

**MINUTES OF THE
SEAGO EXECUTIVE BOARD
ZOOM MEETING
FRIDAY, MAY 15, 2020**

OFFICERS PRESENT: Ortega, Richard – Vice Mayor, City of Safford (*Chair*)
Gomez, David – Supervisor, Greenlee County (*2nd Vice Chair*)

MEMBERS PRESENT: Barlow, Bill – Councilmember, City of Tombstone
David, Paul – Supervisor, Graham County
English, Ann – Supervisor, Cochise County
Gray, Rachel – Mayor Pro-Tem, City of Sierra Vista
Montoya, Luis – Mayor, Town of Clifton
O'Donnell, Patrick - Graham County Private Sector Representative
Richards, Shaylee - Greenlee County Private Sector Representative
Richardson, Barbara – Cochise County Private Sector Representative
Sedgwick, Antony – Santa Cruz Private Sector Representative
Smith, David – Mayor, City of Bisbee
Valle, Dan – Representative, Cochise County Private Sector Rep.

STAFF PRESENT: Curtiss, Dina – Accounting Manager
Dennis, Keith – Community Development Program Manager
Glenn, Heather – Administrative Assistant
Heiss, Randy – Executive Director
Matchett, Jay – Economic Development Program Manager
Vertrees, Chris – Transportation Program Administrator
Villa, Laura – AAA Program Director

GUESTS: Usevitch, Jim – Colby & Powell

I. CALL TO ORDER / MOMENT OF SILENCE / INTRODUCTIONS

Chair Ortega called the meeting to order at 10:35 am.

II. CALL TO THE PUBLIC

No one from the public was present.

III. PRESENTATION : Independent Auditor's Report and Audited Financial Statements for the year ending June 30, 2019

Jim Usevitch provided an overview of the 2019 audit and financial statements. He explained that the auditors evaluate the internal control environment, the adequacy of the financial reporting system, and management's attitude about finance. He stated that SEAGO's attitude is positive and that management wants to do things right. He directed members to page 39 of the audit report. There were three findings; the first was with trial balance. He stated that all the pieces were there; they just had to be rearranged with many journal entries. The second was with bank reconciliations; balances were rolled forward but not reconciled with the general ledger. He advised that Dina reviewed them and reconciled them into correct account numbers. Jim spoke very highly of Dina and her accounting skills. He shared that SEAGO is better off in 2019 than it was in 2018. Federal audit regulations require that the audit be submitted within nine months of fiscal year end and that deadline was met.

IV. MEMBER ENTITIES' DISCUSSION

Chair Ortega announced that Supervisor Paul David's mother passed away. Board members expressed their condolences.

V. ACTION ITEMS

1. Consent Agenda
 - a. Approval of the February 21, 2020 Minutes

Chair Ortega called for a motion to approve.

MOTION: Councilmember Bill Barlow
SECOND: Mayor Luis Montoya
ACTION: Unanimous

2. Fiscal Year 2021 Budget Items
 - a. Discussion and possible action regarding Resolution No. 2020-02 EDA Grant Authorization

Jay Matchett provided background and an overview of the EDA Grant Authorization resolution. He is seeking authorization from the Board for matching funds of \$35,357. Luis Montoya asked if the money was included or taken from the current assessment. Randy directed the Board to page 13 of their packet which outlined the assessments. He pointed out the separate columns for Member Dues, the EDA matching funds, and the RTAC assessment, together totaling \$79,102 and noted that there will be no increase in any of these assessments. Chair Ortega called for a motion to approve Resolution 2020-02 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.

MOTION: Supervisor Ann English
SECOND: Mayor Pro-Tem Rachel Gray
ACTION: Unanimous

- b. Sustainability of Fund Balance

Randy Heiss provided a brief background on the fund balance, how it has been used in the past to balance the budget when necessary, the amount of funds currently available and a projection of how long uses of fund balance may be sustained under various scenarios. He advised that the fund balance was quite healthy, stating there was a surplus again last year, making the current fund balance the highest in SEAGO's history. Supervisor David asked if the fund balance can be invested to earn interest. Mr. Heiss responded that the majority of the fund balance is split between two Arizona Local Government Investment Pools which earn good returns on investment; approximately \$100,000 is maintained in the SEAGO checking account. Chair Ortega stated he was pleased to hear that those funds have been invested. Information only – no motion needed.

- c. Discussion and possible action regarding the FY 2021 Assessment Schedule

Randy Heiss explained that there are no anticipated increases in the amounts charged for SEAGO member entities, no increase in the EDA match, no anticipated change in RTAC assessments, and no changes to the SVMPO boundaries that might impact the RTAC assessment. As a result, he advised that assessments will not be increased this year to the membership. Chair Ortega called for a motion to approve the FY 2021 Assessment Schedule.

MOTION: Mayor Pro-Tem Rachel Gray
SECOND: Supervisor David Gomez
ACTION: Unanimous

d. Discussion and possible action regarding the proposed FY 2021 SEAGO Budget

Dina Curtiss directed members to page 14 of the packet, provided an overview of the FY 2021 SEAGO Budget, and called for questions. Mayor Montoya stated the budget was based on assumptions; he asked if funding for the various programs will continue as they have in the past or if there is anticipation of an increase in revenues. Mr. Heiss advised that SEAGO is expecting some increases in funding from the CARES Act; however, the budget numbers under consideration numbers are simply what can be predicted at this time. Chair Ortega called for a motion to approve the FY 2021 budget.

MOTION: Supervisor David Gomez
SECOND: Supervisor Ann English
ACTION: Unanimous

3. Discussion and possible action to recommend approval of the SEAGO Five-Year Strategic Plan FY 2021 – FY 2025

Randy Heiss thanked those who participated in the February Strategic Planning Retreat, explained the outcomes of the retreat, directed members to Appendix A which is the implementation plan, and called for questions. Supervisor English complimented the group for having a strategic plan and commented that it is very important. She thanked Randy for putting it together. Chair Ortega called for a motion to approve the SEAGO Five-Year Strategic Plan FY2021 - FY2025.

MOTION: Supervisor Ann English
SECOND: Councilmember Bill Barlow
ACTION: Unanimous

4. Discussion and possible action to recommend approval of an update to the SEAGO Classification Plan

Randy Heiss provided an overview of three Area Agency on Aging positions that are proposed as a result of and are directly related to the goals objectives, and tactics in the update strategic plan. He stated that these positions are not currently in the classification plan and are needed in order to implement the strategic plan. Two of these positions are needed to improve operational control over case management services and another is needed to deal with expanded workload in health and nutrition services. He also mentioned that SEAGO had applied for some supplemental EDA funding for economic recovery work, and if awarded, another position would need to be added in

the near future. Supervisor English expressed concern that if the AAA isn't getting the case management services that are expected, it would be better to meet with Cochise Health and Social Services to resolve the issues than to create new positions. Laura Villa stated AAA has had conversations with case managers in Cochise County in attempting to maximize the amount of funding used for services, and that AAA has spent a great deal of time trying to guide the case management staff, including multiple trainings, but there has been little improvement. The AAA believes it is more feasible to have someone to oversee case management in the entire region. Chair Ortega called for a motion to approve the SEAGO Classification Plan.

MOTION: Mayor Pro-Tem Rachel Gray
SECOND: Representative Barbara Richardson
ACTION: Unanimous

5. Discussion and possible action regarding the proposed Fiscal Year 2021 AAA Subaward Recommendations

Laura Villa provided an overview of the Area Agency on Aging subaward process and stated that they are entering the second of five-year contract renewals. They are still waiting for the CARES Act funding numbers from ADES for congregate and home delivered meals and additional funds for other home and community based services. These funds are not in the reporting system yet, and are not included in these recommendations. She asked that the Board consider and approve the 2021 AAA subaward recommendations as presented with the understanding that the CARES Act funds will be allocated to providers when they become available. Chair Ortega called for a motion to approve the FY 2021 AAA subaward recommendations.

MOTION: Supervisor Ann English
SECOND: Supervisor David Gomez
ACTION: Unanimous

VI. INFORMATION ITEMS

- A. Future Meeting Dates

Randy Heiss reviewed the upcoming meeting dates and reminded members that there may be business to conduct at the June 4th joint Administrative-Executive Committees Conference Call meeting.

- B. Quarterly Finance Report

Dina Curtiss provided an overview of the revenues and expenditures to date and answered questions.

- C. SEAGO Economic Development District Report

Jay Matchett provided an update to the Economic Development program and answered questions. He advised that the United Way of Graham and Greenlee Counties had declined to fund the hydrological study for Greenlee County, but there are other funding options to be explored as a result of the CARES Act. He also invited the members to contact him if they are interested in

participating in the CEDS Committee. He advised that the EDA's \$1.5 billion CARES Act Notice of Funding Opportunity has been released.

D. AAA Updates

Laura Villa provided an overview of the AAA's activities and answered questions.

E. Transportation Program Updates

Chris Vertrees provided an overview of the Transportation Program activities and answered questions.

VII. RTAC REPORT

No report - Kevin Adam was not present.

VIII. STAFF ANNOUNCEMENTS / CURRENT EVENTS

Keith Dennis advised that all communities have selected their next CDBG projects and he will bring a memo forward in August for approval. Two communities, Bisbee and Nogales, are applying for Colonias funding this year. An SSP application for Tombstone to do upgrades to their senior center has been submitted. Randy Heiss again mentioned that SEAGO had submitted an application for \$400,000 in EDA supplemental funds to be used over 2 years to create a unified approach to regional economic recovery and resiliency. He also mentioned that he was assisting the City of Douglas with an EDA CARES Act application for funding to extend water and wastewater services to the planned new commercial land port of entry.

IX. FUTURE AGENDA ITEMS

Randy Heiss stated that the following items will likely be on the agenda for the August meeting: Title VI update; report on Covid 19 funding opportunities; modification to SEAGO's drug testing policy to address increasing workers compensation rates; CDBG projects for next year; a presentation on the Greenlee County road ownership study; a proposal to reappoint Barbara Richardson to continue as a Cochise County private sector representative; and an update to the SEAGO classification plan.

X. ADJOURNMENT

Chair Ortega adjourned the meeting at 12:03 p.m.