

Regional Council Meeting ♦ February 22, 2018
 High Country Conference Center ♦ Flagstaff, AZ

MEMBER NAME	ENTITY	PRESENT	ABSENT	# Mtgs Attended 2018	STAFF NAME	
Robert Adams	Private Sector, Navajo County		X	0	Chris Fetzer	
Liz Archuleta	Coconino County	X		1	Jennifer Brown	
Jackie Baker	Town of Camp Verde		X	0	Piper Swenson	
Kerry Ballard	Town of Snowflake	X		1	Bob Simmons	
Robin Boyd	City of Winslow		X	0	Brandon Baxter	
Andre Bundy	Town of Fredonia	X		1	Nicole Kiddoo	
Sean Casey	Private Sector, Coconino County		X	0	Mary Beals-Luedtka	
Darryl Croft	Town of Chino Valley		X	0	Tod Morris	
Cathy Cross	Private Sector, Apache County	X		1	Jason James	
Lew Currier	Town of Jerome	X		1	Scott Wolford	
Janet Dean	Private Sector, Coconino County	X		1	Isabel Rollins	
Richard Dehnert	Town of Clarkdale	X		1	Teri Drew	
Bill Diak	City of Page	X		1	Jason Kelly	
Tim Elinski	City of Cottonwood		X	0	Cindy Binkley	
Steve Erhart	Town of Eagar	X		1		
Lena Fowler	Coconino County	X		1		
Randy Garrison	Yavapai County	X		1	GUEST NAME	REPRESENTING
Stephanie Irwin	Town of Pinetop-Lakeside		X	1	Spence Udall	City of St. Johns
Lee Jack, Sr.	Navajo County		X	0	Bill Lee	City of Williams
John Leech, Jr.	City of Show Low	X		1	Philip Cushman	Town of Fredonia
Juan Massey	Navajo Nation		X	0	Bruce Ray	Town of Eagar
John Moore	City of Williams	X		1	Michael Lauzon	Heinfeld, Meech & Co.
Mary Nedrow	Town of Springerville		X	0		
Lora Lee Nye	Town of Prescott Valley	X		1		
Ryan Patterson	City of St. Johns		X	0		
Brad Peterson	Private Sector, Apache County		X	0		
Michele Plympton	NACDAB	X		1		
Alexa Scholl	City of Prescott	X		1		
Ona Segundo	Kaibab Paiute Tribe		X	0		
Doyel Shamley	Apache County		X	1		
Joe Shirley, Jr.	Apache County		X	0		
David Smith	Town of Taylor	X		1		
Jon Thompson	City of Sedona	X		1		
Thomas Thurman	Yavapai County	X		1		
Philip Tovrea	Private Sector, Yavapai County	X		1		
Doug Treadway	Town of Dewey-Humboldt	X		1	PROXY/ALTERNATE	REPRESENTING
Paul Watson	Private Sector, Navajo County	X		1	Jerry Smith	Town of Pinetop-Lakeside
Jamie Whelan	City of Flagstaff		X	0	Bruce Greco	Apache County
Dawnafe Whitesinger	Navajo County		X	0		
CJ Wischmann	City of Holbrook	X		1		
Rebecca Wirth	Town of Tusayan		X	0		

I. Call to Order & Introductions

Chairman John Moore called the meeting to order at 10:00 A.M. A quorum was present.

Self-introductions were made. Chairman Moore welcomed new members to the Regional Council:

- Mr. Brad Peterson, Apache County Private Sector
- Councilor Alexa Scholl, City of Prescott

II. Pledge of Allegiance

The Regional Council members, staff and guests recited the Pledge of Allegiance.

III. Consent Agenda

Chairman Moore read the list of items to be approved under the Consent Agenda, and asked the council members if anyone would like to remove any single item from the Consent Agenda for separate consideration.

- A. Approve October 26, 2017 Regional Council Meeting Minutes**
- B. Approve EDC Membership Considerations**
- C. Adopt Resolution 01-18 Delegation of Signature Authority to the Executive Director**
- D. Approve SFY2019 Social Services Block Grant (SSBG) Funding and Service Intents**
- E. Approve Amended 2018 Regional Council Meeting Calendar**

John Leech, Jr. moved to approve the Consent Agenda as presented, seconded by Lora Lee Nye. Motion passed unanimously.

IV. Executive Director's Report

Chris Fetzer reported on the federal budget. Congress has approved a fifth continuing resolution, which will fund programs for another month. A notable difference is that there was agreement to put budget caps in place for the current fiscal year and FY19. Though the caps allow an increase, it has not been determined how this will affect NACOG program budgets. More will be known once an omnibus budget is passed for the duration of the current fiscal year.

The Administration has laid out its budget proposal. Like last year, the proposal includes recommendations for reductions and eliminations of many programs that NACOG operates:

- Economic Development Administration (EDA)
- Community Development Block Grant (CDBG)
- Community Services Block Grant (CSBG)
- Low Income Home Energy Assistance Program (LIHEAP)
- Senior Community Service Employment Program (SCSEP)
- Weatherization Assistance Program

Mr. Fetzer presented portions of a letter received by staff from a community services client. After a health care issue, the client participated in NACOG's community services, utility assistance and weatherization. The

programs helped the client to meet basic living needs. Program staff receive letters of appreciation from clients on a regular basis.

Mr. Fetzer continued on to discuss the FY19 local government assessments. There will be no recommended change to the levels set last year for either the Economic Development District (EDD) or Rural Transportation Advocacy Council (RTAC) assessments. A copy of this year's proposed assessment levels was included with the agenda packet for local planning purposes. The item will be presented for Regional Council approval at the April meeting.

Mr. Fetzer discussed pending litigation. He noted that the Graves matter has concluded. There is a Motion for Summary Judgment pending in the Donovan litigation. Unfortunately, NACOG has been served with a Notice of Claim by another former employee. This matter is currently being evaluated by the EEOC, a decision from the EEOC is expected later this spring.

NACOG's planning team has been working with the Maricopa Association of Governments (MAG) on two web-based projects: a statewide demographic viewer and a statewide employment viewer. These sites provide maps with localized information about demographics and employment in Arizona. NACOG will provide training workshops on the use of these portals, both at the Regional Council level and at the local staff level.

Mr. Fetzer concluded his report by announcing that the April Regional Council meeting will be held in the City of Page. Mayor Bill Diak told the council members that there would be a reception held on the evening of April 25 at the Marriott. A block of lodging rooms has been reserved at the Days Inn and Suites. Mayor Diak is also planning a couple of guided tours for the afternoon of April 25: a hiking tour to Horseshoe Bend and a boat tour to Antelope Canyon. The Regional Council meeting will take place on Thursday, April 26.

V. Economic Development Council (EDC) Report

A. Program Update

Teri Drew reported that the Economic Development Council (EDC) has appointed Michelle Conway from Sedona as the new Chairman of the Tourism Subcommittee.

NACOG staff is working to complete its mid-year progress report for the Economic Development Administration.

B. Approve Comprehensive Economic Development Strategy (CEDS) Update

The Comprehensive Economic Development Strategy (CEDS) is one of the primary responsibilities of the EDC. The most recent CEDS was developed in 2015, at which time, the EDA did not have a requirement for resiliency. In the meantime, the EDA has issued the mandate that the CEDS must have a section dedicated to resiliency.

Staff has developed a draft of the new section. A copy was sent to the Regional Council members with the agenda materials. The current draft has been reviewed and approved by the EDC, who recommends Regional Council approval.

Kerry Ballard moved to approve the Comprehensive Economic Development Strategy update as presented, seconded by Liz Archuleta. Motion passed unanimously.

C. Approve 2018 CEDS Goals & Priorities

The Goals and Priorities list is developed on an annual basis by the EDC. The EDC solicits information from every town, city, and county manager in the NACOG region. The list helps NACOG communities to be eligible for EDA funding. The EDA will not provide funding to projects that are not included on the Goals and Priorities list.

The recommendation makes some significant changes to what has historically been included in the Goals and Priorities list, as the EDA will not fund projects that are not job generating. Additionally, a definition has been added for public works, technical assistance. Areas that were eliminated include human resource, social environment, and basic/community services because they were not job generating.

Ms. Drew brought the Regional Council members' attention to an addition to the Goals and Priorities that were circulated with the agenda packet. A handout was provided with a list of projects from the Town of Fredonia. The EDC did not have the opportunity to review the town's projects, however, NACOG staff has communicated with town staff and feels that the projects are relevant.

Tom Thurman moved to approve the 2018 CEDS Goals & Priorities as presented, seconded by Richard Dehnert. Motion passed unanimously.

VI. Transportation Policy Advisory Committee (TPAC) Report

A. Program Update

Jason Kelly reported that for transportation, the federal budget proposes significant reductions to transit. Elimination of the TIGER program is also recommended. There is still no fix recommended for the Highway Trust Fund (HTF), which has a systemic shortfall. The HTF accounts for approximately 60% of infrastructure spending, with the remaining 40% being transferred from the General Fund.

The Administration has released its outline of the national infrastructure initiative. This initiative is based on the concept of incentivizing. As a result, it proposes significant changes to formulas for match requirement. Historically, infrastructure grants are 80-95% federal investment with local areas providing the remaining funding. The new plan proposed to pivot to 20% federal investment with an 80% match requirement from other areas.

A point of interest is the rural program, which would be allocated to the states as a rural block grant. There is a competitive element within the program, as well as a designated set-aside for tribal programs. The program focuses on new construction, where projects would have an economic impact. It is proposed to be administered through the Department of Commerce.

The draft infrastructure initiative is focused on not only transportation, but also on water, land revitalization and veterans' affairs.

Mr. Kelly introduced Jason James, NACOG planning staff, to discuss measures being taken by NACOG to strategically position the region to participate in the infrastructure initiative.

Mr. James reported that staff was contacted by the office of Congressman Tom O'Halleran to provide an inventory of infrastructure needs in the region. To that end, NACOG staff has met with local, ADOT, and forest service staff to develop regional priorities. Initial meetings focused on road infrastructure in northern Arizona's counties, cities/towns and tribal areas. A tentative list, which includes 64 road projects was sent to Congressman O'Halleran's office. There will be a second round to this effort that will expand the conversation to transit facilities, water treatment plants, and bridges.

At the state level, the State Transportation Board has adopted ADOT's long range transportation plan as well as the 5-year construction program. The long range plan has identified zero dollars for expansion in greater Arizona. This is due to there being a \$30 billion difference between maintenance needs and revenue collection.

In the 5-year program, the expansion of I-17 is packaged for design and construction in FYs 19-22.

There are three bills affecting transportation that are being considered by the State Legislature. The first would increase the taxing authority of Arizona counties from half-cent to full-cent. The second is a highway safety fee, which would account for the entirety of DPS operations and take some of the burden off of the Highway User Revenue Fund (HURF). The third item is an alternative fuels vehicle tax repeal.

NACOG Passenger Transportation Study kicked off in February. Staff has selected a consultant, who will be in the field starting next week to interview stakeholders. This will be a phased project, beginning with an assessment of the current status of passenger transportation in the region.

Mr. Kelly introduced Tod Morris, NACOG planning staff, to provide an update of the Coordinated Mobility program.

Mr. Morris reported that ADOT released a Notice of Funding Availability on January 2 for the 2018 5310 grant program, which addresses transportation for older Americans and persons with disabilities. The 2018 program will include \$770,000 formula funding for the rural areas and \$1.25 million in STBG funding for the rural areas. Mobility Management applications were due on 2/21, and capital/operations/preventative maintenance applications will be due on 3/2.

NACOG will facilitate a committee that will review the various projects in the region, and prioritize them for submission to the state on 3/13. A statewide committee will evaluate and prioritize all applications received on 4/16. ADOT will announce program awards on 5/8.

Projects will be evaluated on the following criteria:

- Demonstrated need of project benefits
- Financial and technical capacity
- Resourcefulness and coordination

- Evaluation with the FY18 Coordinated Mobility Plan

Last year, the NACOG region was awarded \$970,000 under the 5310 program. This year, staff expects approximately \$1.5 million in funding requests.

B. Approve of FY18-23 Transportation Investment Plan (TIP) Amendments 3 & 4

Jason James reported that there are two projects included in today's consideration for TIP modification:

- Town of Pinetop-Lakeside: \$55,000 increase to project budget due to construction bid overage.
- NACOG: \$180,000 increase to Phase 3 sign panel replacement project to ensure that the project design and construction are covered. This increase would utilize the remainder of NACOG's allocated Highway Safety Improvement Program (HSIP) funds.

Jerry Smith moved to approve FY18-23 Transportation Investment Plan (TIP) Amendments 3 & 4 as presented, seconded by Kerry Ballard. Motion passed unanimously.

Bill Diak commented on the prevalence of budget overruns on ADOT projects. Jason Kelly responded that many of these issues would potentially be alleviated through the return of the reinstated HURF program.

Chairman Moore requested that a discussion of cost overruns and the impacts on our communities be added to a future agenda. Chris Fetzer referred to the council's adoption of a list of recommendations to the legislative task force appointed in 2016. He suggested the possibility of the council re-visiting those recommendations.

Council members would like to see a representative from ADOT engage more actively NACOG Regional Council meetings.

C. Adopt Resolution 02-18 Approving an Application for US Department of Transportation Grant Funds through the Arizona Department of Transportation to Administer Regional Mobility Management Services in Rural Areas of Apache, Coconino, Navajo and Yavapai Counties

Resolution 02-18 authorizes NACOG staff to pursue grant funding for mobility management activities. If awarded, NACOG will use this funding to develop partnerships, as well as provide technical assistance and training to prioritize investments in the region's mobility system.

Richard Dehnert moved to adopt Resolution 02-18 Approving an Application for US Department of Transportation Grant Funds through the Arizona Department of Transportation to Administer Regional Mobility Management Services in Rural Areas of Apache, Coconino, Navajo and Yavapai Counties as presented, seconded by Lora Lee Nye. Motion passed unanimously.

VII. Northern Arizona Child Development Administering Board (NACDAB) Report

A. Program Update

Jennifer Brown reported that in December, a ribbon cutting and dedication ceremony was held. The purpose of the event was to re-name the Center Town Head Start facility in Prescott Valley as the Nye Child and Family Development Center. The NACDAB policy committee recommended this action to honor the many contributions of Lora Lee Nye to the region's Head Start programs.

The 90-day mandate reports on mental health, nutrition, physical and dental examinations for Head Start participants have been finalized. There is an agency wide average of 89% of children having received these services within the first 90 days of the school year.

CLASS scores measure the interaction between children and teachers in Head Start classrooms. All NACOG Head Start and Early Head Start classrooms are observed and evaluated. Areas included in the assessment are emotional support, classroom organization and instructional support. NACOG is above the national average in the areas of emotional support and instructional support. Efforts are underway to improve NACOG's classroom organization scores.

A copy of NACOG Head Start's annual report for 2016-2017 was provided as a handout to the Regional Council.

B. Approve 2018 Head Start/ Early Head Start Basic Grant Application

NACOG Head Start operates on a 5-year funding cycle. Each year, an update grant application must be submitted for the programs to continue to receive funding. NACOG's 2018 application is due at the Region IX office in San Francisco on March 1.

This year's grant update will include level funding from 2017. There are no proposed enrollment slot reductions. There will be some additional full-day programs initiated. There are no changes to the Early Head Start portion of the grant.

One of the program challenges has been to reach and maintain full enrollment. Changes are being made to individual centers to provide additional options meet families' needs, including the expansion of full-day services.

Another challenge presented to the program has been the statewide minimum wage increase. This increase in wages puts many families over the income ceiling to qualify for Head Start.

Head Start centers that are slated for conversion to full day classrooms include: Camp Verde, Holbrook, Chino Valley, Humboldt, Nye, Prescott and Prescott Valley. Williams, Flagstaff, Round Valley will also have classrooms converted to full day, but some of their enrollment slots will be moved to other sites where enrollment wait lists exist.

In Chino Valley, Cottonwood, Prescott and Winslow classroom teams will be reduced to 3 persons. Research has shown that both the children and the adults function better with 3 person teams.

Ms. Brown presented line item budgets for both NACOG's Head Start and Early Head Start programs.

Head Start will maintain its \$12,853,415 budget plus \$3,214,354 in-kind contribution. Line items that will increase are personnel, equipment, supplies, contractual, facilities, parent activities, professional/outside services, and printing. To offset those increases, the following items will see reductions: fringe benefits, travel/transportation, contracted food services, substitutes/training and licensing, and indirect.

Early Head Start will see a small increase to \$3,722,173 plus \$93,543 in-kind contribution. Line items that will increase are personnel, contractual, facilities, parent activities, substitutes/training and licensing, and indirect. To offset increases, the following line items will see reductions: fringe benefits, travel/transportation, contracted food services, professional/outside services and printing.

Ms. Brown answered questions from the Regional Council members about the 2018 grant application.

Michele Plympton moved to approve the 2018 Head Start/Early Head Start basic grant application as presented, seconded by Lora Lee Nye. Motion passed unanimously.

VIII. Area Agency on Aging (AAA) Program Report

A. Program Update

Mary Beals-Luedtka provided handout copies of the Area Agency on Aging (AAA) annual report for 2017.

NACOG AAA served 26,300 persons in 2017. Services provided include, but are not limited to: case management, congregate meals, ombudsman, family caregiver support, and Medicare benefit counseling.

2017 outcomes include:

- \$6 million in Medicare benefit savings to clients
- 159,789 home delivered meals
- 105,522 congregate meals
- 24,040 paid SCSEP training hours
- 16,546 hours of home and adult day care
- 11,081 transportation trips
- 7,133 information and referral calls

2017 revenues came from the Older Americans Act, the State of Arizona, and the Social Services Block Grant. In addition, NACOG AAA received in-kind contributions. Total revenues were \$4,440,359 and total FY17 expenses were \$4,075,040.

Ms. Luedtka continued on to discuss the AAA wait lists. The wait list currently includes 305 individuals across all four NACOG counties that need home care, home delivered meals and case management services.

Ms. Luedtka answered questions from the Regional Council members.

IX. Audit Committee Report

A. Approve FY17 Agency Wide Audit

Scott Wolford presented the FY17 agency wide audit for approval. He introduced Michael Lauzon from the accounting firm of Heinfeld, Meech & Co., who was in attendance to answer questions and provide clarification to the council members as needed.

The draft FY17 audit report was included with the agenda packet for the review of the Regional Council members. The draft report was reviewed in detail and unanimously approved by both the Audit Committee and the Regional Council Executive Committee at their meetings in December and January, respectively.

For the seventh consecutive year, NACOG was issued an unmodified opinion, with no material findings.

Mr. Wolford gave an overview of the financials. Agency revenues increased by about \$1 million, in large part due to the acquisition and renovation of Head Start facilities. The excess of revenues over expenditures was due to a delay receiving reimbursement from ADOT for contract services provided. The outstanding funds have since been received by NACOG, just not in time to be recorded as FY17 revenues. NACOG's total net position increased by \$1.3 million over the FY16 report.

Bill Diak moved to approve the FY17 agency wide audit as presented, seconded by Kerry Ballard. Motion passed unanimously.

X. Elect Yavapai County Private Sector Representative

Chairman Moore asked if there are any nominations to fill the Yavapai County Private Sector vacancy on the Regional Council for the remainder of the 2017-2018 term. Tom Thurman nominated Jennifer Wesselhoff, Executive Director of the Sedona Chamber, to fill the private sector vacancy.

Tom Thurman moved to elect Jennifer Wesselhoff as a Yavapai County Private Sector Representative, seconded by Randy Garrison. Motion passed unanimously.

XI. Reports from Regional Council Members

Regional Council members reported on items and current events from their local communities.

The next meeting of the Regional Council will take place in the City of Page on April 26, 2018.

XII. Call to the Public

There were no comments from the public.

XIII. Adjourn to Lunch

Chairman Moore asked if there were any further items for discussion today. Hearing none, he asked for a motion to adjourn.

John Leech, Jr. moved to adjourn the meeting, seconded by Lora Lee Nye. Motion passed unanimously.

Chairman John Moore adjourned the February 22, 2018 NACOG Regional Council meeting at 11:55 A.M.