

Regional Council Meeting ♦ September 8, 2016
 City Hall, Show Low, AZ

MEMBER NAME	ENTITY	PRESENT	ABSENT	STAFF NAME	
Robert Adams	Private Sector, Navajo County		X	Mary Beals-Luedtka	
Liz Archuleta	Coconino County	X		Jana Bays	
Jackie Baker	Town of Camp Verde	X		Patricia Sprengeler	
Kerry Ballard	Town of Snowflake	X		Paula Buchanan	
Roland Begaye	Navajo Nation		X	Chris Fetzer	
Robert Black	Navajo County		X	Seobaghn Arambula	
Robin Boyd	City of Winslow		X	Piper Swenson	
Karla Brewster	City of Flagstaff		X	Cindy Binkley	
Wade Carlisle	City of Holbrook		X	Jason Kelly	
Sean Casey	Private Sector, Coconino County		X		
Darryl Croft	Town of Chino Valley	X			
Cathy Cross	Private Sector, Apache County		X		
Janet Dean	Private Sector, Coconino County	X			
Richard Dehnert	Town of Clarkdale		X		
				GUEST NAME	REPRESENTING
Bill Diak	City of Page	X		Tami Ryall	Town of Eagar
Lena Fowler	Coconino County		X	Eric Duthie	Town of Tusayan
Bryce Hamblin	Town of Eagar		X	Sharon Adams	Ann Kirkpatrick
Fay Hatch	Town of Taylor		X	Bob Moffett	ACOA
Jack Husted	Private Sector, Apache County	X		Lisa Robertson	City of Show Low
Diane Joens	City of Cottonwood	X		Shane Hemesath	City of Show Low
Alvy Johnson	Town of Fredonia		X	Keith Johnson	Town of Pinetop-Lakeside
John Leech, Jr.	City of Show Low	X		Ed Muder	City of Show Low
Roland Maldonado	Kaibab Paiute Tribe		X	Kevin Adam	RTAC
John Moore	City of Williams	X		Andre Bundy	Town of Fredonia
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		Bill Regner	Richard Dehnert/Clarkdale
Frank Vander Horst	Town of Jerome	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

Chairman John Moore called the meeting to order at 10:05 A.M. Self-introductions were made. A quorum was present. He welcomed the new members of the Regional Council: Councilor Darryl Croft of Chino Valley, and Councilor Frank Vander Horst from Jerome. He thanked Vice Mayor John Leech and staff from the City of Show Low for hosting today's meetings, and Arizona Public Service for their sponsorship of last night's reception.

Chairman Moore presented Liz Archuleta with a plaque commemorating her time as Chair of the Regional Council.

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 June 23, 2016 Regional Council meeting minutes**
- B. Approve EDC Membership Considerations**
- C. Approve Audit Committee Membership Considerations**
- D. Approve Updated NACOG Title VI Plan**

Jack Husted moved to approve the Consent Agenda as presented, seconded by Barbara U'Ren. Motion passed unanimously.

IV. Executive Director's Report

Chris Fetzer began his report by asking the Regional Council members to complete and return their Conflict of Interest forms to staff. These are a requirement for NACOG's annual financial audit.

NACOG staff would be happy to travel and make a presentation about the agency and/or a specific program. Those interested in having a staff member present to their local council should contact Cindy Binkley.

NACOG has begun the process of an agency wide compensation study. This comprehensive study will help management to update employee job descriptions and determine which jobs are being paid under market. Staff will then be able to develop a multi-year plan to potentially adjust compensation. The study will also help management to re-classify some positions as exempt/non-exempt under the new FLSA rules that come into effect in December.

Due to the new rules of uniform guidance, NACOG management has been working on an update of the agency's administrative policies and procedures, including the procurement process. Many of the vendors for services that NACOG utilizes, such as the independent auditor and the insurance broker, have undergone an RFP process.

There are a few vacancies on some of NACOG's various committees. Mr. Fetzer referred the council members to his written report for a comprehensive list of the vacancies, and asked that any recommendations to fill these vacancies be sent to staff. One notable new vacancy is the Chairman of the Audit Committee, which became vacant due to the resignation of Lew Currier. In his new position as Regional Council Secretary-Treasurer, John Leech has been recruited to serve as the new Audit Committee Chair.

In 2017, NACOG will travel out into the region for two of its Regional Council meetings. In April, the Regional Council will meet in the City of Williams. In September, they will meet in the Town of Snowflake. The City of Page has agreed to host the April 2018 meeting. Mr. Fetzer thanked those council members for volunteering to host the meetings.

Mr. Fetzer concluded his report by giving the council members an update of the status of the litigation in the Graves v NACOG and Donovan v NACOG lawsuits. The offer of judgment that was authorized by the Regional Council in June for the Graves case was filed, and the litigants in that case have not responded. NACOG was served in the Donovan case shortly before the deadline for dismissal by the courts.

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

A. Program Update

The 2016-2017 school year is underway. Early Head Start centers opened on August 22. Preschool classes began on August 24. Preschool home visits began on September 1. This year, NACOG has opened new full-day programs in Flagstaff, Winslow, Cottonwood and Grand Canyon. Additional Early Head Start programs were also opened in Winslow and Holbrook. NACOG Head Start reduced its preschool enrollment this year, and increased Early Head Start enrollment.

Staff has completed the fiscal year close out for PY2015. There were some small budget overages due to construction/maintenance projects. NACOG's application for a cost of living adjustment (COLA) has been approved.

NACOG Head Start has received the final review report from the health & safety monitoring that occurred in January. This comprehensive review looks at facility safety, transportation services, medication administration, nutrition services, employee criminal background checks, class size/age of children, drop-off/pick up processes, outdoor play areas, and child guidance. In the final report, NACOG Head Start received one concern and one deficiency. The concern was in the area of medication administration and the deficiency was in child supervision. Management has already put corrective action in place for each issue. In the case of the deficiency, the program is placed a 30-day correction period. During this time, staff must develop written procedures, introduce new tools in the field, additional monitoring practices, provide training, implement these changes in the first 6 days of school, and provide documentation to the Region IX office. The correction period has been completed and staff has submitted all the required documentation to the regional office. They are currently conducting a desk review. Staff participated in a conference interview with the regional program specialist, who told staff that she is recommending that the deficiency be closed.

Two of three construction projects are complete. The Show Low project is underway, but running behind schedule. Staff anticipates that the new center will open by the end of October. The new toddler classroom in Holbrook and the new infant classroom in Winslow are both open and functioning at capacity.

New Head Start Performance Standards have been released. The new standards have kept the Home Base option in the preschool program. They have increased the hours of operation for providing services, and the parent policy council term limit has been changed from 3 years to 5 years. The new standards will undergo an incremental implementation. No action on the re-authorization of the Head Start Act is expected to take place until after the conclusion of election season.

Ms. Arambula answered questions from the Regional Council on new staff training.

VI. Transportation Policy Advisory Committee (TPAC) Report

A. Program Update

Jason Kelly began his report by discussing the regional safety plan. This plan was borne from ADOT's determination to turn the Highway Safety Improvement Program into a statewide competitive program, beginning in FY19. Currently, all planning regions in the state receive an allotment of federal safety funds. The intent of the plan is to evaluate the safety issues across the NACOG region. The goal is to prioritize these issues as projects to compete statewide for safety funding. This project will take approximately 16 months to complete, at a cost of \$500,000. It is a partnership between NACOG and CYMPO. The contract for the consultant to perform the safety study will be presented to the Regional Council for approval in October.

The region's Coordination Plan is currently being updated. This plan addresses transit and human services transportation needs for the region. NACOG administers this plan on behalf of local governments. Over the next several months, NACOG staff will ask for input from the communities. The goal is to prioritize funding allocations for local transit projects for the next 3 years.

CYMPO is performing a county-wide assessment of the state of transit services in Yavapai County. They are developing a plan to address the transit needs of the county. This is a framework document, and does not determine funding methods. NACOG is performing a similar assessment for Coconino, Navajo and Apache Counties.

Mr. Kelly reported on the results of the 2016 ADOT transit grant cycle. Eleven projects were awarded to the region in three categories: Capital, Operating, and Mobility Management. Capital focuses on vehicles and technology. The NACOG region was awarded 6 projects, which are largely vehicle replacement. Operating funds things such as vouchers. The NACOG region was awarded 4 projects. NACOG was awarded funding for Mobility Management, which will be used to administer the coordination of transit services.

B. Approve FY16-23 Regional Transportation Improvement Program (TIP) Amendment 6

Jason Kelly reported that TIP amendment 6 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 Winslow-Route 66 Renaissance, Phase VI: Project deferral from FY17-FY18
- NACOG: HSIP budget increase in FY17 for the regional Safety Study

John Leech, Jr. moved to approve the FY16-23 Regional Transportation Improvement Program (TIP) Amendment 6 as presented, seconded by Lora Lee Nye. Motion passed unanimously.

C. Review & Approval of Transportation Finance Task Force Recommendations

Chris Fetzer reported that NACOG's Regional Council Executive Committee and Transportation Policy Advisory Committee (TPAC) have participated in a series of meetings with staff and board members from the Central Yavapai Metropolitan Planning Organization (CYMPO) and the Flagstaff MPO. The purpose of these meetings was to form a set of recommendations to the State Legislature for transportation funding. In the meantime, the State Legislature enacted SB1490, establishing a State Transportation Finance Task Force. Their responsibilities are as follows:

- Review existing reports and analyses regarding transportation needs and revenue sources
- Recommend revenue proposals for dedicated funding sources for principal interstate highways that meet projected freight capacity needs for 20 years
- Recommend revenue proposals for dedicated incremental funding sources for HURF that meet statewide needs of the state highway system and proportionate funding for local government recipients of HURF
- Recommend revenue proposals for dedicated funding sources for DPS highway patrol costs
- Recommend revenue proposals for dedicated funding options for regional state highway system and highway capacity needs for 20 years
- Recommend revenue proposals for dedicated funding options for local city, town and county roads and streets
- Prioritize revenue proposals recommended by the Task Force
- Engage in other related duties determined by the Task Force
- Conduct a statewide survey in consultation and cooperation with the ADOA in order to identify vacant and underused buildings owned by the state that could be sold to generate funding for transportation projects.

Mr. Fetzer referred to the memo and attachment previously emailed and handed out today that outline the draft recommendations being made to the State Transportation Finance Task Force for approval. These recommendations were developed by NACOG's TPAC and Executive Committee, in partnership with the CYMPO and FMPO boards. The recommendations being presented today were approved last week by the TPAC and Executive Committee:

- Increase state gasoline and use fuel taxes or enact a state sales tax on gasoline and use fuel. Revenues should be deposited and distributed through existing methods and formulas
- Supplement a state fuel tax increase with enabling legislation for local option fuel tax authority to provide local governments with additional revenue and flexibility

- Enact a VMT fee system for alternative fuel vehicles
- Limit HURF transfers to DPS to the established statutory cap of \$20 million annually, and establish a dedicated funding source for Highway Patrol needs
- Evaluate and determine a method for indexing state transportation revenue streams
- Enact stronger firewalls to protect state transportation revenues from diversion
- Encourage greater exploration and use of public private partnership opportunities for the state's transportation infrastructure, which may include tolling of new capacity only while preserving the existing capacity as a free alternative
- Develop a dedicated state revenue stream to support public transportation, specifically for the purpose of matching federal transit programs, similar to the State Highway Fund and State Aviation Fund.

Thomas Thurman moved to approve the Transportation Task Force Recommendations as presented, seconded by John Leech, Jr. Motion passed unanimously.

D. Legislative Update

Kevin Adam reported that the best opportunity at this time to increase transportation revenues would be a citizens' initiative on the ballot. He explained that the formation of the task force shows that support for transportation finance is building, but lawmakers are still opposed to a fuel-tax increase. October 12 will be the third Task Force meeting, and there will be a rural focus for at least some of that meeting, so that could potentially be a good time to plan for rural participation in the process.

This year's elections will drive the transportation agenda for the next several years. Both presidential candidates have expressed support for infrastructure funding. Whether their individual plans are viable, or the candidates are able to work with legislators to implement a plan remains to be seen. There could be changes in both chambers of Congress. The House will likely remain in Republican control, but the Senate, with 34 seats up for election this cycle, appears to be very much in play.

The House and Senate have passed the FAST Act, which is a 5-year transportation authorization bill, but there is still no adequate revenue stream to keep the trust fund solvent. However, it did provide \$74 billion in one-time funding, and improved revenue collections. If that trend continues, there will be adequate funding for the next 4-5 years.

Congress has not passed a budget for the new federal fiscal year. They have just come back from a 7 week recess, but will only be at work for a couple of weeks, and then off for the remainder of election season. In all likelihood, they will not pass a budget, and there will be a continuing resolution. The current trend of continuing resolution prolongs status quo. The FAST Act provided for a 3% funding increase every year, however, we won't see the increase enacted this year if we get a continuing resolution.

At the state level, efforts to reduce the level of HURF diversions were unsuccessful last year. Lawmakers did provide \$86.5 million in one-time funding for transportation, which included \$30

million directly to local governments. It appears that there will be a \$220 million surplus going into next year, so there could be additional funding for discretion. In addition, HURF revenues are on the rise, with a 6% increase over the previous year. It is anticipated that if gas prices remain low, those revenue levels will continue to increase going forward.

As far as the election is concerned, there is not as much potential for change at the state level. The Governor's office is not up for re-election for two years. The State House is not in play to switch partisanship. Although the State Senate has an outside chance of moving to Democratic control, it is unlikely.

VII. Area Agency on Aging (AAA) Program Report

A. Program Update

Mary Beals-Luedtka reported on her participation in a meeting with DES Director Timothy Jeffries and the new DAAS Director Scott Lekan. At this meeting, they discussed the current wait list for AAA services, and the program budget. Director Jeffries noted that he had put \$6.2 million in the budget for aging services. However, since that meeting, the Governor has asked that item be removed from the budget.

NACOG AAA currently has a wait list of 300 persons. NACOG AAA was given \$56,000 in one-time funding by the legislators last year to address the wait list. The Advisory Council on Aging (ACOA) is working on finding ways to most equitably serve the region's aging populations.

At the federal level, the Older Americans Act is also facing a continuing resolution. Advocacy efforts helped to restore both the Senior SHIP program and return the Title V program to its original funding level.

NACOG staff is working on the close out of fiscal year 2016. There continue to be issues with the State's financial data system.

NACOG AAA will publish an RFP in early 2017 for the meals programs. Focus areas will include nutrition education and activities.

B. Presentation on Medicare

Ms. Luedtka introduced Jana Bays. Ms. Bays is the NACOG AAA staff person that oversees Medicare counseling for the region. She provided two handouts that explain the services that NACOG provides with regard to Medicare, and an analysis of the money saved in each county of the region due to these services.

NACOG provides Medicare counseling services to persons over 65, and to persons under 65 that are on disability. Staff and volunteers assist clients with applying for extra help; completing forms; making referrals; and answering questions about Medicare, Social Security, Medicare supplement insurance, prescription drug plans and other public benefits. In 2016, NACOG staff and volunteers

provided Medicare counseling services to 2,373 clients. NACOG's Medicare counseling services are provided by one full-time counselor, two part-time staff and nine volunteers.

Counselors are at 21 sites across the 4-county region at least once per month, these include senior centers, senior living communities, and three office locations. NACOG receives client referrals from the State Health Insurance Assistance Program (SHIP), case managers, and from word of mouth.

For FY17, NACOG AAA has the following goals for its Medicare counseling program:

- Increase the number of client contacts
- Increase outreach to low income and disabled populations
- Increase awareness of Medicare fraud and abuse

Last year, NACOG AAA's Medicare counseling services saved its clients over \$250,000.

Ms. Bays answered questions about Medicare from the Regional Council members.

VIII. Community Services Administration (CSA) Program Report

A. Program Update

Patricia Sprengeler presented an update of the financial literacy programs being offered by NACOG's Community Services (CSA) department. Three of NACOG CSA's case managers have received training and become certified financial coaches. Financial literacy workshops will be offered at each NACOG CSA office in the region. The workshops are focused toward youth as well as adults and will be provided to Innovative Workforce Solutions participants in northeastern Arizona and Yavapai County.

NACOG CSA has also begun administering the Jet Cares Community Diaper program. This program provides high quality diapers at affordable prices to non-profit organizations that serve families in need.

During the months of September and October, NACOG will be providing households who apply for energy assistance a blanket provided by the Arizona Department of Housing. This program is part of an effort to educate clients about energy efficiency.

B. CAB Restructuring Recommendation from DES

Because NACOG receives Community Services Block Grant (CSBG) funding, the CSA program is required by federal law to have a tripartite board to administer its CSBG program. The tripartite board must fully participate in the development, planning, implementation and evaluation of NACOG's CSBG program to serve low-income communities.

There are specific requirements for the composition of the tripartite board. It must be comprised of 3 sectors, as follows:

- Exactly 1/3 of the membership must be public officials or their representatives
- At least 1/3 of the membership must be low-income representatives

- Balance of membership must come from major groups or interests in the community served

NACOG has had challenges maintaining the minimum number of committee members in each county. In addition, individual county committee meetings often do not have a quorum present, so they are unable to conduct business.

In May, NACOG CSA was subject to a monitoring by the Arizona Department of Economic Security. As a result of unfilled board membership vacancies, NACOG received one finding and one recommendation from DES. The finding stated that current board membership shows a significant number of vacancies exceeding 90 and 120 days in duration, and that NACOG was unable to provide assurance regarding low-income representation and participation in the tripartite mechanism.

As a result of this finding, DES recommends that NACOG re-structure its regional advisory councils (CABs) to appoint representatives from each individual CAB to form a single tripartite body representing the entire region, with a membership of at least 9, but not more than 15 members. The new board will draft consolidated by-laws for Regional Council consideration.

NACOG staff is currently making efforts to recruit members for the new consolidated CAB. Ms. Sprengeler asked the Regional Council members for recommendations for potential CAB members from their communities.

IX. Reports from Regional Council Members

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

X. Call to the Public

There were no comments from the public.

XI. Adjourn to Lunch

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

Chairman John Moore adjourned the September 8, 2016 NACOG Regional Council meeting at 12:10 P.M.