

**MINUTES OF THE
SEAGO EXECUTIVE BOARD
SAFFORD LIBRARY MEETING ROOM
808 7TH ST.
SAFFORD, ARIZONA
MAY 17, 2019**

OFFICERS PRESENT: Gomez, David – Supervisor, Greenlee County (*Chair*)
Ortega, Richard – Vice Mayor, City of Safford (*1st Vice Chair*)
Laws, Mike – Mayor, City of Willcox (*2nd Vice Chair*)
Garino, Arturo – Mayor, City of Nogales (Treasurer)

MEMBERS PRESENT: Barlow, Bill – Mayor Pro-Tem, City of Tombstone
David, Paul – Supervisor, Graham County
Gray, Rachel – Vice Mayor, City of Sierra Vista (Phone)
Judd, Peggy – Supervisor, Cochise County (Phone)
Mueller, Rick – Mayor, City of Sierra Vista (Phone)
O’Donnell, Patrick – Graham County Private Sector
Pike, Allred – Councilman, San Carlos Apache Tribe
Richardson, Barbara – Representative, Cochise County Private Sector
Rivera, Bob – Mayor, City of Thatcher
Sedgwick, Anthony – Representative, Santa Cruz County Private Sector
Smith, David – City of Bisbee
Soto, Cesar – City of Douglas
Thurman, Anne – Mayor, Town of Duncan

STAFF PRESENT: Catten, Larry – Economic Development Planner
Dennis, Keith – Community Development Program Manager
Glenn, Heather – Administrative Assistant
Heiss, Randy – Executive Director
Pashley, Diane – Accounting Manager
Vertrees, Chris – Transportation Program Administrator
Villa, Laura – AAA Program Director

GUESTS: Garino, Cathy
Goding, Clark
Hunt, Royce
Skeete, Horatio

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE/INTRODUCTIONS

Vice Chair Ortega called the meeting to order at 9:00 a.m. and introductions were made.

II. EXECUTIVE SESSION

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

Vice Chair Ortega made a motion to adjourn the public session to go into executive session to evaluate the performance of the Executive Director.

MOTION: Supervisor David Gomez
SECOND: Mayor David Smith
ACTION: Unanimous

III. PUBLIC SESSION

a. Reconvene Public Session

The Executive Board returned and Mayor David Smith made a motion to reconvene the Public Session. Vice Chair Ortega seconded the motion. Vice Chair Ortega called the Public Session to order at 10:01 am.

MOTION: Mayor David Smith
SECOND: Vice Mayor Richard Ortega
ACTION: Unanimous

b. Discussion and possible action relating to a proposed five-year employment contract with the Executive Director.

Ms. Barbara Richardson made a recommendation to raise the Executive Director's base salary to \$75,000 annually and modify the contract to reflect a 3 year contract with up to a 4% increase annually based on positive performance evaluations and economic conditions. The motion was seconded by Mayor Pro-Tem Bill Barlow. Supervisor Gomez explained that, just for clarity, the word 'automatically' is removed from the provision of a 4% raise but the \$75,000 base does reflect the positive service that the Board has been receiving for many years from Randy and his staff.

MOTION: Barbara Richardson
SECOND: Mayor Pro-Tem Bill Barlow
ACTION: Unanimous

IV. CALL TO THE PUBLIC

No one from the public spoke.

V. PRESENTATION : Independent Auditor's Report and Audited Financial Statements for the year ending June 30, 2018

Mr. Clark Goding from Regier, Carr and Monroe gave an overview of the audit, their one finding and recommendations. He explained that their audit revealed quite a few corrections between the funds and in balancing the 'due to' and 'due from' areas between all the funds. One of the matters was a continuation from the previous year. They are concerned that their independence was close to being compromised because of the amount of adjustments they made. They suggested getting someone to help out with fund accounting to create some standard entries and then have the consultant come in and make any adjustments to the funds prior to the audit.

Supervisor David asked what the most expeditious way would be for SEAGO to achieve what their finding is indicating. Mr. Heiss explained that dealing with the audit finding would be paying a consultant outside of SEAGO to help prepare for the audit. Supervisor David requested that SEAGO do whatever Ms. Pashley needs to succeed and feel confident in her work.

V. MEMBER ENTITIES' DISCUSSION (Common Critical Issues)

Supervisor David stated his interest in discussing the resolution regarding concertina wire. Mayor Mike Laws stated that the wine festival in Willcox starts today, goes throughout the weekend and invited everyone to attend. He expressed his gratitude for assistance provided ADOT helped them with a traffic issue that others said couldn't be done.

VII. ACTION ITEMS

1. Consent Agenda
 - a. Approval of the March 14, 2019 Minutes

MOTION: Mayor Pro-Tem Bill Barlow
SECOND: Patrick O'Donnell
ACTION: Unanimous

2. Fiscal Year 2020 Budget Items
 - a. Discussion and possible action regarding Resolution No. 2019-01 EDA Grant Authorization

Larry Catten requested to combine this item with his economic development update report (see item D below for that discussion). Mr. Catten provided an overview of the grant resolution and addressed questions. Supervisor David inquired if SCAT will be a part of the grant. Mr. Catten replied affirmatively.

Patrick O'Donnell made a motion to approve Resolution 2019-01 for an EDA Partnership Planning Assistance Grant in the amount of \$75,000 and matching funds of up to \$35,357 funded through annual assessments paid by SEAGO member entities. Mayor Laws seconded the motion.

MOTION: Patrick O'Donnell
SECOND: Mayor Mike Laws
ACTION: Unanimous

- b. Sustainability of Fund Balance

Randy Heiss advised the members that no fund balance was programmed into the budget. He shared that overall, the fund balance is healthy and recovering nicely from the purchase of the land, buildings and improvements that SEAGO now enjoys as the Main Office location. He also stated that the fund balance stands at 48% above the minimum required by the fund balance policy adopted by the Board in 2015. Supervisor David commented that it is good that SEAGO has a healthy fund balance because of the uncertainty of what is happening in Washington.

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

Randy Heiss

Randy Heiss explained that there were no changes from the previous year; no increases were requested from SEAGO or the RTAC, and the assessments are the same as last year's.

Patrick O'Donnell made a motion to approve the FY 2020 Assessment Schedule. Mayor Smith seconded.

MOTION: Patrick O'Donnell
SECOND: Mayor David Smith
ACTION: Unanimous

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

Diane Pashley highlighted the assumptions used to prepare the budget. Ms. Pashley provided estimates for departmental budgets to the managers and there were only a few changes needed after the first review. Mr. Heiss pointed out the \$50,000 Contingency line item in the budget and stated that this would be used to sustain SEAGO operations in the event of a government shutdown. He anticipates another government shutdown may happen around October 1st, and reassured the Board that any funds expended during the shutdown would be reimbursed once the shutdown ends. Another possible use of the fund balance may be to pay for a consultant to help prepare for the audit.

Mayor Pro-Tem Barlow asked how long SEAGO could sustain its operations during a shutdown. Mr. Heiss advised approximately 45 days and that SEAGO would implement the SEAGO austerity plan which limits any non-essential work or travel. He explained that public transit programs were affected during the most recent shutdown. Mayor Smith asked how the Executive Director salary increase would affect the overall budget. Randy stated he thought the impact would be minimal and suggested that any motion made should address the raise.

Mayor Smith made a motion to approve the FY 2020 Budget with the addition of the salary and EREs for Executive Director raise and benefit package. Patrick O'Donnell seconded the motion.

MOTION: Mayor David Smith
SECOND: Patrick O'Donnell
ACTION: Unanimous

Mr. Heiss thanked Ms. Pashley for the good work she's done and announced that she is retiring at the end of the fiscal year. Mr. O'Donnell asked if Ms. Pashley has had any chance to address the transition issues that occurred when she came on board. Diane responded that she is in process of creating a detailed procedures manual, and other financial issues. She will also make herself available to train her replacement. Barbara Richardson asked what the plan is to fill Ms. Pashley's position. Mr. Heiss stated SEAGO is advertising in the Sierra Vista Herald; posted on Indeed.com and on the SEAGO website.

On behalf of the Executive Board, Vice Chair Ortega thanked Ms. Pashley for her good work.

3. Discussion and possible action to approve the FFY 2019 CDBG Regional Account applications

Keith Dennis gave an update on the CDBG process for this year and stated he is seeking approval for the applications forthcoming.

Mayor Smith made a motion to approve the FFY 2019 CDBG Regional Account applications. Mayor Pro-Tem Barlow seconded the motion.

MOTION: Mayor David Smith
SECOND: Mayor Pro-Tem Bill Barlow
ACTION: Unanimous

Mayor Pro-Tem Barlow commended the SEAGO staff for being such a tremendous help to Tombstone.

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

Laura Villa distributed the subaward recommendations, explained the process and advised that the committee is still reviewing applications. She also explained that some services had been changed; which ones and why, and addressed questions.

Supervisor David commented that Ms. Villa does a tremendous job promoting SEAGO and its activities. He then made a motion to approve the FY 2020 AAA subaward recommendations on the condition that providers correct any deficiencies in their applications by a date established by the Area Agency on Aging Director. Ms. Richardson seconded the motion.

MOTION: Supervisor David Paul
SECOND: Barbara Richardson
ACTION: Unanimous

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

Randy Heiss stated he prepared a draft Resolution to reflect that the Board supports reasonable border security measures such as drones, surveillance towers, non-intrusive scanning, forward operation bases for border patrol. In response to Mayor Garino about people getting injured by it, he added that the concertina wire should be installed no lower than six feet. Mr. Heiss explained that the Administrative Council was reticent to take any action adding that they are not politicians and that they approached it wondering whether the resolution reflected SEAGO's mission. As such, despite a robust discussion, there was no recommendation passed by the Administrative Council. Mayor Pro-Tem Barlow commented on the economic impact of the concertina wire and that the Board wants to secure our borders but doesn't want to endanger our residents in the process. Mr. Heiss directed the Board to the last 2 paragraphs that address these issues. Mayor Garino explained that the Nogales has a city ordinance allowing concertina wire only in certain areas. The current placement of the concertina wire started in downtown Nogales. Border patrol stated they needed to 'fortify' the area. Mayor Garino detailed the lost in revenue in the

months since the wire has been installed; revenue that is generated by people legally crossing the border. Mayor Smith stated Bisbee is considered a border city even though it is 6 miles from the actual border. He explained that Bisbee also passed an ordinance opposing the wire. There are 8 miles of concertina wire where many children pass that area from Sonora to go to school. He shared that border patrol has a good relationship with the mayor's office and called to advise him about the wire installation. He stated he is in favor of the resolution. He stated that border patrol has provided training to Bisbee's first responders on dealing with calls related to the concertina wire. It also affects wildlife. Mayor Garino thanked Mr. Heiss for putting it on the agenda.

Mayor Smith made a motion to approve Resolution 2019-02. Mayor Pro-Tem Barlow seconded the motion.

MOTION: Mayor David Smith
SECOND: Mayor Pro-Tem Bill Barlow
ACTION: Unanimous

VI. INFORMATION ITEMS

A. Future Meeting Dates

Mr. Heiss outlined the proposed future meeting dates for the following twelve months.

B. Strategic Plan Implementation Progress Report

Mr. Heiss provided an update on the implementation of Strategic Plan goals. Supervisor David inquired what the process will be for addressing the feasibility analysis of consolidated regional human services. Randy responded a potential funding source would need buy in from the SEACAP Board to move forward.

C. Quarterly Finance Report

Diane Pashley provided the quarterly Finance report and responded to questions.

D. SEAGO Economic Development District Report

Larry Catten provided the Economic Development report and answered questions. Supervisor David asked about the make-up of the Economic Advisory Council. Mr. Catten responded that it is an informal group that is a mix of professionals, officials and government from the area. Mayor Garino asked if the Santa Cruz study was for the County or the City of Nogales. Mr. Catten responded that it is for the County, but he would like to meet with Mayor Garino to discuss further.

E. AAA Updates

Laura Villa provided updates on AAA activities and addressed questions.

VII. RTAC REPORT

Mr. Kevin Adam updated the Board on RTAC activities and answered questions.

VIII. STAFF ANNOUNCEMENTS / CURRENT EVENTS

Keith Dennis announced that Colonias grant funding opportunities will be coming up next year. These grants are targeting communities within 150 miles of the Mexican border that are experiencing deteriorating water and wastewater infrastructure. The majority of Colonias areas in the state are within the SEAGO region. There's a \$2 million cap for all regions combined. Mr. Dennis emphatically believes that money belongs in the SEAGO region. He stated that there are potentially 2 applicants for the next Colonias funding round; projects must be shovel ready. Bisbee and potentially Tombstone may be eligible. Tintown in Bisbee and the towns of Tombstone, Clifton and Duncan would all qualify as Colonias areas. SEAGO has the potential to double the amount of grant funds to use if Colonias monies are sought. Mr. Dennis will be putting a presentation together for the fall and will be requesting that the Administrative Council or Executive Board put forth a resolution to support CDBG. Randy Heiss announced that Mexico is now officially the #1 trade partner with the U.S. He stated that the Rural Transportation Summit, October 16-19, is coming up. Registration is opening within the week. SEAGO has partnered with ADES to apply for an Administration for Community Living for a grant for SEAGO's freeze drying program. He encouraged everyone to try the samples of freeze dried items that were being distributed.

IX. FUTURE AGENDA ITEMS

Mr. Heiss listed the following items for the upcoming agenda: a possible procurement policy update; Title VI plan update; appointment of a Greenlee County private sector representative; an auditing firm agreement with Colby and Powell; and possibly a resolution supporting CDBG. He also added that Karla Petty, Administrator for the Federal Highway Administration, Arizona Division has requested to speak to the Board.

XI. ADJOURNMENT

Vice Chair Ortega thanked everyone for participating and called for a motion to adjourn. Patrick O'Donnell made the motion; Mayor Pro-Tem Barlow seconded the motion. The meeting adjourned at 12:41 p.m.

MOTION: Patrick O'Donnell
SECOND: Mayor Pro-Tem Bill Barlow
ACTION: Unanimous