

Regional Council Meeting ♦ June 23, 2016
 High Country Conference Center, Flagstaff, AZ

MEMBER NAME	ENTITY	PRESENT	ABSENT	STAFF NAME	
Robert Adams	Private Sector, Navajo County		X	Mary Beals-Luedtka	
Liz Archuleta	Coconino County		X	Teri Drew	
Jackie Baker	Town of Camp Verde	X		Cathy Steers	
Kerry Ballard	Town of Snowflake		X	Scott Wolford	
Roland Begaye	Navajo Nation		X	Jason James	
Robert Black	Navajo County		X	Seobaghn Arambula	
Robin Boyd	City of Winslow		X	Piper Swenson	
Karla Brewster	City of Flagstaff	X		RJ Erickson	
Wade Carlisle	City of Holbrook	X		Cindy Binkley	
Sean Casey	Private Sector, Coconino County		X	Chris Fetzer	
Cathy Cross	Private Sector, Apache County	X			
Lew Currier	Town of Jerome		X		
Janet Dean	Private Sector, Coconino County	X			
Richard Dehnert	Town of Clarkdale	X		GUEST NAME	REPRESENTING
Bill Diak	City of Page		X	Justin Clifton	City of Sedona
Lena Fowler	Coconino County	X		Kirk Arviso	Apache County
Bryce Hamblin	Town of Eagar		X	Brandon Kavanagh	Mangum, Wall, Stoops & Warden
Fay Hatch	Town of Taylor		X		
Jack Husted	Private Sector, Apache County	X			
Diane Joens	City of Cottonwood	X			
Alvy Johnson	Town of Fredonia	X			
John Leech, Jr.	City of Show Low		X		
Roland Maldonado	Kaibab Paiute Tribe		X		
Chris Marley	Town of Chino Valley		X		
John Moore	City of Williams	X			
Mary Nedrow	Town of Springerville		X		
Lora Lee Nye	Town of Prescott Valley	X			
Ryan Patterson	City of St. Johns		X		
Michele Plympton	NACDAB	X			
John Rueter	Town of Tusayan	X			
Jack Smith	Yavapai County		X		
Jon Thompson	City of Sedona	X			
Thomas Thurman	Yavapai County	X			
Philip Tovrea	Private Sector, Yavapai County	X			
Doug Treadway	Town of Dewey-Humboldt	X		PROXY NAME	REPRESENTING
Barbara U'Ren	Private Sector, Yavapai County	X			
Dara Vanesian	Town of Pinetop-Lakeside		X		
Barry Weller	Apache County		X		
Tom White	Apache County	X			
Dawnafe Whitesinger	Navajo County		X		
Jean Wilcox	City of Prescott		X		

I. Call to Order & Introductions

Vice Chairman John Moore called the meeting to order at 10:15 A.M. Self-introductions were made. A quorum was present. He welcomed the new members of the Regional Council: Mayor Diane Joens of Cottonwood, and Navajo Nation President Russell Begaye.

II. Pledge of Allegiance

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

III. Consent Agenda

Vice 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 April 28, 2016 Regional Council meeting minutes**
- B. Approve Re-Designation of Standing Committees**
- C. Approve EDC 2016-2017 Slate of Officers**
- D. Approve EDC Membership Considerations**
- E. Approve Modifications to Navajo County Functionally Classified Roadways**
- F. Approve 2017 Meeting Dates**
- G. Approve Audit Committee Membership Renewals**
- H. Approve Audit Committee Recommendation Regarding New Audit Firm**

Richard Dehnert moved to approve the Consent Agenda as presented, seconded by Tom White, Jr. Motion passed unanimously.

IV. Executive Committee Report

A. Approve Final FY2016 Administrative Division Budget

Scott Wolford presented the FY16 final Administrative Division budget for approval. The approved FY16 budget is approximately \$1.21 million, and current cost projections are showing that the division will end the year approximately \$52,000 below that budget. These cost savings are largely driven by the decision to not fill a staff position, as organization needs are being met with the current staff.

There are some line items that went over budget, namely, the computer/office equipment item. When management decided that agency need was being met with current staff, it was decided that future needs would be best served with an investment into computer technology.

The employee training item also went over budget. This was due to a couple of factors. The first is that the HR Director has implemented a leadership training program for staff, and the second is intensive training provided to the Finance Director related to the new uniform guidance regulations.

Karla Brewster moved to approve the final FY2016 Administrative Division budget as presented, seconded by Jackie Baker. Motion passed unanimously.

B. Approve Recommended FY2017 Cost of Living Adjustment for NACOG Employees

Chris Fetzer reported that in April, he did not anticipate recommending a cost of living adjustment (COLA) for NACOG's employees. Subsequent to the April Regional Council meeting, NACOG received notification that the Office of Head Start is inviting grantees to submit a supplemental application for a 1.8% cost of living adjustment. This presented the opportunity to provide a salary adjustment for all employees.

Management has performed research, including a survey of the local governments in the region to learn their salary recommendations, as well as analysis of the impact of an increase to individual program budgets. Many northern Arizona communities are providing either a COLA or a merit increase for their employees this year. The average cost of living adjustment being provided this year is 2.05%, and the average merit increase being awarded is 2.75%.

Staff has proposed a cost of living adjustment in the amount of 2% for FY17. NACOG's management team is confident that their programs are able to sustain a permanent 2% increase.

At their meeting this morning, the Executive Committee unanimously approved a cost of living adjustment for NACOG employees in the amount of 2%.

Thomas Thurman moved to approve the FY2017 cost of living adjustment for NACOG employees as presented, seconded by Barbara U'Ren. Motion passed unanimously.

C. Approve Proposed FY2017 Administrative Division Budget

Scott Wolford presented the proposed FY2017 budget for the Administrative Division. The FY17 budget includes increases to the salaries line item (due to the cost of living adjustment), to the employee travel line item, and to the facilities/rent line item (due to anticipated Flagstaff downtown parking costs).

The total proposed Administrative Division budget for FY17 is approximately \$1.23 million.

Barbara U'Ren moved to approve the proposed FY2017 Administrative Division budget as presented, seconded by Jackie Baker. Motion passed unanimously.

Mr. Wolford presented an informational overview of the NACOG agencywide budget. The agency is expected to see a net increase of approximately \$900,000 for FY17. This is attributed to Head Start COLA and program improvement funding, and Transportation Planning funding for safety and mobility implementation studies. The Community Services and Housing Rehabilitation programs will see funding decreases in FY17.

The anticipated agency wide budget for FY17 is approximately \$26.5 million.

D. Report on Executive Director's Performance Evaluation

Cathy Steers presented the results of Chris Fetzer's annual performance evaluation. This was the third year that NACOG utilized a 360 review for the Executive Director's performance. In this process, Mr. Fetzer is evaluated by the members of the Executive Committee as well as the management staff that he directly supervises.

The results of this year's evaluation show that Mr. Fetzer is doing a good job. He has made improvement in the areas of community relationships and strategic planning. The Executive Committee gave Mr. Fetzer an overall score of 4.4 out of 5. Management gave Mr. Fetzer a score of 3.89 out of 5.

The Executive Committee has begun to suggest goals for Mr. Fetzer and the agency for FY17. These goals will be formalized at a future Executive Committee meeting.

V. Executive Director's Report

Mr. Fetzer reported that Conflict of Interest forms were distributed to all Regional Council members in May. Copies of the blank form are provided today. Council members were asked to complete their forms today and return them to Cindy Binkley.

The initial staff review of the Regional Council By-laws is underway.

The next meeting of the Regional Council will take place on September 8 in Show Low. In coordination with that meeting, NACOG will be hosting a Meet the Managers event on September 7. Council members can request a meeting with various NACOG Program Managers/Directors for that date. A social event will also take place during the evening of September 7.

NACOG's management team has begun the strategic planning process. They have defined eight focus areas:

- Communication
- Markets and services
- Sharing resources
- Planning/performance measures
- Partners
- Branding
- Technology
- Professional development

Staff has issued a Request for Proposals (RFP) for a firm to perform an agency-wide compensation study. The study is expected to kick off in August. The results of this study could initiate a multi-year strategy to bring individual position compensation closer to market.

At the January Executive Committee work session, it was decided to convene a series of meetings with representatives from NACOG and our local peers at CYMPO and FMPO to discuss a regional position with regard to the state transportation funding issue. Subsequently, a 9-member Transportation Finance Task Force was established by Legislature. At their last meeting, the representatives from NACOG, CYMPO and

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FMPO discussed beginning to prepare testimony as well as identify some candidates to serve on the task force. The Task Force is scheduled to begin meeting in late July.

The Mahoney Group has been selected as the agency's new broker of record for property & casualty insurance policies. They offer a range of services that will assist NACOG with the implementation of its risk management strategy.

Mr. Fetzer asked the council members to refer to his written report to see the list of various committee vacancies. He noted that an additional vacancy has come up since the report was issued; Curt Bohall from Clarkdale has resigned from the TPAC, creating an additional vacancy on the committee for a municipal representative from Yavapai County.

VI. Economic Development Council (EDC) Report

A. Program Update

Teri Drew reported that NACOG has received an EDA funding alert. EDA has not been reauthorized for more than 15 years. This causes an ongoing threat of funding elimination. The Economic Development Administration is able to demonstrate the impact of their programs in rural communities across the country.

Coconino County has been invited by the EDA to submit their formal application for the resilience grant under the POWER initiative. This project was approved by the Regional Council in April.

Each year, NACOG applies for planning grant funding from the Economic Development Administration. This year, applications were due in May. Due to this timing, NACOG submitted the resolution and scope of work elements of the application in draft form, pending approval today. The total EDA funding is \$75,000 in federal assistance, and \$49,000 local match, for a total budget of approximately \$124,000.

B. Adopt Resolution 03-16 Authorizing Submission of an Application for 301(b) Planning Grant Assistance

The Economic Development Administration requires the adoption of a resolution demonstrating the Regional Council's authorization of NACOG's planning grant application and commitment of the region to providing the matching funds for the grant. The matching funds are provided in the form of the community assessments, which were approved at the April meeting.

Resolution 03-16 allows NACOG to continue as an Economic Development District, and was unanimously approved by the Economic Development Council.

Jackie Baker moved to adopt Resolution 03-16 authorizing submission of an application for 301(b) planning grant assistance as presented, seconded by Karla Brewster. Motion passed unanimously.

C. Approve EDC 2016-2017 Scope of Work

The Scope of Work is another requirement of NACOG's application for planning grant funds through the Economic Development Administration. It represents the focus areas for the Economic Development Council's work for the year. The Scope of Work is derived directly from the CEDS document. This year's Scope of Work has five focus areas:

- Grow the region's business opportunities
- Explore and expand energy resources
- Align workforce and economic priorities
- Promote natural resource assets as an economic driver
- Develop economic foundations and infrastructure

In light of the recent wildfires occurring in the region, staff recommends the addition of a sixth focus area to be included on the Scope of Work for focus on fire-related opportunities and funding for the region.

Tom Thurman moved to approve the EDC 2016-2017 Scope of Work with the addition of an item to focus on fire-related opportunities and funding for the region, seconded by Barbara U'Ren. Motion passed unanimously.

VII. Transportation Policy Advisory Committee (TPAC) Report

Chris Fetzer introduced Jason James, the staff member in attendance to present the TPAC Report.

A. Program Update

Mr. James presented a status update of regional safety projects. Phase 1 of this project includes sign panel replacement for the communities of Snowflake, Pinetop-Lakeside, Yavapai County, Clarkdale, Taylor and Winslow. The contractor is currently performing installations in Winslow, which is the final community of this phase. Completion is expected to take place in August.

Phase 2 of the regional safety project includes sign panel replacement for the communities of Page, Holbrook, Taylor, Springerville, Eagar, St. Johns and Williams. The intergovernmental agreement has been submitted to ADOT on May 11. Staff anticipates going out to bid on this project by late September.

Phase 3 of this project includes sign panel replacement and road striping for the Navajo Nation and Hopi Tribe. NACOG submitted applications for this project to ADOT on May 1.

NACOG is currently coordinating with CYMPO on the development of a comprehensive regional plan to identify and prioritize safety projects and investments in advance of a statewide competitive grant program for Highway Safety Improvement Program (HSIP) funds in FY19. The region's plan will be in line with state plan, which prioritizes projects using crash data, safety evaluations, and performance measures. An RFP was issued and a firm has been selected to develop the region's plan. Staff is currently in contract negotiations with the selected firm. Staff will seek Regional Council approval of the contract in September.

Section 5310/5311 transit grant applications have been submitted to ADOT for review. ADOT will send a proposal to the Federal Transit Administration (FTA) for consideration. Notice of funding awards is expected to take place in August. Funding requests for our region have increased this year due to need and successful coordination planning by NACOG staff.

NACOG has partnered with CYMPO for the development of a mobility management plan for the rural and urbanized communities in Yavapai County. This plan is approximately 75% complete.

In December, NACOG was awarded grant funding for a regional mobility management plan, which will involve the communities in Apache, Coconino and Navajo counties. NACOG will assess current state of mobility in these three counties to develop priority areas for future investments and provide an action plan to address goals for the next 5-10 years. This plan will complement current FMPO and CYMPO plans. Work on the regional mobility management plan will begin in the fall.

B. Approve FY16-23 Regional Transportation Improvement Program (TIP) Amendment 5

Jason James reported that TIP amendment 5 includes the following list of project modifications. All of these changes have been reviewed and recommended for approval by the NACOG Technical Subcommittee.

- City of Page: Use Coconino County carry-forward funding to address shortfalls on the Elm Street project.
- Town of Pinetop-Lakeside: Cancel the Woodland Lake Road Pathway project due to funding shortfalls and issues with the right of way on Forest Service land.
- Town of Pinetop-Lakeside: Re-allocate the funds from the cancelled Woodland Lake Road Pathway project to cover shortfalls on the Woodland Road project. A portion of the Navajo County carry-forward funds would also be used to make this project whole.
- City of Show Low: Use a portion of the Navajo County carry-forward funding to address the funding shortfall on the East Huning project.
- Town of Camp Verde: Use Yavapai County carry-forward funding for the construction of roundabouts on SR260 between I-17 and Thousand Trails.
- Town of Clarkdale: Accelerate its Safe Routes to Schools project from FY19 to FY17.

Tom White, Jr. moved to approve FY16-23 Regional Transportation Improvement Program (TIP) Amendment 5 as presented, seconded by Lena Fowler. Motion passed unanimously.

VIII. Discussion of Graves Litigation

Chairman Moore reported that there is a litigation item on which the Executive Committee has been receiving regular reports for the past year. NACOG's attorney in the matter, Brandon Kavanagh, is in attendance today to provide an update to the council, and ask for direction. He asked for a motion to enter into Executive Session to discuss the item.

Jackie Baker moved to enter into Executive Session, seconded by Karla Brewster. Motion passed unanimously.

The Regional Council went into Executive Session pursuant to A.R.S. §38-431.03(A)(3) for legal advice and (A)(4) regarding pending litigation.

At the conclusion of the discussion, Vice Chairman Moore asked for a motion to return to regular session.

Barbara U'Ren moved to return to Regular Session, seconded by Jackie Baker. Motion passed unanimously.

After the Regional Council returned to Regular Session, Vice Chairman Moore asked for a motion regarding the recommendation of the Regional Council to NACOG's attorney.

Barbara U'Ren moved to recommend an Offer of Judgment in the amount of \$25,000, seconded by Tom Thurman. Motion passed with Jon Thompson opposed.

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

A. Program Update

Seobaghn Arambula reported that NACOG Head Start's 2016 second-year grant application was approved as written. There will be a lot of change for the program this year, including reduction to the program's Head Start enrollment, and an increase to Early Head Start enrollment. In addition, NACOG has closed three home-based programs and will open additional full-day preschool programs. Two of the three staff members displaced by the home based program closure have been placed in other positions with NACOG Head Start, and management is optimistic that placement will be found for the third.

Head Start's fiscal year began on June 1. Staff is working to set up for the coming school year, and closing out the old fiscal year.

All Head Start centers are closed for the summer, however, Early Head Start services continue all year. Early Head Start staff are performing home visits and providing two play groups per month for families to attend.

The program improvement application for the facility renovation in Show Low has been approved. This renovation is occurring with facility modifications that are being made in Winslow and Holbrook for Early Head Start. All planned construction projects are underway with completion expected to happen before school starts in August.

Each spring, NACOG's Head Start programs perform a required self-assessment. The review portion of the process has been completed, and staff is currently working on cross-referencing the results with other assessment and monitoring data to determine program strengths, challenges and trends. Measures taken to collect data include:

- Database and report review
- Parent interviews
- Staff focus groups

- Class observations
- Review of student files

Ms. Arambula reported that initial outcomes of the self-assessment process are positive.

End of Year surveys show that 98% of responding Head Start parents, and 99% of Early Head Start parents would recommend NACOG's program to others. 95% of responding Head Start staff, and 100% of responding Early Head Start staff feel confident in their ability to engage families.

Areas to improve were also identified in the survey process. Parent surveys show that improvement is needed in the areas of parent training and educational opportunities. Staff surveys revealed challenges with workplace communication, staff knowledge of their fringe benefit package, and employee job satisfaction.

Head Start staff is still waiting for the Health and Safety Monitoring Review report.

NACOG Head Start currently has employment opportunities for a Facilities and Transportation Manager, Early Childhood Education Mentors, and Early Head Start Teachers.

Staff is currently preparing a grant for a new funding opportunity that will allow NACOG to extend hours per day or weeks per year of classroom services in both Head Start and Early Head Start. The Northern Arizona Child Development Administering Board (NACDAB) approved this proposal at their meeting earlier this month. The Regional Council Head Start Committee (RCHSC) will review and consider the proposal today.

Ms. Arambula answered questions from the Regional Council members.

X. Area Agency on Aging (AAA) Program Report

A. Program Update

Mary Beals-Luedtka reported that there have been additions to the program update that was included in the meeting materials. NACOG's Area Agency on Aging (AAA) is part of the emergency response system in all 4 counties in the region. NACOG AAA received calls at the start of the Yarnell and Show Low fires and has provided the special needs evacuation lists to the designated agencies in those communities. A detailed report will be provided to the federal government detailing AAA involvement in each emergency.

NACOG AAA recently completed a program monitoring by the state. The results of the monitoring included no corrective actions. Two recommendations were made:

- Track Family Caregiver program evaluations
- Update the form used for client contacts in the Medicare program

Arizona received one-time funding in the amount of \$700,000 for AAA programs. NACOG AAA received funding in the amount of \$52,000. This funding will be used to address those on the wait list, which currently includes 299 people region-wide.

Ms. Luedtka presented charts that explain the portion of NACOG AAA resources that go to each county in the region. Under the state's funding formula, NACOG should provide 68% of its funding to Yavapai County, 4% to Apache County, 14% to Navajo County and 14% to Coconino County. In an effort to maintain viable programs in the counties with smaller populations, NACOG's AAA plan provides 58% of its funding in Yavapai County, 19% in Coconino County, 15% in Navajo County and 8% in Apache County.

Ms. Luedtka answered questions from the Regional Council members about the state funding formula.

XI. Approve Revised Personnel Rules & Regulations

Cathy Steers reported that NACOG's Personnel Rules and Regulations were updated in 2013. The current round of revisions is intended to provide clarification to the 2013 changes, as well as reconcile differences between what looked like a good policy when drafted, but proved to not work as well in practice.

NACOG Human Resources has kept a list of issues that have arisen with the Rules and Regulations over the last three years, and used those observations as the starting point for the changes being presented today. Management and employees have been given the opportunity to review the changes to the Rules and Regulations and provide their feedback.

Ms. Steers outlined the changes made that provide clarification of grey areas in the Rules and Regulations. These included:

- Benefit eligibility and accruals for temporary employees
- Pay impacts for demotions and position reclassifications of regular employees
- Differentiation between voluntary and involuntary demotions
- Defining the process for administrative leave
- Defining when accrued vacation is paid on termination or change in position
- Clarification of various sick leave provisions
- Define Executive Director's ability to dismiss an employee if certification or fingerprint clearance is lost

There were some modifications to existing rules as well as the addition of some new rules:

- Rules governing when lost paychecks or rejected direct deposits can be re-issued (auditor recommended)
- Changing the Weatherization-specific safety policy to a broader agency-wide policy
- Changing the influenza response policy to a pandemic response policy (grant requirement)
- Changing the use of sick leave and workers compensation payments
- Use of a Hearing Officer rather than a Personnel Committee to hear appeals and grievances

If approved today, these revisions will go into effect on July 1, 2016. Ms. Steers answered questions from the Regional Council.

Tom Thurman moved to approve the revised NACOG Personnel Rules & Regulations as presented, seconded by Karla Brewster. Motion passed unanimously.

XII. Nominating Committee Report

A. Present FY2017 Slate of Candidates for Officers and Executive Committee Members

Tom Thurman reported that the Nominating Committee unanimously recommends the following slate of candidates:

- Mayor John Moore, Chairman (City of Williams)
- Councilor Lora Lee Nye, Vice Chairwoman (Town of Prescott Valley)
- Vice Mayor John Leech, Jr., Secretary-Treasurer (City of Show Low)
- Supervisor Liz Archuleta, Immediate Past Chair (Coconino County)
- Supervisor Barry Weller, Member-at-Large (Apache County)
- Mr. Jack Husted, Member-at-Large (Apache County Private Sector)
- Mr. Phil Tovrea, Member-at-Large (Yavapai County Private Sector)
- Councilor Kerry Ballard, Member-at-Large (Town of Snowflake)

B. Solicit Additional Nominations from the Floor

Vice Chairman Moore asked the Regional Council members if they would like to nominate any additional candidates.

There were no additional nominations made from the floor.

C. Elect FY17 Officers and Executive Committee

Vice Chairman Moore asked for any questions or discussion on the current slate of candidates. Hearing none, he asked for a motion to elect.

Tom Thurman moved to elect the FY17 Slate of Officers and Executive Committee members as presented, seconded by Jackie Baker. Motion passed unanimously.

Chris Fetzer noted that effective July 1, 2016, Supervisor Liz Archuleta would be removed as a signer from NACOG's bank accounts, and Mayor John Moore, as the new Chairman, would be added.

XIII. Elect FY2017 Regional Council Private Sector Members by County

Vice Chairman Moore asked the council members if they have prepared their recommendations for private sector nominations.

The current slate of private sector representatives is:

- Cathy Cross, Apache County Private Sector

- Jack Husted, Apache County Private Sector
- Sean Casey, Coconino County Private Sector
- Janet Dean, Coconino County Private Sector
- Robert Adams, Navajo County Private Sector
- Philip Tovrea, Yavapai County Private Sector
- Barbara U'Ren, Yavapai County Private Sector

Chris Fetzer added that all current private sector representatives are eligible to serve an additional term for 2016-2017. He noted that there is currently a vacancy for a private sector representative from Navajo County. Staff has contacted all current Regional Council private sector representatives and confirmed their willingness to continue their participation on the council.

Vice Chairman Moore asked the council members if they are happy with their current private sector representatives, or if they felt the need to appoint new persons to represent those interests in their areas. Hearing no discussion, he asked for a motion to approve.

Jackie Baker moved to renew the current slate of private sector representatives for 2016-2017, seconded by Richard Dehnert. Motion passed unanimously.

XIV. Reports from Regional Council Members

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

XV. Call to the Public

There were no comments from the public.

XVI. Adjourn to Lunch

Vice Chairman Moore asked if there were any further items for discussion today. Hearing none, he adjourned the meeting.

Vice Chairman John Moore adjourned the June 23, 2016 NACOG Regional Council meeting at 12:15 P.M.