

**MINUTES OF THE
ADMINISTRATIVE COUNCIL MEETING
COCHISE COLLEGE BENSON CENTER
1025 STATE ROUTE 90
BENSON, ARIZONA
NOVEMBER 1, 2018**

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

MEMBERS PRESENT: Blaschke, Caleb – City of Willcox
Brown, Heath – Town of Thatcher
Coxworth, Dan – Cochise County
McLachlan, Matt – City of Sierra Vista
Ruder, Heather – Town of Clifton
Smith, Robert – City of Bisbee
Welker, Dustin – Graham County

STAFF PRESENT: Catten, Larry – Economic Development Planner
Dennis, Keith – Senior Planning Specialist
Glenn, Heather – Administrative Assistant
Heiss, Randy – Executive Director
Merideth, John – GIS Coordinator
Pashley, Diane – Accounts Manager
Vertrees, Chris – Transportation Manager
Williams, Bonnie – CDBG Program Manager

GUESTS: Adam, Kevin - RTAC

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE / INTRODUCTIONS

Chair Williams called the meeting to order at 9:04 a.m. and welcomed everyone. Introductions were made.

II. MEMBER ENTITIES' DISCUSSION

Mr. Heath Brown provided a brief update on the \$2.3M Church Street Project in Thatcher. **Mr. Horatio Skeete** discussed issues they were experiencing with the contractor who won the bid for the \$950,000 water line project in Safford and the steps they have taken to keep the project going forward. **Mr. Matt McLachlan** shared that Sierra Vista fell short on votes for the Fry Town Site Annexation and they will be providing a report to Council on input received and options going forward. Their building and permitting department is staying busy with smaller CDBG-funded projects and diligently working to clean up areas throughout town. **Mr. Dan Coxworth** stated that planners and permits are getting busier in Cochise County, also, perhaps signaling that the economy is turning around in the county. The county is forming a Complete Count Committee for the census and had a meeting with all jurisdictions except for Willcox and

Douglas. He mentioned that Douglas has a high non-participation rate and that the county wants to target those kinds of areas for the 2020 census. Another meeting with the jurisdictions is planned. He shared that they have a consultant applying for an EPA Brown Fields grant to inventory all brown fields and properties for asbestos and/or lead-based paint potential. If obtaining the grant is successful, Stantech will be the main vendor. A coalition was formed as a condition of the grant which includes Sierra Vista, Bisbee & Douglas for now, but other Cochise County cities could use the money (approximately \$600,000) to assess properties as to the damage and how much it will cost to clean up. He stated that the purpose of the grant is to identify properties not currently on the tax rolls and ones that developers are not interested in because of various types of contamination and the costs associated with remediating the properties. Identification of the properties is a tool that would then allow the county to apply to the EPA or ADEQ for funding to clean up the properties and get them back on the tax rolls. Randy Heiss announced that SEAGO submitted a letter of support for the grant. He also suggested an outreach strategy for the census regarding the Douglas area and southern Cochise County which was to utilize the Mexican Consulate as a trusted face and voice for the Hispanic community regarding the household size question on the 2020 census. Mr. Coxworth shared that one of the most challenging aspects of the 2020 census is that the information is being gathered by phone and computer rather than by mail and that the county is investigating ways to contact people who do not have phone or internet capabilities. **Ms. Vicki Vivian** stated that there is a group in Benson that has recently been circulating petitions and appearing before Council requesting quiet zones. She shared that they did a study in 2016 and discovered that it would cost \$500,000. They had joint meeting regarding RR crossings with the UP, FRA, SEAGO and others from the city to try to get accurate, updated information, which increased the estimate to approximately \$1million. She is not sure if it will be pursued. Ms. Vivian announced that they have plans to put in a 4-unit charging station at Walmart. She shared that there is a red light program through AZ GNT cooperative's rural development program and that they were approved for a \$180,000 zero-percent interest loan for a fuel farm at the airport which will provide self-serve tanks. She also stated that AZ GNT has also offered Benson an additional \$180k at 3% interest. She hopes it creates more traffic at the airport. Benson is gearing up for census. They have a transit audit coming up and she and the newly hired finance director are learning together and preparing for the upcoming audit. She stated that they recently closed their Council Chambers and the Council is currently meeting in community center. They had a space needs analysis done and have a design concept in case that project moves forward. **Mr. Dustin Welker** stated that Graham County is also supporting the Count Committee and that they will meet mid-November to decide on the number of committee members and training that will be provided. CDBG Klondike project still being worked on; they hope to wrap up in spring. 8th Ave Roundabout Project will bid out in January (10 years in the works). He gave a big thank you to Chris Vertrees for walking them through a solution regarding a funding shortage on their Dial A Ride project. He shared that there are a lot of new leadership faces in Graham County; they are getting their economic development group back together which is the result of all the work Larry Catten has been doing and he expressed his thanks to Larry, as well. **Ms. Heather Ruder** advised that Clifton has formed a

Complete Count Committee with Greenlee County taking the lead and Clifton assisting as needed. She advised that communities with PO boxes, like Clifton, will have people sent out to those areas and they are setting up phone numbers, sites for computers and training. She explained that she has been putting city-owned properties up for auction to get them off the city roles and make room for new businesses. She lamented that they are having difficulty finding vendors when RFPS are put to bid; they say they are too busy. They are currently looking for a playground distributor and architect. She announced the town will rebid the Zorillo Bridge Project. Phoenix and Tucson keeping them busy. Their wastewater treatment plant is in the early stages of the upgrade. Clifton continues battling a housing shortage, especially for officers and employees. A few people in town own most of the properties and let them sit vacant instead of selling them, so the only properties available are in dilapidated condition. Mr. Caleb Blaschke shared that Willcox is updating their codes to notify and fine owners every month if a property is out of compliance which they hope will encourage the property owner to either sell or fix up the property. Ms. Ruder responded that they are working with code enforcement but finding owners is difficult. Mr. Horatio Skeete suggested creating a 501(c)3 organization to receive the properties to get the tax deduction and then create low income housing with those properties. Ms. Ruder said there are 700 people on their housing waitlist and described some of the housing challenges in her town. Mr. Larry Catten stated that his housing study would address the issues being discussed as well as the need for mixed housing. Mr. Matt McLachlan stated Sierra Vista instituted a foreclosure registry that requires the bank to register the property with the city and assign an asset manager as a point of contact with the city once the homeowner defaults on the mortgage to ensure ongoing property maintenance which seems to be working well. Ms. Ruder ended her update by explaining that Clifton is trying to get projects out and completed before their various grants expire. **Mr. Matt Williams** expressed his thanks to Chris Vertrees, Larry Catten and the City of Sierra Vista for their help with Huachuca City's bus line. He advised that ADOT won't fund Huachuca City if they go to the same locations as Sierra Vista. Mr. Williams took a grant proposal to Council to continue the bus line but Council said no; consequently, Huachuca City's bus service will stop December 31. He shared that they had an RFP out for trash service since they have no money set aside for new trucks or trash cans. Waste Management won the bid and will begin in December. The City will add an administrative fee to generate some revenue and the RFP requires the trash to go to the Huachuca City landfill. They are conducting a water/sewer rate fee study and the city is expecting fees to at least double. He announced that the city is selling a wildland fire truck and a 2010 crew cab air-conditioned dog body animal control truck. He advised that, in addition to trash, the city has recently but out for RFP audit and IT and he is eager to talk with anyone that may have resources. He announced that there is an active arsonist within Huachuca City who set fire to the Methodist Church, which was a complete loss, and a reward is being offered. He shared that Huachuca City has some of the same housing issues as Clifton. The city is creating a mobile home ordinance that does not allow anyone to move a mobile home into town that is more than 10 years old. If it has been abandoned or neglected for more than six months the city will allow the owner to clean up the property or it must be removed. He says the city is beginning to feel positive effects of the cuts that have been made and the work will continue. He also

requested feedback from the group regarding distracted driving ordinances. **Ms. Heather Ruder** from Clifton shared that they are currently going through their rate increase and their base sewer rate is \$30 a month, which does not include the collection system, so they do not have funds coming in to maintain that. **Mr. Robert Smith** stated that ADEQ inspected the asbestos at the burned Bisbee City Hall building and they won't have to abate it. Council wants to rebuild and that is the plan. They have put out an RFP for architectural services and it will be rebuilt over the next couple of years. They intend to try to retain some of the original façade. Mr. Smith thanked the county for offering the old juvenile detention facility at no cost while the new city hall is completed. The city may keep the detention facility once City Hall is completed to convert to a new police department. He announced that they initiated a literacy program at a satellite library extension at one of their middle schools which was grant funded. They are launching their science center in an interim location while funding and other details are worked out. Bisbee is undergoing their first compensation and class study and advised that agencies can expect their call for wage rates and job classifications in an effort to become more market competitive. The financial impact will be scheduled over several years. The city is looking for a new public works director with an engineering degree and requested referrals for anyone qualified. He stated that they are considering Jacobs Engineering to run their wastewater treatment plant. Once a new public works director is on board they plan to initiate a study on sanitation and recycling. Sewer rates have been restructured and will be going to Council soon. They are proposing either 3 years of no adjustments followed by annual adjustments of 2% or an increase of 92 cents per month residential across 10 years. Bisbee conducted its first sewer cutoffs ever. The city will be going after people owing \$10k or more. Recycling is now breaking even but it needs to repay the \$5.5M borrowed from the general fund. They are completing a CDBG drainage project and thanked SEAGO for their help with that, stating that Tintown is coming to a close. He announced that he has been working with Habitat for Humanity out of Tucson for the past year and since they just got a charter to work in Cochise County, Pima's Habitat for Humanity can now work locally. The city has an 8 acre parcel near Safeway and will work with H4H to install mixed income housing. He stated that he wants to talk to Cochise College and the high school construction classes to see if programs can be created to materialize the housing for mutual benefit. The city is also talking with the hospital in Chiricahua about funding opportunities and new market tax credits towards some assisted living facilities in Bisbee. He shared that there is a derelict hospital in town and he will be working with the new hospital administrator about it. They are looking for help with their bus administration. The city took delivery on its first set of vehicles retired from the county for police and work trucks. They now have access to reduced rate fuel through the county. Bisbee is implementing a smart phone based complaint system. Getting tablets to their field workers and providing training. Complaints are put into the system and work orders are created, reducing paper waste. Commercial fire inspections will begin in Old Bisbee and a distracted driving ordinance is being worked on. **Mr. Caleb Baschke** announced that the Willcox wastewater treatment plant completion should be done soon. Interested businesses want to tie into it. He stated that their codes are being updated. He also said that they may be rebranding the city in the future with help from the wine industry. **Mr. Randy Heiss** thanked everyone for a very robust roundtable and advised that since Kevin Adam from

RTAC needs leave early, he requested that Adam's item be moved ahead. Chair Williams inquired if there were any objections to move agenda items V. Information Items, Section D. Economic Development and VI. RTAC Report. There being none, Mr. Larry Catten proceeded with his report.

V. INFORMATION ITEMS

D. SEAGO Economic Development District Report

Mr. Larry Catten reported that there is a Shark Tank event in Greenlee County tonight. Initially, there were 20 entrepreneurs who signed up for training; some washed out; some decided they weren't ready yet to make a presentation. 7 contestants are participating tonight after going through the screening committee. There are some very interesting proposals to be presented. He stated they have sold approximately 100 tickets so far. Underway with two target industry studies: one in Graham and one in Greenlee County. Their first meeting was last month with their respective steering committees and another meeting is scheduled for next week. The housing feasibility study is in process in Greenlee County. Freeport Mcmoran's HR and legal departments were reluctant to release any employee-related information that the company has relative to housing needs and desires, so a confidentiality agreement was created. That group will have a conference call next week. Mr. Catten observed that it is interesting that the information requiring the confidentiality agreement will appear in public document and that the consultants will have to be very careful about how they present the data to preserve the confidentiality agreement. The SEAGO economic development website, which was a strategic goal item, is up and running: www.southeastarizonaeconomy.com. It links all economic development websites. Santa Cruz County just came on board and it is a great tool for people looking for economic development opportunities available in our region. Mr. Catten stated SEAGO is collaborating with the AZ Regional Economic Development Foundation to put together an opportunity zone conference on November 27; everyone will receive an invitation. They will have some very knowledgeable speakers who are well versed in the subject matter. SEAGO met with the i-bisbee committee twice and the committee decided they were not yet ready to implement results of their target industry study so it was postponed for approximately 6 months. Working with the University of Arizona to submit a grant application to the economic development administration for study target industry for Benson and Huachuca City.

VI. RTAC REPORT

Mr. Kevin Adam distributed the 2019 transportation legislative forecast; provided an overview and responded to questions from the group.

III. CALL TO THE PUBLIC

No one from the public was present.

IV. ACTION ITEMS

1. Consent Agenda

- a. Approval of the August 2, 2018 Minutes
- b. Nomination to the Advisory Council on Aging

Ms. Heather Ruder made a motion to approve the Consent Agenda as presented.

MOTION: Heather Ruder
SECOND: Horatio Skeete
ACTION: **UNANIMOUS**

2. Discussion and possible action relating to Resolution No. 2018-04 urging the elimination of transfers of dedicated transportation revenues to the State General Fund (HURF)

Mr. Randy Heiss stated that numbers in the Resolution have been updated throughout the document. The last recital on page 9 is new and states: **WHEREAS**, the implementation of the Highway Safety Fee established by HB 2166 will fully fund the Department of Public Safety operations in Fiscal Year 2020 and therefore eliminates the need to divert HURF, Vehicle License Tax, or other revenue sources dedicated for transportation purposes to the State General Fund.

MOTION: Horatio Skeete
SECOND: Dustin Welker
ACTION: **UNANIMOUS**

3. Discussion and possible action relating to the 2019 Transportation Issues Position Statement

Mr. Randy Heiss advised that SEAGO does this every year for members new to the Administrative Council. This year he approached it a bit differently by not first providing a copy of the resolution from the previous year and inquired of the members what was on their minds; what issues have they been encountering in their efforts to implement their transportation contracts; difficulties with ADOT, funding sources, etc. Page 14 of the packet contains the final position statement and the results of what came out of that discussion. He advised that the HURF exchange program now available for local governments to utilize. SEAGO's issue is that the projects in our 5-year plan are federalized to the point where we can't back out of them now and can't access the HURF exchange program. It's only available to the surface transportation block grant program; it doesn't cover the SHIP and other projects and doesn't cover any of the other funding sources that the federal government funds like congestion mitigation and air quality so we end up with just a small pot of funding that is all federalized. SEAGO's TIP projects are programmed out until 2023 and it's all federalized so they can't take advantage of other funding. He provided some things that can be worked on in the meantime at the State level: historic preservation seems to be a tripping-up point for a lot of SEAGO projects; how to coordinate better with the historic preservation office and implement more efficient and sensible project review. He believes federal agencies have the ability to craft alternative methods to meet their section 106 obligation. FHWA

and SHPO should coordinate and refine the criteria that triggers mitigation actions and identify criteria for items that qualify as historic resources in view of standards that are established by the national historic preservation act. He described some of the issues that could be simplified. He noted that consulting costs are eating up available funds; some projects run 44 to 50%. ADOT is trying to determine what's driving that and mitigate it and SEAGO wants to support that to try to reduce those costs. Another big factor is staff turnover at ADOT which results in a poor paper trail left behind; steps having to be repeated and entities having to pay more money for additional review which could be reduced by creating better succession planning to reduce these kinds of issues. He then addressed questions and comments from the group. Chair Williams called for a motion to approve the position statements on transportation issues presented by staff.

MOTION: Heath Brown
SECOND: Heather Ruder
ACTION: UNANIMOUS

4. Discussion and possible action regarding the FY 2019 - FY 2021 Method of Distribution

Ms. Bonnie Williams advised that the method of distribution used to be done every year but then the State changed it to update every 3 years instead of every 5 years. If any changes need to be made, SEAGO can let the State know to revise it. It is a document that provides background and explains what CDBG is but more importantly, the rotation schedule. There is also a calendar for progress, suggested preparation and planning steps when it's your turn. She announced that no changes have been made since the last revision which takes Cochise County to a 6 year rotation. This coming year, Duncan, Santa Cruz County, Tombstone & Pima are up for their applications and it will soon be time to start the public hearing process. She stated that SEAGO staff are here to help and will be contacting those communities directly to start working with them on their planning process. She then addressed any questions. Ms. Heather Ruder asked how the amount of funding and which community it is dispersed to is determined. Ms. Williams explained that the rotation schedule set by the entities in each county; funding is determined by population and poverty stats. She pointed out that SEAGO is the least funded of all the COGs in the state because of the population numbers. SEAGO takes uses these formulas to determine the split for counties. Many years ago, was decided to give Clifton and Duncan \$100k; where they would normally qualify for only \$50k. Last year's funding amounts are in the guide. Mr. Keith Dennis added that there are competitive grant cycles that are not subject to the rotation in the meantime and a way to get ahead. Mr. Randy Heiss stated he believes they get \$100k because Pima County doesn't accept their allocation. Mr. Robert Smith thanked SEAGO for changing the schedule which has been a big help to Bisbee. Chair Williams called for a motion to approve the proposed Method of Distribution for Fiscal Years 2019-2021 to the Executive Board as recommended by staff.

MOTION: Dustin Welker
SECOND: Vicki Vivian
ACTION: **UNANIMOUS**

5. Discussion and possible action regarding SEAGO 2018 - 2022 TIP Amendment #7

Mr. Chris Vertrees directed the members to the TIP Amendment which was approved at their September TAC meeting. They are SHIP projects which were submitted through their safety plan project. He stated that they invested \$400k in the safety plan and have already made \$5.5M in projects back, so it's been a good return on investment. He briefly reviewed the list and then asked for questions. Secretary Skeete called for a motion to approve SEAGO 2018-2022 TIP Amendment #7.

MOTION: Heath Brown
SECOND: Dan Coxworth
ACTION: **UNANIMOUS**

V. INFORMATION ITEMS

A. Future Meeting Dates

Mr. Randy Heiss directed members to the meeting schedule in their packets. He stated he has sent out invitations for all meetings except the November 7 and October 3 and will send out the invitation for the November 2019 when he returns to the office.

B. Strategic Plan Implementation Progress Report

Mr. Heiss reminded everyone that at the last meeting they talked about deferring strategic planning update which would normally have occurred in February 2019. SEAGO will host the Rural Transportation Summit next year which will take a lot of work. Procurement of services for SEAGO which starts in February and March. Wants to do them well. Suggested deferring to feb 2020. Randy provided a progress report: Keith is on board and moving ahead well with CDBG. Bonnie is set to retire in March 2019. He stated SEAGO is sorry to lose her. Keith is doing great; thinking ahead about how to involve more people in the competitive CDBG grants and projects and they are happy with the progress he has been making. Larry already addressed target industry analyses. Randy pointed out that it is very diverse in Cochise County and it's difficult to everyone on the same page so Larry is working community by community and you heard his report on that. He reiterated that there has been no change in developing and marketing new transportation services. John has completed more GIS training which will be offered as a service through the regional technical services center in the future. He is working on steps to help agencies access those services, which he hopes to complete by the end of the calendar year. IGAs are in place with Sierra Vista and also services through Sierra Vista's Public Works department. Tactic E has been a bit tricky to combine SEACAP and SEAGO. SEAGO has encountered resistance at the staff level; however, their Board did adopt the strategic plan on September 19 which addressed exploring that issue. The question is: Is there will on the SEACAP Board? He acknowledged that the move may not be supported at the staff level but he is talking to

different board members to discuss at future SEACAP meeting. Larry talked about the region wide economic portal that was just kicked off. Mr. Heiss encouraged everyone to check it out. He added that there is also a link to the statewide employment interactive data. If data incorrect, SEAGO did the best we could with the information provided. Tactic A is to improve service delivery moving the family caregiver support program forward. Lots of caregiving workshops are being offered by the Care Coordinator. Mr. Heiss stated that there is much work to do to implement strategic plan so it was decided not to have a retreat this year.

C. Quarterly Finance Report

Ms. Diane Pashley provided the first quarter financials. She shared that the audit starting next week. Mr. Heiss stated that Diane has made significant strides in correcting issues discovered in last year's audit. Chair Williams asked about the fund expenses in the 5310 (senior transportation) program and Chris explained how the funding for that account and 5311 funding sources work.

E. AAA Updates

Mr. Heiss explained that SEAGO AAA Program Director Laura Villa is diligently working to finalize a grant application due today at 5 to the Lowell Foundation to continue the End of Life program for an additional two years which was a requirement of a grant from the Legacy Foundation when they initially approved funding the program. Mr. Heiss encouraged the group to review Laura's comprehensive report in the packet and invited the group to contact her with any concerns about it.

F. Transit Update

Mr. Chris Vertrees shared that they have recently completed the ADOT 5310 grant process and it is the 6th year in a row that SEAGO has been the #1 recipient in terms of dollars. They have brought in over \$850K to the region and provided over 400k rides. The Willcox transportation project is still in the data collection phase and then move to the public participation stage in December. Cochise Connection is quickly growing; they've had 4 straight months of 100 ride increase on the system and they are eager meet projected numbers by the 3rd year of the project. He advised that they had to eliminate Benson from the system since they averaged less than 10 rides per month. That allowed the system to open to Hereford, Palominas and areas in Sierra Vista not served by transit and they expect a huge impact on ridership as a result. They are awaiting the first ridership report shortly to determine impact. Dan Coxworth asked who is riding Cochise Connection; Larry stated the ridership is pretty balanced between medical, educational and work with about a 5% differential either way. Greyhound began serving Sierra Vista on September 12. They have a loop that starts in Tucson to go to Nogales, Rio Rico to Patagonia comes into Sierra Vista, Benson and then back up. It's performing ok; they starting to see an increase in Sierra Vista, but not so much in Nogales since there are 2 other systems there having an impact. They are looking at the ridership numbers to possibly implement more changes to the route to increase ridership. Mr. Vertrees stated that he believes they have solved the Graham/Greenlee funding problem; ridership there very strong with approximately 12k rides there last year. They are expecting 14k with full funding now available.

VI. STAFF ANNOUNCEMENTS / CURRENT EVENTS

Mr. Heiss asked if there were any other announcements from the group. Mr. Blashcke stated that their City Council will be touring the regional communications center (SEACOM) in Sierra Vista. He asked if any other cities are considering moving there. Bisbee said they are moving forward with their current services and they are getting a grant to upgrade their communications infrastructure. Chair Williams explained how 911 funding worked and noted that if you lose 24/7 911 coverage, you lose funding that you won't get back and discussion among the agencies ensued. Mr. Heiss invited members to check out the new census page on SEAGO website. The August primary elections resulted in changes on the Executive Board. Huachuca City, Patagonia and Willcox all have new council members and Donna Diskell from Tombstone retired. He reminded everyone that each community gets to decide who to send to represent; SEAGO works with whomever you wish to attend. Sierra Vista and Nogales are still to be determined. Mr. Heiss announced that John Meredith is now SEAGO's GIS Coordinator and Heather Glenn is filling the Administrative Assistant position.

VI. FUTURE AGENDA ITEMS

Chair Williams called for future agenda items from the group; there were none.

VII. ADJOURNMENT

Chair Williams called for a motion to adjourn. The meeting was adjourned at 11:09 a.m.

MOTION: Matt McLachlan
SECOND: Vickie Vivian
ACTION: **UNANIMOUS**