from the previous statement. He highlighted Issue No. 5, Raise Title 34 Limitation on Use of Local Forces, stating that he had met with the Association of General Contractors (AGC) but it did not look like they would support Issue No. 5. Supervisor English voiced Cochise County's support for Issue No. 5.

Mr. Kevin Adam addressed Issue No. 3, Explore All Possible Funding Options to Resolve the SR 189 Bottleneck, stating that it was more a matter of "when" it would happen instead of "if." He said that the timing on when ADOT designates the critical rural freight corridors impacts the SR 189 and the position statement might want to address the timing. Mr. Heiss commented that he would add that to the position statement, with the consent of the group.

**MOTION:** Supervisor Ann English made a motion to approve the 2016-2017 Transportation Issues Position Statement, with the modification of Issue No. 3.  
**SECOND:** Councilman Sam Lindsey  
**ACTION:** **APPROVED UNANIMOUSLY**

6. Discussion and Possible Action to Re-appoint Cochise County Private Sector Representative Mark Schmitt to a Final Term of Office on the Executive Board.

Mr. Heiss discussed the current term limits for Executive Board members stating that the Cochise County Private Sector Representative, Mr. Mark Schmitt, was serving on the Board before private sector representative terms limits were formally observed. He recommended consideration of reappointment of Mr. Schmitt for a final two-year term, stating the Administrative Council unanimously recommended reappointment of Mr. Schmitt to a final two-year term.

**MOTION:** Supervisor Ann English made a motion to reappoint Cochise County Private Sector Representative Mark Schmitt to a Final term of Office on the Executive Board.  
**SECOND:** Mayor Rick Mueller  
**ACTION:** **APPROVED UNANIMOUSLY**

7. Discussion and Possible Action Regarding FY17 Housing Program Funding.

Mr. Heiss discussed the Housing Program, stating that it continues to struggle financially and is down to only one known external funding source, the HUD Counseling grant through the National Community Reinvestment Coalition. The remaining two options for funding the Housing Program are through the fund balance or member assessments. The Housing Program needs approximately \$87,075 in FY17 to

maintain current service levels. It's estimated that HUD counseling revenues will be approximately \$9,100 in FY17 which leaves a funding gap for FY17 of \$77,975. Cutting FY17 services to 50% the current level would result in a funding gap of \$34,438. He reported that the Administrative Council recommended funding the Housing Program at 50% of the anticipated FY17 funding gap, with the funding coming from the use of fund balance. Ms. Julie Packer stated that although the numbers were down she is better able to focus on each client. Chair Rivera asked whether clients pay for these services and Ms. Packer stated only for the pre-purchase and financial education counseling but on a sliding scale. Councilman Lindsey asked whether there were other programs that could use Ms. Packer's assistance. Mr. Heiss stated that there is an opportunity to shift some costs to the CDBG however the discussion today was to determine how to best fund the Housing Program for FY17.

**MOTION:** Vice Mayor Montoya made a motion to fund the Housing Program at 50% of the anticipated FY17 funding gap, with the funding coming from fund balance.

**SECOND:** Mayor Rick Mueller

**ACTION:** **APPROVED UNANIMOUSLY**

#### 8. Discussion and Possible Action Regarding the FY16-18 CDBG Method of Distribution

Ms. Bonnie Williams discussed the revisions to the Method of Distribution to accommodate the new ADOH requirement that the MOD now must cover 3 years. She stated that the tables for poverty and population statistics have been removed since they are no longer applicable in a 3 year MOD. Such data will be calculated by SEAGO each year and the applicants notified as soon as each year's allocation to SEAGO is announced.

**MOTION:** Supervisor English made a motion to approve the MOD for Fiscal Years 2016, 2017 and 2018.

**SECOND:** Ms. Dustie Robinette

**ACTION:** **APPROVED UNANIMOUSLY**

## V. INFORMATION ITEMS

### A. Future Meeting Dates

Mr. Heiss reported the next Administrative Council meeting is scheduled for May 5 and the next Executive Board meeting is May 20 in Graham County. He stated the February 2017 meeting dates will be moved one week to avoid a conflict with the ACMA Winter Conference. He also reported there will be a joint Administrative/Executive Committees conference call which is scheduled for March 31 to discuss a transportation issue as well as award of the auditor contract.

### B. Strategic Plan Implementation Progress Report

Mr. Heiss provided an update on the implementation of goals from the strategic planning process and responded to questions.

### C. Graham County Private Sector Representative Vacancy

Mr. Heiss discussed the vacant Graham County Private Sector Representative seat on the Executive Board, and encouraged members to bring forward any nominations.

#### D. Finance Report

Ms. Cindy Osborn provided the finance report stating that both revenues and expenditures are lower than expected. She also reported on the recent audit stating there were no findings this year. She stated the complete audit report can be found on the SEAGO website. Mr. Heiss and Supervisor English thanked Ms. Osborn for her work.

#### E. SEAGO Economic Development District Report

Mr. Larry Catten provided an update on the CEDS progress to date, and expressed his appreciation to the CEDS Committee members for their work and assistance. Mr. Schmitt commented that as a member of the CEDS Committee he appreciates the opportunity to participate and network with other regional economic development professionals. Ms. Smerekanich asked how many members are on the CEDS Committee and Mr. Catten responded there are 30. Mr. Catten provided the CEDS Mid-Point Report and responded to questions.

#### F. Transit Report

Mr. Chris Vertrees reported on new employee Jessica Urrea, who started January 25 as the Assistant Mobility Manager/Training Program Coordinator. He also reported that SEAGO had submitted a Letter of Interest involving a Strategic Grant opportunity with the Legacy Foundation of Sierra Vista. On February 2 SEAGO was advised that our Letter of Interest had made the final cut and we were asked to submit a full grant proposal for the program.

Mr. Vertrees also reported that SEAGO was awarded a Coordinated Mobility Grant of \$150,000 to continue our training program for FY16. SEAGO has partnered with Sun Corridor MPO, CAG, and NACOG to deliver the program statewide. He also reported that SEAGO was awarded \$80,000 to perform a feasibility study of an intercity bus route from Douglas to Sierra Vista.

#### G. SEAGO/SVMPO Joint Regional Strategic Highway Safety Plan

Mr. Vertrees provided an updated on the SEAGO/SVMPO Joint Regional Strategic Highway Safety Plan project reporting that Amec Foster Wheeler had been selected as the consultant for the project. SEAGO is currently finalizing a timeline and scope of work with the consultant. The goal is to have a contract in place and for work to begin no later than March 1, 2016.

#### H. AAA Updates

Ms. Laura Villa reported AAA staff is performing SFY15-16 Programmatic Monitoring of its subawards to all service providers in order to be in compliance with DES-DAAS policies and procedures. Ms. Villa also discussed the upcoming AZ4A Aging Summing scheduled for May 19-20 in Flagstaff.

#### I. Housing Program Statistics

Ms. Julie Packer provided the Housing Program report and responded to questions.

## **VI. RURAL TRANSPORTATION ADVOCACY COUNCIL REPORT (RTAC)**

Mr. Kevin Adam provided the RTAC report, discussing transportation funding at the state level, stating there is a 2 1/2 -3% increase in Federal funding levels for the next five years which equates to an additional \$344 million dollars for Arizona over the five years.

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

There were no staff announcements at this time.

## **VIII. FUTURE AGENDA ITEMS**

Mr. Heiss commented that budget discussion would take place at the next meeting and the grant writer issue would be brought back. He also said that SEAGO would most likely be hosting the Rural Transportation Summit in October 2017.

Mr. Catten reported that it might be good to revisit the Douglas port of entry resolution and update as necessary.

## **IX. ADJOURNMENT**

The meeting was adjourned at 12:29 p.m.