NOTICE OF A REGULAR MEETING OF THE TOWN COUNCIL
OF THE TOWN OF CLARKDALE
TUESDAY, MARCH 12, 2024 AT 6:00 PM

In Person: Clark Memorial Clubhouse, 19 N. Ninth St., Clarkdale AZ
OR
Join Zoom Meeting
https://us02web.zoom.us/j/81213484121
Meeting ID: 812 1348 4121

Unless otherwise stated, the public will have physical access to the meeting place 15 minutes prior to the meeting start time.

Town of Clarkdale Vision

The Town of Clarkdale connects our unique history, proximity to the Verde River, and small-town charm to a future with a vibrant economy.
We cultivate an environment where residents and businesses can thrive; providing services and jobs for our residents and capitalizing upon tourism.
We sustainably enhance our infrastructure, support the arts and education, and develop recreational opportunities to create a bright future for our entire community.

PURSUANT TO A.R.S. §38-431.02, NOTICE IS HEREBY GIVEN to the members of the Common Council of the Town of Clarkdale and to the general public that the Town of Clarkdale Town Council will hold a Regular Meeting open to the public on Tuesday, March 12, 2024, at 6:00 PM in a hybrid meeting via Zoom Video Conference or in person at 19 N. Ninth Street, Clarkdale, Arizona, Clark Memorial Clubhouse, Men's Lounge. Members of the Clarkdale Common Council will attend either in person or by telephone, video or internet conferencing. Pursuant to A.R.S. §38-431.03, the Council may vote to recess the meeting and move into Executive Session on any item, which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda.
Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at www.clarkdale.az.gov and the Town Clerk's Office.

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR DISCUSSION AND POSSIBLE ACTION, UNLESS OTHERWISE NOTED.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. PUBLIC COMMENT

The Town Council invites the public to provide comments at this time. Members of the Town Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01, action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date. Persons interested in making comments on a specific agenda item are asked to complete a brief form and submit it to the Clerk or liaison during the meeting. Each speaker is asked to limit their comments to five minutes.

4. MEMORANDUM TO COUNCIL

A. Special Event Liquor License Recommendation - Historic Downtown Clarkdale Criterium

5. REPORTS

A. Current Events

A brief summary of current events. The Council will not propose, discuss, deliberate, or take legal action on any matter in the summary. Reports submitted electronically:

- Mayor’s Report
- Vice-Mayor’s Report
- Councilmembers’ Reports

B. Organizational Reports – (submitted electronically)

Reports regarding regional organizations submitted electronically:

- CAT – Cottonwood Area Transit
- VVTPO – Verde Valley Transportation Planning Organization
- NACOG - Northern Arizona Council of Governments
- NAMWUA - Northern Arizona Municipal Water Users Association
- TPAC – Transportation Policy Advisory Council
- VFLC – Verde Front Leadership Council
- Greater AZ Mayor’s Organizational Report
- Sustaining Flows Committee
- Yavapai Communities for Young Children

6. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the Town Council at a work session or during a New Business discussion. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

A. Approval of Minutes

Consider and act upon the draft minutes from the regular meeting held on Feb. 27, 2024.

B. Mingus Union High School Facilities Use Agreement

Consider and act upon a 2024 Facility Use Agreement with Mingus Union High School that includes a rental fee that is consistent with past fees for the same event.

7. NEW BUSINESS

A. Selna Mongini Park
Discussion only and review of the final Selna Mongini Park plan.

B. Ratification of an Application for a Local Jurisdiction Affordable Housing Plan Grant
Discuss, consider and act upon a request to ratify an application for a Local Jurisdiction Affordable Housing Planning Grant through the Arizona Department of Housing (ADOH).

C. Ratification of an Application for a State of Arizona SMART Fund Grant
Discuss, consider and act upon a request to ratify the submission of an application for a State of Arizona SMART Fund Grant for the design of the Cement Plant Road Multi-Modal Improvement Project in the amount of $280,000.

D. Resolution #1710 - Accepting and Dedicating a Portion of Cement Plant Road as Public Right-of-Way
Discuss, consider and act upon Resolution #1710, accepting and dedicating a portion of Cement Plant Road as Public Right-of-Way.

8. POSSIBLE VOTE TO ENTER EXECUTIVE SESSION - The Council may vote to discuss the following matters in executive session pursuant to A.R.S. § 38-431.03 (A)(3) discussion or consultation for legal advice with the attorney or attorneys of the public body and/or A.R.S. § 38-431.03(A)(4) Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation:

A. YAN Water Rights Settlement

9. RESUMPTION OF REGULAR MEETING - Immediately following the executive session, the Council will resume public session.

A. YAN Water Rights Settlement

10. FUTURE AGENDA ITEMS
Town Council may propose items to be placed on a future agenda. This item is for discussion only.

11. ADJOURNMENT

Values

Values are the guiding principles that provide an organization with purpose and direction. The Town of Clarkdale's organizational values are:

COPPER

Customer focused
Open, transparent and equitable
Preserving our history, charm, and environment
Planning for a sustainable future
Economic and social resiliency
Resourceful and innovative

Mission

The Town of Clarkdale serves the community by providing amenities, infrastructure, services, and public safety to enhance quality of life. We are stewards of our history while we sustainably and resiliently plan for the future with an emphasis on community engagement and transparency.

Persons with a disability may request reasonable accommodations by contacting the Town Hall at (928) 639-2400 (TTY: 1-800-367-8939) at least 72 hours in advance of the meeting.

Clarkdale Police Department

Randy S. Taylor, D.M., Chief of Police

MEMORANDUM

DATE: March 7, 2024

TO: Town Council

FROM: Randy Taylor, Police Chief

RE: Special Event Liquor License Recommendation

The following Special Event Liquor License application to the Arizona Department of Liquor Licenses and Control was reviewed and approved:

1. APPLICANT: Greg Miranda/Chain Reaction-Verde Valley Bicycle Co
   Rebecca Backus/Smelter Town Brewery
   Sam Pillsbury/Pillsbury Wine Company

   EVENT: Historic Downtown Clarkdale Criterium

   LOCATION: 1001 Main Street, Clarkdale

   DATE AND TIME OF EVENT: Saturday, April 6, 2024, 11 a.m.- 8 p.m.

   DATE OF RECOMMENDATION: Feb. 14, 2024

P.O. Box 308, Clarkdale, AZ 86324
Administration 928-649-7700 Fax 928-649-7709 Dispatch 928-634-2921
Website www.clarkdale.az.gov Email Police@clarkdale.az.gov

From the office of Mayor Prud'homme-Bauer

February 2024 Report

Regularly Held Monthly Meetings:

- Regular weekly one-on-one meetings with the Town Manager on Wednesdays.
- Agenda review meetings on Monday afternoon before a Town Council meeting.
- Host twice monthly Verde Valley Mayors/Managers zoom meetings.
- Weekly Monday morning legislative briefing – League of Cities and Towns.

Other Meetings, Events, Emails and Phone Calls:

- Attended the opening of Rocking River Ranch State Park in Camp Verde with the Mayor of Cottonwood.
- Virtual meeting: League of Cities and Towns Executive Committee.
- Attended the Trails Master Plan Open House.
- Met with the new CEO of Friends of the Verde River: David Gressley.
- Attended the Cottonwood City Council meeting re: Municipal Court IGA on agenda.
- Participated in the second workshop on the Verde River Watershed Report Card.
- Coffee meeting with a Sedona Councilmember.
- Participated in the Retail Strategies meeting with Town Manager Guthrie.
- Breakfast meeting with a Clarkdale resident re: tiny home community.
- Attended Patio Park Neighborhood Open House.
- Site visit at Clarkdale-Jerome School with school superintendent.
- Attended the 89A Overlay Working Group meeting.
- Attended the Verde Front Leadership Council meeting.
- Attended the Neighborhood Open House for the Clarkdale Criterium Event.

Upcoming events: Clarkdale Car Show

From the office of Vice Mayor Hunseder

February Report

02/01/24 – Retail Strategies Planning Meeting.

02/06/24 – CDBA Meeting.

02/06/24 – Joint Meeting with HPC/Council.

02/08/24 – Stopped by Trails Master Plan Open House.

02/12/24 – One-On-One meeting with Town Manager Guthrie.

02/13/24 – Town of Clarkdale Council Meeting.

02/22/24 – NACOG Executive Committee Meeting and General Board Meeting.

02/23/24 – Verde Valley Gem and Mineral Show.

02/26/24 – One-On-One meeting with Town Manager Guthrie.

02/27/24 – Board of Adjustments Meeting.

02/27/24 – Town of Clarkdale Council Meeting and Executive Session.

02/29/24 – Joint Work Session with HPC/Council.

Executive Committee

Notice of Meeting and Agenda
Pursuant to ARS §38.431.01

DATE: February 22, 2024
TIME: 8:30 AM
LOCATION: Zoom Teleconference
https://us02web.zoom.us/j/85883717913?pwd=OVJVV3RCRVM0cHM0cHdDL28zcTV4dz09

Meeting ID: 858 8371 7913
Passcode: 911644

Dial by your location
+1 669 444 9171 US

I. Welcome & Call to Order

II. Acknowledgment of Title VI Policy
NACOG hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 and other related authorities in all of its programs and activities. NACOG's Title VI and ADA programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity

III. Consent Agenda *(All items on the Consent Agenda are considered to be routine and will be approved by a single vote. An Executive Committee member or the Executive Director may request that an item be removed from the Consent Agenda and considered separately.)*

A. Approve January 17, 2024 Meeting Minutes
B. Approve HS/EHS Meal Count Report
C. Approve HS/EHS Enrollment Report
D. Approve HS/EHS School Readiness Report
E. Approve HS/EHS Fiscal/Credit Card Report

IV. Approve NACOG FY23 Agencywide Audit Report

V. Comprehensive Economic Development Strategy (CEDS) Update

VI. Head Start Parent Policy Council Report

A. Year 04 Goals & Objectives Overview
B. Approve Year 04 Self-Assessment Action Plan
C. Approve Year 05 Grant and Budget Application
D. Full Enrollment Initiative Plan Review

VII. Executive Director's Report

VIII. Adjourn

This agenda may be subject to amendment prior to 24 hours before the meeting.
NACOG endeavors to make all public meetings accessible to persons with disabilities. Please call 928-774-1895 or email nacog@nacog.org 72 hours prior to the meeting requesting reasonable accommodations. Limited English Proficiency service can be provided with a minimum of ten (10) days' notice.

Chris Fetzer
Executive Director

NACOG Nondiscrimination/Title VI Notice to the Public

PUBLIC NOTICE

Northern Arizona Council of Governments (NACOG) hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 (ADA), and other related authorities in all of its programs and activities. NACOG's Title VI and ADA Programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. NACOG meetings are held in accessible locations, and materials are provided in accessible formats or in languages other than English upon request with a reasonable advance notice period.

Any person who believes they have been discriminated against by NACOG, or any of its sub- recipients or contractors, may file a written complaint with NACOG and/or the ADOT Civil Rights Office. If the complaint is filed against NACOG, the NACOG Title VI Coordinator is required to forward the complaint to the ADOT Civil Rights Office within 72 hours of receipt of complaint.

If you have difficulty understanding English, you may request language assistance services for Department information that is available to the public. These language assistance services are available free of charge. If you need more information about interpretation or translation services, please contact Tod Morris (NACOG Title VI Coordinator) at 928-213-5236 or email at: tmorris@nacog.org

Or write to:
ATTN: Tod Morris, NACOG Title VI Coordinator
NACOG
323 N. San Francisco Street, Suite A
Flagstaff, AZ 86001

EL AVISO PUBLICO

El Consejo de Gobiernos del Norte de Arizona (NACOG) por este medio notifica públicamente que es política de la Agencia asegurar el cumplimiento total del Título VI de la Ley de Derechos Civiles de 1964, el Título II de la Ley de Estadounidenses con Discapacidades de 1990 (ADA) y otros relacionados autoridades en todos sus programas y actividades. Los Programas Título VI y ADA de NACOG requieren que ninguna persona, por motivos de raza, color, origen nacional o discapacidad, sea excluida de participar, se le nieguen los beneficios o se la discrimine bajo cualquier programa o actividad. Las reuniones de NACOG se llevan a cabo en lugares accesibles, y los materiales se proporcionan en formatos accesibles o en idiomas que no sean inglés, previa solicitud, con un período de aviso previo razonable.

Cualquier persona que crea que ha sido discriminada por NACOG, o cualquiera de sus subreceptores o contratistas, puede presentar una queja por escrito ante NACOG y / o la Oficina de Derechos Civiles de ADOT. Si la queja se presenta contra NACOG, el Coordinador del Título VI de NACOG debe enviar la queja a la Oficina de Derechos Civiles de ADOT dentro de las 72 horas posteriores a la recepción de la queja.

Si tiene dificultades para entender el inglés, puede solicitar servicios de asistencia con el idioma para obtener información del Departamento que está disponible al público. Estos servicios de asistencia lingüística están disponibles de forma gratuita. Si necesita más información sobre los servicios de interpretación o traducción, comuníquese con Tod Morris (Coordinador del Título VI de NACOG) al 928-213-5236 o envíe un correo electrónico a: tmorris@nacog.org

O escribe a:
ATTN: Tod Morris, NACOG Title VI Coordinator
NACOG
323 N. San Francisco Street, Suite A
Flagstaff, AZ 86001

NACOG Title VI Chief Officer	**NACOG Title VI Coordinator**
NACOG Executive Director 119 East Aspen Avenue Flagstaff, AZ 86001 928-774-1895 FAX: 928-773-1135	NACOG Mobility Management Planner 323 N. San Francisco Street, Suite A Flagstaff, AZ 86001 928-213-5236 tmorris@nacog.org

Regional Council
Executive Committee Members
2024

Chair:	Alton Shepherd	Supervisor Apache County
Vice Chair:	Bill Diak Page	Mayor Coconino County
Secretary/Treasurer:	Vacant	
Members-At-Large:	Daryl Seymore	Supervisor Navajo County
	Debbie Hunseder Clarkdale	Vice Mayor Yavapai County
	Brady Harris	Private Sector Coconino County
Immediate Past Chair:	John Leech, Jr. Show Low	Mayor Navajo County

Executive Committee Meeting

January 17, 2024

Hampton Inn & Suites – Phoenix, AZ

MEMBER NAME	ENTITY	PRESENT	ABSENT	STAFF NAME
Bill Diak	City of Page	X		**Chris Fetzer**
Brady Harris	Coconino County Private Sector	X		**Jennifer Brown**
Debbie Hunseder	Town of Clarkdale	X		**Mindy Zapata**
John Leech, Jr.	City of Show Low	X		**Allison Priest**
Daryl Seymore	Navajo County	X		**Jennifer O'Connor**
Alton Shepherd	Apache County	X		**Cindy Binkley**
				Leah Cickavage*
				Gayle Benton*
				GUEST NAME
				Brandon Kavanagh*, Mangum, Wall, Stoops & Warden
				James Shankland*, Heinfeld, Meech & Co.

** Denotes member/staff/guest that participated in the meeting remotely by electronic means.*

I. Welcome, Call to Order

Chairman Alton Shepherd called the meeting to order at 1:05 P.M. A quorum was present.

He welcomed the Executive Committee members and staff.

II. Acknowledgment of Title VI Policy

NACOG hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 and other related authorities in all of its programs and activities. NACOG's Title VI and ADA programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity.

More information on Title VI is included in the agenda packet.

III. Consent Agenda

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

- **A. Approve December 7, 2023 Meeting Minutes**
- **B. Approve HS/EHS Meal Count Report**

C. **Approve HS/EHS Enrollment Report**
D. **Approve HS/EHS School Readiness Report**
E. **Approve HS/EHS Fiscal/Credit Card Report**

Debbie Hunseder moved to approve the Consent Agenda, seconded by Daryl Seymore. Motion passed unanimously.

IV. Discussion and Possible Action Regarding Legal Relationship Between NACOG and the Yavapai Workforce Development Board

John Leech, Jr. moved to enter Executive Session, seconded by Bill Diak. Motion passed unanimously.

Chairman Shepherd adjourned the Executive Session.

The Executive Committee continued their meeting in regular session.

John Leech moved that the Executive Director and staff are directed to move forward with separation of the relationship with the Yavapai Workforce Development Board (WDB) based on there being no contract of mutual terms between NACOG and the WDB, seconded by Bill Diak. Motion passed unanimously.

Brady Harris commented that this action is the culmination of a long series of events and comes after a great deal of consideration. The Executive Committee realizes that this action carries great weight and impacts numerous individuals, including persons that receive these important services.

V. NACOG FY23 Audit Report & Audit Committee Update

Historically at this point in the year, there is a draft audit report for consideration. This year, due to factors such as staffing shortages/training and the payroll transition from Accufund to UKG, completion of the draft report has been delayed. The full draft of the audit report is expected to be completed by next week. The Audit Committee will have an opportunity to review and recommend approval of the final draft in early February before the item is presented for Regional Council approval at the February 22 meeting.

Additionally, Mary Mallory, the former Secretary-Treasurer of the Regional Council, has been reassigned by the Yavapai County Board of Supervisors. This has created a vacancy for the Chair of the Audit Committee. Staff is working to put a succession plan in place so that committee can perform its duties.

James Shankland added that the delay of the draft is not expected to have an impact on the final result of the audit.

The team at Heinfeld Meech performs two separate audits to test NACOG's fiscal records. The first is the financial statement audit, which ensures that NACOG's financial statements are free from material misstatement, whether due to fraud or error. The second is a single audit, which provides an opinion on compliance with NACOG's major federal programs. Any non-federal organization that spends more than $750,000 in federal funds for one fiscal year is required to undergo the single audit process. This year, the programs tested via single audit include Head Start, Low Income Home Energy Assistance Program (LIHEAP), Child Care Stabilization Grant (CCSG), and the Social Services Block Grant (SSBG).

Although the draft is not yet complete, Heinfeld Meech staff anticipates issuing an unmodified opinion for both the financial statement audit and the single audit. An unmodified opinion means that NACOG's financial statements are free from material misstatement due to fraud or error. The auditors are also required to make note of any internal control deficiencies that they identify during the audit process. At this point, Heinfeld Meech staff have found no internal control deficiencies to report.

In addition to the Chair vacancy on the committee, one of the long-serving members has retired. This has created the need to identify additional members for the Audit Committee. At least one of these should be a local government financial staff person to help round out the expertise on the committee.

VI. Discussion of Proposal to Establish Planning Program Assessments

Jennifer O'Connor provided an overview of the services that are currently being provided by NACOG's Regional Planning team.

Financial support for NACOG's planning activities currently comes from the following sources:

- ADOT Statewide Planning and Research (SPR) - $125,000/year
- Carry forward of FY20 special planning funds, originally $365,000, has been drawn down to $61,000
- Surface Transportation Block Grant (STBG) $1.9 million, the majority of which is allocated on a rotational basis to the communities in the region for local infrastructure projects

NACOG's annual planning program expenses are approximately $178,000. By FY26, NACOG planning will need an additional $50,000/year to continue providing the current level of service to the region. While it is allowable for NACOG to use its STBG funding for program costs, staff prefers to continue providing that funding to the local communities.

NACOG currently receives funding from annual community assessments for two programs:

- Economic Development Administration (EDA) - $60,789
- RTAC Rural Transportation Liaison (RTL) - $62,510

NACOG's peer regional planning agencies receive funding from their partners in a couple of different ways. MetroPlan receives direct cash contributions from its partners. CYMPO requires in-kind contributions from its member jurisdictions. If its in-kind collections are insufficient to cover costs, they invoice each jurisdiction based on population. CAG, SEAGO and WACOG all have membership assessments to support the general operations of the COG.

Staff presented four potential assessment options for discussion today.

1. 8 cents per capita, minimum assessment $750 - total assessment amount: $39,154
2. 10 cents per capita, minimum assessment $1,000 - total assessment amount: $50,391
3. 15 cents per capita, no minimum assessment - total assessment amount: $62,786
4. Flat fee $4,000 per county and $1,500 per municipality – total assessment amount: $43,000

Staff asked the committee members to keep the following considerations in mind during their discussion:

- the financial impact on smaller jurisdictions vs. larger jurisdictions
- the level of support NACOG typically provides to different sized jurisdictions
- NACOG Planning's funding needs.

The purpose of this discussion item is to determine if there is support for a community assessment to fund Regional Planning activities, if so, at what rate. The final proposal will be presented to the TPAC, Technical Subcommittee and Regional Council for adoption and if approved, would be implemented on July 1, 2024.

Chris Fetzer added that the planning program currently provides its match requirement for federal grants with in-kind donations. This method has been fully leveraged. Having cash match resources would give NACOG greater flexibility to respond to federal funding opportunities as they arise.

The Executive Committee discussed the different assessment scenarios and provided feedback. Suggestions included starting with a smaller assessment amount and gradually increasing it over time or potentially making the assessment something communities could opt into or out of based on individual local need for transportation planning services. Executive Committee members would like to see examples of what the NACOG planning team could deliver with the various proposed assessment amounts.

VII. Head Start Parent Policy Council Report

A. Program Update

No date has been set for NACOG Head Start's Focus Area 2 federal review. NACOG has been assigned a new Program Specialist in the Region IX office.

The full enrollment initiative plan that was approved by the Executive Committee in December has been revised. After visiting with staff, management decided to remove the focus area of child recruitment and enhance the areas of the extension of partnerships and staff recruitment efforts.

NACOG Head Start has begun working intentionally with each community to staff its Head Start/Early Head Start centers. Today, an on-site job fair was held in Cottonwood. A few weeks ago, this was done in Chino Valley. Preparations are being made to repeat this effort in Navajo County.

Jennifer Brown introduced new NACOG Head Start staff member Mindy Zapata. Ms. Zapata is the former Southwest Development Director for Head Start in Phoenix. She left that position and has relocated to Show Low. She has over 30 years of experience with Head Start and will join the NACOG team to perform rant writing, community assessment, end of year surveys, and ensure overall quality improvement.

NACOG Head Start hosted an in-service training for its staff on January 3-4. The training session was focused on financial wellness, resiliency, and effective communication.

NACOG Head Start currently has 74 staffing vacancies:

- Region 1 (Coconino County) – 33 open positions
- Region 2 (Yavapai County) – 28 open positions
- Region 3 (Navajo/Apache Counties) - 13 open positions

The Office of Head Start performed its CLASS Review site visits during the week of 11/27. During that timeframe, 21 of 24 open classrooms were observed. The scores received by NACOG Head Start exceeded the competitive threshold.

B. Approve Head Start & Early Head Start Year 4 Budget Revision

The NACOG Head Start Year 4 budget will have an overage of funds left due to the continued workforce crisis and the lack of classrooms that are open.

During this school year, NACOG Head Start has had multiple opportunities for establishing new partnerships throughout the region. One such opportunity is the public/private partnership established earlier in the Taylor community. An old Family Dollar store was purchased for NACOG to lease and renovate as needed to expand Head Start/Early Head Start services in that community.

The current cost estimate for this project is $2.6 million for renovations and two playground installations. These renovations will include building two toddler classrooms and two preschool classrooms. The site will accommodate 48 enrolled children. This new site has additional space for a full commercial kitchen.

This partnership includes space for a community center so that school-age children will have a safe place to go after school. Of course, that is not something that the Office of Head Start will allow Head Start funds to be used for, but we feel it critical to share with you so that you have a full picture of what is to come at that site.

To get Office of Head Start approval to proceed, this project will require a full federal 1303 package, so the building will be slow and end up becoming a part of our carryover budget and narrative.

Staff projects that staff attrition will cover approximately $1.3 million of the building.

In addition to the Taylor project, NACOG Head Start is looking to expense costs for purchasing multiple shade structures for our playgrounds. Shade structures currently cost approximately $50,000 per unit. There are plans to replace or install new shade structures at the following sites: Round Valley, Show Low, Chino Valley, Camp Verde, and Nye. For a projected total of $250,000.

NACOG Head Start has received notification that it will be losing our two classrooms at its current Humboldt location. The Humboldt Superintendent has identified an alternate space for two classrooms and a full playground at Glassford Hills Middle School. Once the school district board approves the move in late February, NACOG will be charged with full renovation and playground installation at that location. This cost is expected to be $250,000 for that new facility. NACOG Head Start will use its internal facilities team as much as possible to keep costs down, but is budgeting for a higher amount to ensure there is enough funding to cover any related costs that come up.

The total Program Year 4 budget revision is in the amount of $2 million, to cover the costs of the Taylor public/private partnership - $1.3 million; five new shade structures - $250,000; the move/space renovation for the Humboldt center - $250,000; and any inflationary rates that occur between today and the actual build/install dates.

John Leech moved to approve the Head Start and Early Head Start Year 4 budget revision as presented, seconded by Brady Harris. Motion passed unanimously.

C. Update on Year 5 Grant Application

NACOG Head Start is preparing to submit its Year 5 grant application on 3/1. The Year 5 application will include milestones that were prioritized in 2020.

During Year 5, staff will use the data sets that were collected over the life of the current cycle to develop its proposal for the next five years.

D. Review of Shared Decision-Making Policy

The Head Start Program Performance Standards require that programs maintain a governing body dispute resolution and impasse procedure. The policy states that in the event of an internal dispute between the NACOG governing body and the Head Start Parent Policy Council (HSPPC) all parties will follow the Governing Body Dispute Resolution and Impasse Procedure.

The current policy is due for revision. Because NACOG renamed the Northern Arizona Child Development Administering Board (NACDAB) to the Policy Council (HSPPC), the language in the policy needs to be updated. This presents the opportunity to refine the policy.

Staff will draft and present a revised impasse and shared decision-making policy to a future meeting for approval.

E. Preparing for Focus Area 2 Governance Training/Q & A

While a date has not yet been set, NACOG will participate in its Focus Area 2 program monitoring this spring. The purpose of the monitoring is to identify that compliance has occurred over the span of the 5-year funding cycle and the goals identified by NACOG Head Start/Early Head Start have been implemented or modified to meet the needs of the community served by the program.

The methodology for this review is to ensure that the responsibility for federal funding appropriated to NACOG Head Start is being stewarded in a responsible manner. The office of Head Start will hold planning meetings with NACOG Head Start leadership to Identify and coordinate times for interaction with staff and the governing board.

Executive Committee members will participate in a Zoom discussion with the program monitors, during which the monitors will ask questions to learn how NACOG's Head Start program is performing.

Staff provided a summary of the type of questions to expect during the monitoring discussion and what areas will be covered.

VIII. Executive Director's Priorities for 2024

Mr. Fetzer outlined his priorities for 2024. The first is Phase 2 of the agencywide market study, the second is the employee health plan, and the last is modification of the NACOG's organization structure.

Phase 1 of the market study was completed in mid-2023. During Phase 1, NACOG worked with a consultant to update the agency pay structure, benchmark positions to market, assign positions to pay grades, and adjust employee salaries to meet pay grade minimums. The purpose of Phase 2 will be to compensate current and future employees based on experience and education. Staff will work with the consultant to determine criteria for measuring employee performance, the number of years to mid-point of employee pay grade, and caps on grade progression. Mr. Fetzer intends to complete the planning of Phase 2 this year. Due to the different program sizes/budgets, there will likely be individual implementation plans and a phased implementation approach may occur.

Currently, NACOG offers its employees a single health care plan. The plan is self-funded for medical and dental insurance. The plan includes an employee wellness program and a flexible spending account. 100% of employee premiums paid by NACOG, with employees covering the cost of their dependent premiums. NACOG's management team has made minor modifications to the plan over the past five years, and there has been limited benchmarking for comparison with similar entities. In 2024, Mr. Fetzer intends to work with a consultant to evaluate the current plan and determine how to leverage plan funding to provide options and enhance quality of care. Staff has contracted a firm to support NACOG with the RFP process for a new benefits consultant. Once a benefits consultant is selected, staff will work with them to design a new plan. In the final quarter of the year, Human Resources will begin plan rollout, employee education and the open enrollment process. NACOG will establish a new Benefits Administrator position.

NACOG presently has a flat organization structure. The Executive Director currently has 9 direct reports. With so many, he has found it challenging to effectively support all programs, leaving him limited time to focus on other priorities and opportunities. His goal for 2024 is to structure an integration to institutionalized collaboration. Bringing similar programs together under the leadership of a single, seasoned director will provide time to better support fewer directors, address knowledge transfer, focus on board development/committee engagement, regional and community collaboration, outreach and advocacy.

IX. Review Agenda for January 18th Legislative Day with CAG

The final draft agenda for the Legislative Day event was provided to the committee members. Tomorrow's event will include the following agenda items:

- RTAC Update

- League of AZ Cities & Towns Update
- Discussion with ADOT Director, Jennifer Toth
- Discussion of Regional Issues
- Lunch and Discussion with Legislators

Discussion priorities will include the Regional Priority Project List, SMART Fund program reforms, and preservation of the funding allocated for the Rural Broadband Match Advantage Program.

X. Executive Committee Roundtable Discussion

Mr. Fetzer asked the Executive Committee for feedback related to the following questions:

- What would you like to know/better understand about NACOG?
- Do you see potential collaborations that staff should research?
- How could NACOG better support our members as a regional convener?
- Ideas for other special projects?

John Leech suggested ideas to reduce the need to rush through discussion items at meetings. These included extending meetings to later in the afternoon and continuing the discussion of business items into lunch, starting meetings earlier, and holding the Executive Committee meetings on alternate days.

Brady Harris would like to see NACOG try to help quicken the learning curve for new members, how to connect with other municipalities and other institutions that are in place. The NACOG organization is part of the fabric of our communities. It can be easy to get lost in the magnitude of NACOG programs and lose sight of the regional aspect.

Daryl Seymore commented that he appreciates that NACOG doesn't appear to offer duplication of services that are offered elsewhere. Standing as a unified voice will augment the region's voice and help the more rural areas be heard in a political environment that often seems to be dominated by the larger metropolitan areas. Perhaps NACOG could help smaller unincorporated communities to build facilities like community centers and become more like cites/towns.

Bill Diak commented that each community has its own local agenda but can help and support one another. NACOG could help use the region's collective political clout to help smaller communities get a better seat at the table.

Alton Shepherd commented that he will continue to advocate to fill Regional Council membership vacancies in Apache County so that those communities will have representation.

Debbie Hunseder commented that NACOG's visibility in communities at the constituent level could be better. She has been asked by other members of her town council to invite NACOG staff to come to a council meeting and provide an overview of NACOG and how it can benefit the community.

XI. Adjourn

Chairman Shepherd asked if there were any final items for discussion. Hearing none, he adjourned the meeting.

Chairman Alton Shepherd adjourned the January 17, 2024 meeting of the NACOG Executive Committee at 4:30 P.M.

NACOG HEAD START & EARLY HEAD START
REGIONAL COUNCIL & HS Policy Council - Meal Service Report
Report Month: December 2023

Meal Service June 1, 2023 thru May 31, 2024: The NACOG meal service program is subsidized by the Dept. of Agriculture's Child Adult Care Food Program (CACFP), which is administered in our state of Arizona by the AZ Dept. of Education.

The following provides a snapshot of the monthly meals served by NACOG Head Start & EHS. There are 3 basic meals served to NACOG children and attending adults: breakfast, lunch and snack. Regulations established by the Dept. of Agriculture, along with guidance provided by the Head Start Family Style Meal Service standards, provide the framework by which NACOG's meal service and delivery is accomplished.

Meals Served during December 2023 follows:

Meal Service December 2023

	December 2023 MEAL COUNTS					
COUNTY	BREAKFAST		LUNCH*		SNACK	
	Child 2.28	*Others*	Child 4.545	*Others*	Child 1.17	*Others*
Apache	633	64	641	66	573	63
Navajo	1,500	202	1,510	196	1,291	195
Coconino	1,051	277	1,197	285	991	242
Yavapai	1,757	274	1,816	274	1,570	231
TOTAL	4,941	*817*	5,164	*821*	4,425	*731*
CACFP REVENUE	$ 11,265.48		$ 23,470.38		$ 5,177.25	

Dept. of Education Food Reimbursement Expected: December 2023 $ 39,913.10

Total State Food Reimbursement Funds Claimed through December 2023: $ 257,415.10

*Lunch Reimbursement Rate of 4.25 per meal is increased by Cash-In-Lieu of Commodities (CILC) rate of 0.295 per lunch meal served.

CACFP SPONSOR CLAIM SECTION	
CACFP Income Expected	$ 39,913.10
Operating Food Cost.	$ 52,372.09
NET GRANT COST	$ 12,458.99

End-Of-Month Enrollment - January 2024

Total

Total Reported Enrollment	Total Funded Enrollment
689	976

Head Start

	Operated this month	Last day of services provided	Reported Enrollment	Funded Enrollment	Grant Status
	Yes	Jan 31, 2024	433	599	Reported
Initially Reported:	On 02/07/2024 by JoAnn Barela				
Last Updated:	On 02/07/2024 04:13:29 PM, EST by JoAnn Barela				
Grantee Comments:	Of the 599 center based slots, 156 slots cannot be opened due to lack of staffing. The program is not fully enrolled yet due to closed classrooms. We have a waitlist of 402 students.				

Early Head Start

	Operated this month	Last day of services provided	Reported Enrollment	Funded Enrollment	Grant Status
	Yes	Jan 31, 2024	256	377	Reported
Initially Reported:	On 02/07/2024 by JoAnn Barela				
Last Updated:	On 02/07/2024 04:13:29 PM, EST by JoAnn Barela				
Grantee Comments:	Of the 256 center based slots,103 slots cannot be opened due to lack of staffing. The program is not fully enrolled yet due to closed classrooms. We have a waitlist of 205 students				

2023/2024
Head Start Outcomes Report and
TGS and LAP B-K - School Readiness Goal Alignment Report
2nd Checkpoint (DATA FOR EHS AND HB ONLY)

LEARNING ACCOMPLISHMENT PROFILE

Head Start Outcomes Report (2015)

View: Organization

Group name: Northern Arizona Council of Governments Head Start School Year - 2023 / 2024

Total Child Ct	212	ELL Ct	11	IEP/IFSP Ct	10	FRL Ct	5

Birth to 8 mos.	23
9 - 16 mos.	26
16 - 24 mos.	51
24 - 36 mos.	112
36 - 48 mos.	0
48 - 60 mos.	0
> 60 mos.	0

The Head Start Outcomes Report summarizes the progress of a group of children based on the Head Start Early Learning Framework from 2015. Graphs represent the change in the percent of items children have demonstrated mastery of. The calculated average represents the average percent of the number of items achieved by all children for each Head Start domain or goal.

- Demonstrates proficiency in 1 - 25% of aligned items
- Demonstrates proficiency in 26 - 50% of aligned items
- Demonstrates proficiency in 51 - 75% of aligned items
- Demonstrates proficiency in > 75% of aligned items

Approaches to Learning: 0 to 36 months

	Percent of children				Child Count	Percent Complete	Avg % Correct	Change
Mid-yr.	5.19	12.26	23.58	58.96	212	100%	73.29	-

Social and Emotional Development: 0 to 36 months

	Percent of children				Child Count	Percent Complete	Avg % Correct	Change
Mid-yr.	6.60	11.79	32.08	49.53	212	100%	70.60	-

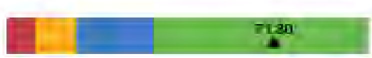
Language and Communication: 0 to 36 months

	Percent of children				Child Count	Percent Complete	Avg % Correct	Change
Mid-yr.	3.77	10.85	33.96	51.42	212	100%	72.49	-

Cognition: 0 to 36 months

	Percent of children				Child Count	Percent Complete	Avg % Correct	Change
Mid-yr.	4.72	10.85	30.66	53.77	212	100%	72.56	-

Perceptual, Motor, and Physical Development: 0 to 36 months



	Percent of children				Child Count	Percent Complete	Avg % Correct	Change
Mid-yr.	8.02	11.79	20.75	59.43	212	100%	71.30	-

34 TSG SR Goal Objectives to 37 objectives LAP Items
EHS and Home Based only

Creative Curriculum TSG Objectives	LAP B-K Items	%- Meeting
1a- Manages feelings	SE- 40 Names two emotions	.056
1b- Follows limits and expectations	SE- 38 Follows classroom rules	.052
2a- Forms relationships with adults	SE- 29 Initiates interactions with familiar adults	.133
2b- Responds to emotional cues	SE- 41 Sympathizes with peers who are upset or hurt	.052
4 - Demonstrates traveling skills	GM-47 Walks up and down stairs, alternating feet	.132
5 - Demonstrates balancing skills	GM- 44 Walks on a line	.130
6 - Demonstrates gross motor manipulative skills	GM- 49 Catches ball with extended arms	.103
7a – Uses fingers and hands	FM/PW- 83 Cuts line with scissors	.239
7b - Uses writing and drawing tools	FM/PW- 80 Uses a variety of tools to write and draw	.033
8a – Comprehends language	LN- 70 Answers if-what questions	.023
8b – Follows directions	LN- 65 Follows two step directions in proper sequence	.056
9a – Uses an expanding expressive vocabulary	LN- 60 Asks how, why, where, when, and what questions	.042
10a – Engages in conversations	LN- 69 Response to how and where questions	.044
10b - Uses social rules of language	LN- 89 Participates in sustained conversation with peers	.013
11a – Attends and engages	CG- 74 Builds a tower of 8 cubes	.130
11b – Persists	CG- 117 Completes 6-piece puzzle (non-insert type)	.024
11d - Shows curiosity and motivation	CG-129 Names causes for 3 given events	.003
15a - Notices and discriminates rhyme	LN- 63 Says or sings words to nursery rhyme or songs.	.059
16a – Identifies and names letters	LN- 78 Tells name of 10 printed letters	.004
16b - Identifies letter-sound correspondences	LN- 73 Discriminates letters	.008
17a – Uses and appreciates books and other texts	LN- 96 "Reads" favorite book with friend during free play	0
17b – Uses print concepts	LN- 75 Points to where reader begins in book	.006
18a – Interacts during reading experiences, book conversations, and text reflections	LN- 86 "Reads" favorite book independently	.003
18b – Uses emergent reading skills	LN- 80 Selects 4 (out of 5) pictures related to a sentence read aloud	.001
19a – Writes name	FM/PW- 101 Copies first name	.001
19b - Writes to convey ideas and information.	FM/PW- 104 Uses combination of letters and drawings to express ideas or story on paper (shows understanding of print conventions, such as writing from left to right, top to bottom)	0
20a – Counts	CG- 137 Counts 10 objects	.006
20b – Quantifies	CG- 104 Matches sets of cubes	.023
20c - Connects numerals with their quantities	CG- 135 Matches numerals 1 -10	.003
21a – Understands spatial relationships	LN- 76 Demonstrates understanding of prepositions by placing cubes	.011
21b – Understands shapes	CG- 83 Copies circle	.075
	CG- 124 Points to triangle	.013
	CG- 125 Points to square	.014
	CG- 136 Points to rectangle	.003
22a – Measures objects	CG- 138 Measures paper with non-standard unit	.001
22b – Measures time and money	LN- 84 Gives account of recent experience in order of occurrence	.008
23 – Demonstrates knowledge of patterns	CG- 130 Imitates tapping pattern.	.006

NACOG REGIONAL COUNCIL & HEAD START POLICY COUNCIL

NACOG HEAD START & EARLY HEAD START - Year 04

FY2023-2024: Monthly Financial Report (as of Feb. 08, 2024)

Report Month: JANUARY 2024 *(Subject to Change)*

BUDGET CATEGORY	FEDERAL GRANTS BUDGET	Prior Report Period Year To Date Total	REPORT MONTH: JAN 2024	YEAR TO DATE EXP. TOTAL	% SPENT	BUDGET AVAILABLE BALANCE
1. PERSONNEL	$ 11,065,658	$ 4,602,247	$ 857,097	$ 5,459,344	49%	$ 5,606,314
2. FRINGE BENEFITS	$ 5,432,553	$ 1,951,060	$ 688,434	$ 2,639,494	49%	$ 2,793,059
3. O/S TRAVEL	$ 18,132	$ 10,415	$ -	$ 10,415	57%	$ 7,717
4. EQUIP/CONSTR.	$ 1,900,003	$ 1,056,986	$ -	$ 1,056,986	56%	$ 843,017
5. SUPPLIES	$ 535,474	$ 492,228	$ 17,467	$ 509,695	95%	$ 25,779
6. CONTRACT SVCS	$ 50,397	$ 35,516	$ 18,334	$ 53,850	107%	$ (3,453)
7. OTHER OPERATING	$ 2,337,064	$ 1,741,431	$ 232,734	$ 1,974,165	84%	$ 362,899
8. INDIRECT COSTS	$ 1,237,366	$ 491,498	$ -	$ 491,498	40%	$ 745,868
GRAND TOTALS	$ 22,576,647	$ 10,381,381	$ 1,814,066	$ 12,195,447	54%	$ 10,381,200

NACOG HEAD START/EARLY HS GRANTS FUNDING SUMMARY

NACOG HEAD START / EARLY HEAD START:	GRANT AWARD	YTD PAID	%	GRANT CASH BALANCE
1a. Grant 09CH011520-04-00: BASE / COLA / QUALITY	$ 20,616,647	$ 11,313,925	55%	$ 9,302,722
1b. Grant 09CH011520-04-02: Start-Up *COB YR3 *CarryOver Balance of $1,960,000 approved by OHS	$ 1,960,000	$ 881,522	45%	$ 1,078,478
Total Federal Grant Awards:	$ 22,576,647	$ 12,195,447	54%	$ 10,381,200

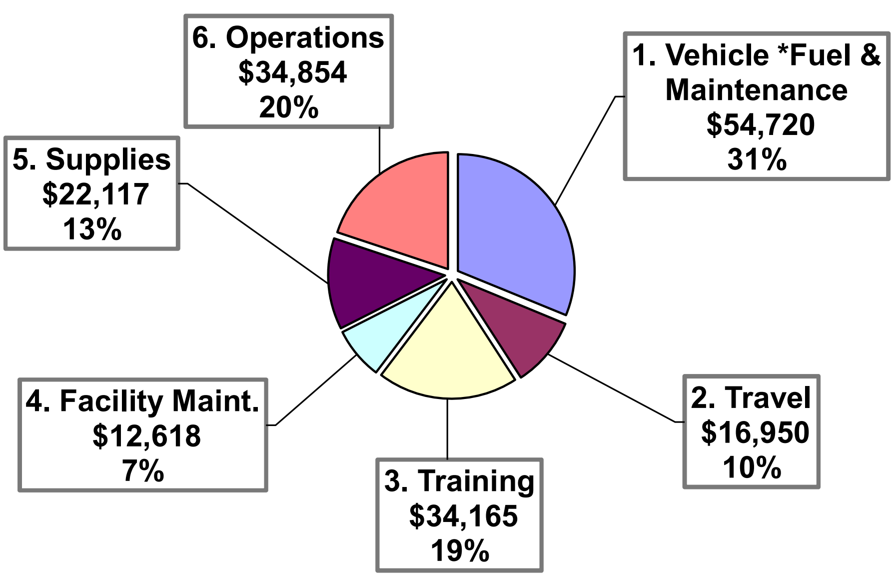
REPORT MONTH Expense Summary by Funds: JANUARY 2024

BUDGET CATEGORY	1a. BASE	1b. S-Up COB	2a.reserved	2b.reserved	GRAND TOTAL
PERSONNEL	$ 857,097	$ -	$ -	$ -	$ 857,097
FRINGE BENEFITS	$ 688,434	$ -	$ -	$ -	$ 688,434
O/S TRAVEL	$ -	$ -	$ -	$ -	$ -
EQUIPMENT	$ -	$ -	$ -	$ -	$ -
SUPPLIES	$ 17,467	$ -	$ -	$ -	$ 17,467
CONTRACTED SVCS	$ 18,334	$ -	$ -	$ -	$ 18,334
OTHER	$ 232,734	$ -	$ -	$ -	$ 232,734
INDIRECT COSTS	$ -	$ -	$ -	$ -	$ -
GRAND TOTALS EXP	$ 1,814,066	$ -	$ -	$ -	$ 1,814,066

NACOG HEAD START / EARLY HEAD START
CREDIT CARD REPORT
NACOG REGIONAL COUNCIL & HEAD START POLICY COUNCIL
Reporting Month: JAN 2024 & DEC 2023 (In Process)

EXPENSE CATEGORY	JUN'23	JUL'23	AUG'23	SEP'23	OCT'23	NOV'23	YTD TOTAL
1. Vehicle *Fuel & Maintenance	$ 6,574	$ 8,648	$ 10,231	$ 10,589	$ 10,079	$ 8,599	$ 54,720
2. Travel	$ 142	$ 2,849	$ 917	$ 11,033	$ 812	$ 1,196	$ 16,950
3. Training	$ 1,607	$ 12,536	$ 1,018	$ 2,841	$ 10,389	$ 5,775	$ 34,165
4. Facility Maint.	$ 813	$ 191	$ 1,339	$ 2,457	$ 1,495	$ 6,322	$ 12,618
5. Supplies	$ 894	$ 10,133	$ 3,307	$ 5,773	$ 1,533	$ 477	$ 22,117
6. Operations	$ 10,262	$ 12,676	$ 4,059	$ 2,112	$ 4,297	$ 1,447	$ 34,854
TOTALS	$ 20,292	$ 47,034	$ 20,871	$ 34,806	$ 28,605	$ 23,815	$ 175,423

FY2023-2024 YTD VISA CHARGES + *FUEL CARD
JUNE 01, 2023 - MAY 31, 2024



NACOG
Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

Memorandum:

Date: February 9, 2024

To: Regional Council Members

From: Allison Priest, Finance Director

Subject: Fiscal Year 2023 Agency Audit

Attached for your information and consideration is a draft copy of NACOG's Single Audit Report for the fiscal year ending June 30, 2023, as prepared by our independent auditors Heinfeld, Meech & Company.

The draft audit and financial statements were reviewed by NACOG fiscal staff and will be subsequently presented to the Audit Committee and the Regional Council Executive Committee by the auditors. The Audit Committee will convene for approval of the report at their February 15th meeting. The Executive Committee will convene for approval at their February 22nd meeting.

As noted on page 61, *Schedule of Findings and Questioned Costs*, NACOG received a clean audit resulting in an unmodified opinion with no reported findings, questioned costs, or material weaknesses identified in internal controls. This is the third consecutive year that NACOG's results returned no findings.

Overall, NACOG's FY23 activities remained relatively unchanged when compared to the same activities in fiscal year 2022. Total Revenues increased by $6M year over year to $39M, with our current revenue levels including a few remaining ARP funds, plus one-time CCSG funding. Total fund balance increased by $232,000 excluding fund balances related to CCSG funds. It should also be noted that the financial statements create the appearance that NACOG has a significant negative net position, which is based upon the inclusion of NACOG's proportional share of pension liability for the Arizona State Retirement System, when actually the agency ended FY23 with a positive net position in the amount of $3.5M.

☐	**Information Only**
☒	**Motion to Approve**

Recommended Motion: Move to approve the FY23 agency-wide audit as presented.

Statement of Revenue, Expenditures, and Changes to Fund Balances

	FY23	FY22	Variance	% change
Revenues:				
Intergovernmental	38,618,239	32,468,922	6,149,317	18.9%
Charges for services	345,383	433,410	(88,027)	-20.3%
Investment earnings	36	-	36	0.0%
Total revenues	38,963,658	32,902,332	6,061,326	18.4%
Expenditures:				
Program and administrative	32,652,971	30,947,137	1,705,834	5.5%
Capital outlay	5,187,178	2,070,355	3,116,823 **	150.5%
Debt Service	200,927			
Total expenditures	38,041,076	33,017,492	4,822,657	15.2%
Excess (deficiency) of revenues over expenditures	922,582	(115,160)	1,238,669	901.1%
Transfer of Restricted Cash	896,711	-	896,711	0.0%
Changes in fund balance	1,819,293	(115,160)	2,135,380	1679.8%
Fund balances, beginning of year	1,683,878	1,799,038	(115,160)	-6.4%
Fund balances, end of year	3,503,171	1,683,878	2,020,220	108.0%

	FY23	FY22	Variance	% change
Total net position	(1,221,635)	(5,713,902)	4,492,267	78.6%
In-kind contributions	4,387,358	4,387,358	-	0.0%

** Fiscal Year 2023 high capital outlay results from increased spending for HS modular buildings, mobile units, and playgrounds as well as multiple new fleet vehicles.

Northern Arizona Council of Governments
Single Audit Reporting Package
Year Ended June 30, 2023

DRAFT

Northern Arizona Council of Governments

Single Audit Reporting Package
Year Ended June 30, 2023

DRAFT

Issued by:
Business and Finance Department

Northern Arizona Council of Governments

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Independent Auditor's Report

To the Regional Council
Northern Arizona Council of Governments
Flagstaff, Arizona

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Arizona Council of Governments (NACOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise NACOG's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Arizona Council of Governments, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Northern Arizona Council of Governments and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, NACOG implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NACOG's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NACOG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NACOG's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America also require that the net pension liability information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the net pension liability information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the net pension liability information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NACOG's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **Report Date**, on our consideration of Northern Arizona Council of Governments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northern Arizona Council of Governments' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northern Arizona Council of Governments' internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
Report Date

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Basic Financial Statements

DRAFT

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Government-Wide Financial Statements

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	$ 6,683,127
Due from other governments	3,561,565
Accounts receivable	363,912
Prepaid items	135,180
Total current assets	10,743,784
Noncurrent assets:	
Capital assets not being depreciated	1,158,144
Capital assets, net of accumulated depreciation	6,206,651
Total noncurrent assets	7,364,795
Total assets	18,108,579
DEFERRED OUTFLOWS OF RESOURCES	
Pension and other postemployment benefit plan items	2,621,897
LIABILITIES	
Current liabilities:	
Accounts payable	1,945,450
Accrued payroll	482,505
Claims payable	391,516
Unearned revenue	48,290
Compensated absences payable	265,000
Leases payable	259,327
Total current liabilities	3,392,088
Noncurrent liabilities:	
Non-current portion of long-term liabilities	17,728,642
Total noncurrent liabilities	17,728,642
Total liabilities	21,120,730
DEFERRED INFLOWS OF RESOURCES	
Pension and other postemployment benefit plan items	831,381
NET POSITION	
Net investment in capital assets	6,654,549
Restricted for:	
Workforce development	9,890
Early childhood education	1,586,559
Human services	6,700
Weatherization	40,840
Unrestricted	(9,520,173)
Total net position	$ (1,221,635)

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General administration	$ 154,766	$ 6,807	$ 120,285	$	$ (27,674)
Early childhood education	21,018,246		21,178,103	4,564,794	4,724,651
Human services	10,026,587	90,238	9,610,597	220,884	(104,868)
Employment and training	1,723,000	49,641	1,290,881	346,105	(36,373)
Transportation and planning	1,276,593	25,933	1,211,392	1,845	(37,423)
Economic development	164,374	52,479	74,922	78	(36,895)
Interest on long-term debt	14,462				(14,462)
Total governmental activities	$ 34,378,028	$ 225,098	$ 33,486,180	$ 5,133,706	4,466,956

General revenues:	
Investment earnings	25,311
Total general revenues	25,311
Changes in net position	4,492,267
Net position, beginning of year	(5,713,902)
Net position, end of year	$ (1,221,635)

The notes to the basic financial statements are an integral part of this statement.

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Fund Financial Statements

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Workforce Development	Head Start
ASSETS			
Cash and investments	$ 2,229,398	$ 1,000	$ 250
Due from other governments	713	479,974	625,383
Due from other funds	399,283		1,595,452
Prepaid items	27,875	160	91,775
Total assets	$ 2,657,269	$ 481,134	$ 2,312,860
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 267,092	$ 71,138	$ 726,596
Accrued payroll	482,505		
Due to other funds		411,456	
Unearned revenue	34,151		505
Total liabilities	783,748	482,594	727,101
Fund balances (deficits):			
Restricted	7,500		1,585,759
Unassigned	1,866,021	(1,460)	
Total fund balances	1,873,521	(1,460)	1,585,759
Total liabilities and fund balances	$ 2,657,269	$ 481,134	$ 2,312,860

The notes to the basic financial statements are an integral part of this statement.

Aging and Adult Administration	Non-Major Governmental Funds	Total Governmental Funds
$	$	$ 2,230,648
1,389,177	1,066,318	3,561,565
	8,052	2,002,787
10,952	4,418	135,180
$ 1,400,129	$ 1,078,788	$ 7,930,180
$ 670,906	$ 209,718	$ 1,945,450
		482,505
729,223	810,085	1,950,764
	13,634	48,290
1,400,129	1,033,437	4,427,009
	50,730	1,643,989
	(5,379)	1,859,182
	45,351	3,503,171
$ 1,400,129	$ 1,078,788	$ 7,930,180

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NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total governmental fund balances		**$ 3,503,171**
Amounts reported for *governmental activities* in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 11,770,127	
Less accumulated depreciation/amortization	(4,405,332)	7,364,795
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	2,621,897	
Deferred inflows of resources related to pensions	(831,381)	1,790,516
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		4,372,852
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(450,093)	
Leases payable	(710,246)	
Net pension liability	(17,092,630)	(18,252,969)
Net position of governmental activities		**$ (1,221,635)**

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Workforce Development	Head Start
Revenues:			
Intergovernmental	$	$ 1,636,986	$ 25,742,897
Charges for services	127,092	933	
Investment earnings		36	
Total revenues	127,092	1,637,955	25,742,897
Expenditures:			
Current -			
General administration	65,292		
Early childhood education			19,918,561
Human services			
Employment and training		1,514,695	
Transportation and planning			
Economic development			
Capital outlay	53,472	346,105	4,564,794
Debt service -			
Principal retirement		108,153	63,721
Interest and fiscal charges		7,450	4,479
Total expenditures	118,764	1,976,403	24,551,555
Excess (deficiency) of revenues over expenditures	8,328	(338,448)	1,191,342
Other financing sources (uses):			
Transfer in	109,633		13
Transfer out		(30)	
Lease agreements		339,383	395,519
Total other financing sources (uses)	109,633	339,353	395,532
Changes in fund balances	117,961	905	1,586,874
Fund balances (deficits), beginning of year	1,755,560	(2,365)	(1,115)
Fund balances (deficits), end of year	$ 1,873,521	$ (1,460)	$ 1,585,759

The notes to the basic financial statements are an integral part of this statement.

Aging and Adult Administration	Non-Major Governmental Funds	Total Governmental Funds
$ 6,628,242	$ 4,610,114	$ 38,618,239
	217,358	345,383
		36
6,628,242	4,827,472	38,963,658
		65,292
		19,918,561
6,560,769	3,143,300	9,704,069
	49,658	1,564,353
	1,240,852	1,240,852
	159,844	159,844
212,158	10,649	5,187,178
14,591		186,465
2,533		14,462
6,790,051	4,604,303	38,041,076
(161,809)	223,169	922,582
	80,480	190,126
	(190,096)	(190,126)
161,809		896,711
161,809	(109,616)	896,711
	113,553	1,819,293
	(68,202)	1,683,878
$	$ 45,351	$ 3,503,171

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Changes in fund balances - total governmental funds		**$ 1,819,293**
Amounts reported for *governmental activities* in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capitalized assets	$ 4,458,255	
Less current year depreciation	(670,093)	3,788,162
Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.		(896,711)
Some intergovernmental revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(118,638)
Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		186,465
Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.		
Current year pension contributions	1,586,478	
Pension expense	(1,564,155)	22,323
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Loss on disposal of assets	(19,670)	
Compensated absences	(88,347)	(108,017)
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.		(200,610)
Changes in net position in governmental activities		**$ 4,492,267**

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Governmental Activities: Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	$ 4,452,479
Accounts receivable	363,912
Total current assets	4,816,391
Total assets	4,816,391
LIABILITIES	
Current liabilities:	
Claims payable	391,516
Due to other funds	52,023
Total current liabilities	443,539
Total liabilities	443,539
NET POSITION	
Unrestricted	4,372,852
Total net position	$ 4,372,852

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	$ 3,484,780
Total operating revenues	3,484,780
Operating expenses:	
Claims	2,948,841
Premiums	530,829
Administrative fees	207,073
Other	23,922
Total operating expenses	3,710,665
Operating income (loss)	(225,885)
Nonoperating revenues (expenses):	
Investment earnings	25,275
Total nonoperating revenues (expenses)	25,275
Changes in net position	(200,610)
Total net position, beginning of year	4,573,462
Total net position, end of year	$ 4,372,852

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

		Governmental Activities: Internal Service Funds
Increase/Decrease in Cash and Cash Equivalents		
Cash flows from operating activities:		
Cash received from contributions	$	3,573,425
Cash payments to suppliers for goods and services		(762,901)
Cash payments for claims		(2,754,591)
Net cash provided by/used for operating activities		55,933
Cash flows from investing activities:		
Purchase of investments		(1,508,926)
Investment income		25,275
Net cash provided by/used for investing activities		(1,483,651)
Net increase/decrease in cash and cash equivalents		(1,427,718)
Cash and cash equivalents, beginning of year		4,101,473
Cash and cash equivalents, end of year	$	2,673,755
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and investments	$	4,452,479
Less investments not maturing in less than three months		1,778,724
Total cash and cash equivalents	$	2,673,755
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities		
Operating income/loss	$	(225,885)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:		
Changes in assets and liabilities:		
Increase/decrease in accounts receivable		76,618
Increase/decrease in accounts payable		(1,077)
Increase/decrease in claims payable		194,250
Increase/decrease in due to other funds		12,027
Total adjustments		281,818
Net cash provided by/used for operating activities	$	55,933

The notes to the basic financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Northern Arizona Council of Governments (NACOG) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2023, NACOG implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. NACOG's analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

In addition, during the year NACOG consolidated individual reporting funds that were presented separately in the prior year financial statements. The consolidated funds include the Federal and State Grants Fund, Other Special Revenue Fund, and Other Capital Projects Fund.

The more significant of NACOG's accounting policies are described below.

A. Financial Reporting Entity

The Northern Arizona Council of Governments (NACOG), a non-stock, non-profit corporation, is a voluntary association of local governments and political bodies established by concurrent resolution of its member governments. Management of NACOG is independent of other state or local governments.

NACOG represents local governmental units in Apache, Coconino, Navajo, and Yavapai Counties, Arizona. NACOG aids local governments in planning and administering federal and state grants. In addition, NACOG assumes direct responsibility for the delivery of certain services.

The membership of NACOG's regional council consists of 42 members representing local government units in Apache, Coconino, Navajo and Yavapai Counties, Arizona. These local governments may receive a benefit from the activities of NACOG.

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about NACOG as a whole. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of NACOG. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. NACOG does not have any business-type activities or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. NACOG does not allocate indirect expenses to programs of functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Investment income and other items not included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, NACOG considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Note 1 – Summary of Significant Accounting Policies

Charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by NACOG before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

NACOG reports the following major governmental funds:

General Fund – The General Fund is NACOG's primary operating fund. It accounts for all financial resources of NACOG, except those required to be accounted for in another fund.

Workforce Development Fund – The Workforce Development Fund accounts for grants that provide worker training and placement in high growth and emerging industry sectors.

Head Start Fund – The Head Start Fund accounts for grants to provide comprehensive health, educational, nutritional, social and other developmental services primarily to economically disadvantaged pre-school children.

Aging and Adult Administration Fund – The Aging and Adult Administration Fund accounts for grants to assist older Americans to lead independent and meaningful lives.

Additionally, NACOG reports the following fund type:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to NACOG’s self-insurance program.

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

Note 1 – Summary of Significant Accounting Policies

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of NACOG's internal service fund are charges for health and welfare benefits. Operating expenses for internal service funds include the cost of goods and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgetary Basis of Accounting

NACOG does not adopt an annual appropriated budget, but instead adopts a budget for management purposes. This budget is subject to constant change based upon grants received by NACOG. The grant budgets have fiscal years that vary from NACOG's and may extend beyond one year. Consequently, no budgetary comparison schedules have been presented.

E. Cash and Investments

For purposes of the Statement of Cash Flows, NACOG considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end was cash in bank.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

F. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is separately disclosed in the governmental fund financial statements and is included in nonoperating revenues in the proprietary fund financial statements.

Note 1 – Summary of Significant Accounting Policies

G. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables are shown net of an allowance for uncollectibles.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include land, buildings and improvements; vehicles, furniture and equipment; and construction in progress are reported in the government-wide financial statements.

Capital assets are defined by NACOG as assets with an initial, individual cost in excess of $5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The line item capital outlay, as reported in the governmental fund financial statements, excludes some expenditures that are capitalized, while including others that are not, such as certain repairs and maintenance expenditures.

Note 1 – Summary of Significant Accounting Policies

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Buildings and improvements	5-25 years
Vehicles, furniture, and equipment	3-10 years
Intangible right to use assets	3-5 years

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

K. Compensated Absences

NACOG's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the special revenue funds are used to pay for compensated absences.

L. Leases

As lessee, NACOG recognizes lease liabilities with an initial, individual value of $________ or more. NACOG uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. NACOG's estimated incremental borrowing rate is based on describe how NACOG determined its estimated incremental borrowing rate.

Note 1 – Summary of Significant Accounting Policies

M. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position.

O. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

P. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements NACOG applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported of the financial statements and accompanying notes. Actual results may differ from those estimates.

R. Income Tax Status

NACOG is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, NACOG qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(v) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Note 2 – Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Regional Council. Those committed amounts cannot be used for any other purpose unless the Regional Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. NACOG does not have a formal policy or procedures for the utilization of committed fund balance. Accordingly, no committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by NACOG for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Regional Council or a management official delegated that authority by the formal Regional Council action. NACOG does not have a formal policy or procedures for the utilization of assigned fund balance. Accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Note 2 – Fund Balance Classifications

NACOG applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of NACOG's fund balance classifications at year end.

	General	Workforce Development	Head Start	Non-Major Governmental Funds
Fund Balances:				
Restricted:				
Early childhood education	$ 800	$	$ 1,585,759	$
Employment and training				9,890
Human services	6,700			
Weatherization				40,840
Unassigned	1,866,021	(1,460)		(5,379)
Total fund balances	$ 1,873,521	$ (1,460)	$ 1,585,759	$ 45,351

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances – At year end, the following individual major funds reported deficits in fund balance.

	Deficit
Major Funds:	
Workforce Development	$ (1,460)
Non-Major Funds:	
Community Services Assistance	(295)
CDBG	(5,083)
Water Pollution Prevention	(1)

The deficits arose because of operations during the prior and current year and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficits.

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure NACOG's deposits may not be returned to NACOG. NACOG does not have a deposit policy for custodial credit risk. At year end, the carrying amount of NACOG's deposits was $4,903,403 and the bank balance was $5,455,453. Additionally, NACOG had cash on hand of $1,000. At year end, $5,211,077 was covered by collateral held by the pledging financial institution but not in NACOG's name.

Fair Value Measurements. NACOG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

Valuation Techniques. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Real estate assets classified in Level 3 are valued by external appraisals and are generally obtained at least annually. The appraisals are performed using generally accepted valuation approaches by an independent appraiser.

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, NACOG's investments consisted of the following:

Investment Type	Category	Fair Value	Investment Maturities (in Years) Less than 1
Certificate of Deposit (CD)	Level 1	$ 1,778,724	$ 1,778,724

Interest Rate Risk. NACOG's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. NACOG's investment policy does not limit its investment choices.

Custodial Credit Risk – Investments. NACOG's investment in a certificate of deposit was covered by collateral held by the pledging financial institution, but not in NACOG's name.

Concentration of Credit Risk. NACOG's investment policy places no limit on the amount NACOG may invest in any one issuer.

Note 5 – Receivables

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for NACOG's individual major funds and non-major governmental funds in the aggregate were as follows:

	General	Workforce Development	Head Start	Aging and Adult Administration	Non-Governmental Funds	Total
Due from other governmental entities:						
Due from federal government	$	$ 479,974	$ 625,383	$	$	$1,105,357
Due from state government	713			1,389,177	1,066,318	2,456,208
Net due from governmental entities:	$ 713	$ 479,974	$ 625,383	$ 1,389,177	$ 1,066,318	$3,561,565

Note 6 – Capital Assets

A summary of capital asset activity for the current fiscal year follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 195,739	$	$	$ 195,739
Construction in progress	934,366	1,574,276	1,546,237	962,405
Total capital assets, not being depreciated	1,130,105	1,574,276	1,546,237	1,158,144
Capital assets, being depreciated:				
Buildings and improvements	2,764,062	1,851,289		4,615,351
Vehicles, furniture and equipment	3,577,473	1,681,856	159,768	5,099,561
Total capital assets being depreciated	6,341,535	3,533,145	159,768	9,714,912
Less accumulated depreciation for:				
Buildings and improvements	(1,831,760)	(81,799)		(1,913,559)
Vehicles, furniture and equipment	(2,043,577)	(383,620)	(140,098)	(2,287,099)
Total accumulated depreciation	(3,875,337)	(465,419)	(140,098)	(4,200,658)
Intangible right-to-use assets:				
Leased buildings and improvements		897,071		897,071
Less accumulated amortization		(204,674)		(204,674)
Total capital assets, being depreciated, net	2,466,198	3,760,123	19,670	6,206,651
Governmental activities capital assets, net	$ 3,596,303	$ 3,760,123	$ 19,670	$ 7,364,795

Note 6 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

General administration	$ 611
Early childhood education	513,229
Human services	42,723
Employment and training	113,530
Total depreciation expense – governmental activities	$ 670,093

Construction Commitments – At year end, NACOG had contractual commitments related to various capital projects for the construction of several modular classrooms. At year end, NACOG had spent $962,405 on the projects and had estimated remaining contractual commitments of $1.3 million. These projects are being funded with Head Start grant funds.

Note 7 – Revolving Line of Credit

NACOG has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of federal and state revenues. At year end, NACOG had $500,000 in unused line of credit.

Note 8 – Leases Payable

NACOG has acquired the usage of several buildings under the provisions of contracts classified as leases. The related obligations under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Workforce Development, Head Start, and Aging and Adult Administration Funds are used to pay the lease obligations. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

The net present value and future minimum lease payments at year end were as follows:

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2024	$ 259,327	$ 19,779
	2025	275,172	11,101
	2026	122,197	3,801
	2027	35,226	1,482
	2028	18,324	211
Total		$ 710,246	$ 36,374

Note 8 – Leases Payable

The right-to-use assets recorded under leases that meet NACOG's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Building improvements	$ 897,071
Less: Accumulated amortization	204,674
Total	$ 692,397

Lease Commitments – At year end, NACOG had contractual commitments related to leases for which the lease term had not yet commenced. At year end NACOG had made payments of $200,927 to the lessor and had remaining contractual commitments with the lessor of $746,620, including the lease liabilities that will be recognized at the commencement of the lease term.

Note 9 – Changes in Long-Term Liabilities

Long-term liability activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Net pension liability	$ 13,818,871	$ 3,273,759	$	$ 17,092,630	$
Leases payable		896,711	186,465	710,246	259,327
Compensated absences payable	361,746	465,342	376,995	450,093	265,000
Total governmental activities long-term liabilities	$ 14,180,617	$ 4,635,812	$ 563,460	$ 18,252,969	$ 524,327

Note 10 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds:

	General	Head Start	Non-Major Governmental Funds	Total Due to Other Funds
Workforce Development	$	$ 411,456	$	$ 411,456
Aging and Adult Administration		773,194		773,194
Internal Service Fund	52,023			52,023
Non-Major Governmental Funds	347,260	410,802	8,052	766,114
Total Due from Other Funds	$ 399,283	$ 1,595,452	$ 8,052	$ 2,002,787

Note 10 – Interfund Receivables, Payables, and Transfers

At year end, several funds had negative cash balances in NACOG's pooled cash account. Negative claims on pooled cash were reduced by interfund borrowing with the General Fund. Other borrowings were due to the timing of temporary interfund borrowing for cash flow needs. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in			
Transfers out	General Fund	Head Start	Non-Major Governmental Funds	Total
Workforce Development	$	$	$ 30	$ 30
Non-Major Governmental Funds	109,633	13	80,450	190,096
Total	$ 109,633	$ 13	$ 80,480	$ 190,126

Transfers between funds were used to eliminate deficit fund balances resulting from normal operations.

Note 11 – Contingent Liabilities

Compliance – NACOG participates as both a contractor and a subcontractor in several programs administered by federal and state agencies. Programs included in these financial statements may be subject to program compliance and/or financial monitoring by the granting agencies or representatives. Accordingly, the amount, if any, of expenditures/expenses which may be disallowed by the granting agencies cannot be determined at this time.

Note 12 – Risk Management

NACOG is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

NACOG was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, NACOG joined the Social Services Contractor Indemnity Pool (Pool). The Pool is a public entity risk pool currently operating as a common risk management and insurance program for social services contractors. NACOG pays an annual premium to the Pool for its general insurance coverage. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

Note 12 – Risk Management

NACOG established an Employee Benefit Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health claims. Under this program, the Fund provides coverage for up to a maximum of $100,000 for each claim. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended June 30, 2023	Year ended June 30, 2022
Unpaid claims, beginning of fiscal year	$ 197,266	$ 307,056
Incurred claims (including IBNRs)	2,948,841	2,383,223
Claims payments	(2,754,591)	(2,493,013)
Unpaid claims, end of year	$ 391,516	$ 197,266

NACOG carries commercial insurance for all other risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

Note 13 – Concentrations

Although NACOG administers multiple government grant programs, the Council depended on three contracts for approximately 88 percent of its total revenue. The three noted revenue sources are derived from the Head Start contract with the U.S. Department of Health and Human Services, the Community Services Assistance, and the Aging and Adult Administration contract with the Arizona Department of Economic Security. Decreases in funding or discontinuance of any or all of these contracts would severely impact the ability of NACOG to continue as presently constituted.

Note 14 – Pensions

Plan Description. NACOG employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to NACOG's financial statements.

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Note 14 – Pensions

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and NACOG was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. NACOG's contributions to the pension plan for the year ended June 30, 2023 were $1,586,478.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. NACOG was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

NACOG's pension plan contributions are paid by the same funds as the employee's salary, with the largest component coming from the Head Start Fund.

Pension Liability. The net pension liability was measured as of June 30, 2022. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. NACOG's proportion of the net liability was based on NACOG's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2022.

Note 14 – Pensions

At June 30, 2023, NACOG reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, NACOG's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

Net Liability	NACOG % Proportion	Increase (Decrease)
$ 17,092,630	0.105	0.000

Pension Expense and Deferred Outflows/Inflows of Resources. NACOG has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. NACOG's pension expense for the year ended June 30, 2023 was $1,564,155.

NACOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 145,639	$
Changes of assumptions or other inputs	848,340	
Net difference between projected and actual earnings on pension investments		450,236
Changes in proportion and differences between contributions and proportionate share of contributions	41,440	381,145
Contributions subsequent to the measurement date	1,586,478	
Total	$ 2,621,897	$ 831,381

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2024	$ 492,046
2025	(226,917)
2026	(781,716)
2027	720,625

Note 14 – Pensions

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

Note 14 – Pensions

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents NACOG's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	$ 25,219,667	$ 17,092,630	$ 10,315,951

Contributions payable. NACOG's accrued payroll and employee benefits included $____________ of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

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Required Supplementary Information

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
NACOG's proportion of the net pension (assets) liability	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
NACOG's proportionate share of the net pension (assets) liability	$ 17,092,630	$ 13,818,871	$ 19,275,753	$ 16,177,983	$ 15,370,416	$ 17,230,882	$ 17,958,482	$ 16,957,314	$ 16,214,734
NACOG's covered payroll	$ 12,321,690	$ 11,840,695	$ 12,173,476	$ 11,731,565	$ 10,954,477	$ 10,796,484	$ 10,440,018	$ 9,831,680	$ 9,872,103
NACOG's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.72%	116.71%	158.34%	137.90%	140.31%	159.60%	172.02%	172.48%	164.25%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 1,586,478	$ 1,479,835	$ 1,379,441	$ 1,393,863	$ 1,311,589	$ 1,194,038	$ 1,163,861	$ 1,132,742	$ 1,070,670
Contributions in relation to the actuarially determined contribution	1,586,478	1,479,835	1,379,441	1,393,863	1,311,589	1,194,038	1,163,861	1,132,742	1,070,670
Contribution deficiency (excess)	$	$	$	$	$	$	$	$	$
NACOG's covered payroll	$ 13,309,379	$ 12,321,690	$ 11,840,695	$ 12,173,476	$ 11,731,565	$ 10,954,477	$ 10,796,484	$ 10,440,018	$ 9,831,680
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

Note 1 – Pension Plan Schedules

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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Supplementary Information

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES AND EXPENDITURES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Workforce Development	Head Start
Revenues:			
Intergovernmental	120,285	1,636,986	25,742,897
Charges for services	6,807	933	
Investment earnings		36	
Total revenues	127,092	1,637,955	25,742,897
Expenditures:			
Salaries and wages	830,418	480,521	9,665,044
Employee-related expenses	296,047	174,014	4,858,314
Professional/outside services	86,984	99,980	310,395
Travel	19,792	3,363	369,846
Facility costs	102,567	134,003	1,501,240
Supplies and printing	66,139	32,274	1,303,584
Equipment	53,875	345,294	3,975,933
Operating services	98,355	6,922	477,833
Indirect cost pool assessments	(1,436,853)	49,088	1,089,252
Program services and supplies	1,440	650,944	1,000,114
Total expenditures	118,764	1,976,403	24,551,555
Excess (deficiency) of revenues over expenditures	8,328	(338,448)	1,191,342
In-kind contributions			

Aging and Adult Administration	Non-Major Governmental Funds	Total Governmental Funds
6,628,242	4,610,114	38,738,524
	217,358	225,098
		36
6,628,242	4,827,472	38,963,658
1,768,597	1,019,463	13,764,043
788,858	403,259	6,520,492
3,362,576	1,134,080	4,994,015
92,407	67,002	552,410
223,492	123,373	2,084,675
76,899	28,201	1,507,097
207,161	288,612	4,870,875
78,252	48,904	710,266
191,809	106,704	
	1,384,705	3,037,203
6,790,051	4,604,303	38,041,076
(161,809)	223,169	922,582
927,914	127,384	1,055,298

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Single Audit Section

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Regional Council
Northern Arizona Council of Governments

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Arizona Council of Governments, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Northern Arizona Council of Governments' basic financial statements, and have issued our report thereon dated **Report Date**. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements.*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northern Arizona Council of Governments' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northern Arizona Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Arizona Council of Governments' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Northern Arizona Council of Governments' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
Report Date

Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

To the Regional Council
Northern Arizona Council of Governments

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northern Arizona Council of Governments' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Northern Arizona Council of Governments' major federal programs for the year ended June 30, 2023. Northern Arizona Council of Governments' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northern Arizona Council of Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northern Arizona Council of Governments and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northern Arizona Council of Governments' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northern Arizona Council of Governments' federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northern Arizona Council of Governments' compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about Northern Arizona Council of Governments' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northern Arizona Council of Governments' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Northern Arizona Council of Governments' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Northern Arizona Council of Governments' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Arizona Council of Governments as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Northern Arizona Council of Governments' basic financial statements. We issued our report thereon dated **Report Date**, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
Report Date

Northern Arizona Council of Governments
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal/Pass-Through/Agency	AL Number	Federal Award Number	Expenditures and Transfers	Total Expenditures and Transfers	Subrecipient Expenditures
U.S. Department of Agriculture					
Passed through Arizona Department of Education:					
Child and Adult Care Food Program	10.558	03-26-02		499,211	
U.S. Department of Commerce					
Direct Program:					
Economic Development Support for Planning Organizations	11.302	N/A		75,000	
U.S. Department of Housing and Urban Development					
Passed through Arizona Department of Housing:					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	136-23	195,224		
Home Investment Partnerships Program	14.239	304-22	43,260		
Home Investment Partnerships Program	14.239	303-22	372,075		
Home Investment Partnerships Program	14.239	307-21	9,986		
Total Department of Housing and Urban Development				620,545	
U.S. Department of Labor					
Passed through Arizona Department of Economic Security:					
WIOA Cluster:					
WIOA Adult Program	17.258	DI21-002290	659,844		
WIOA Youth Activities	17.259	DI21-002290	446,331		
WIOA Dislocated Worker Formula Grants	17.278	DI21-002290	530,811		
Total WIOA Cluster			1,636,986		
Total Department of Labor				1,636,986	
U.S. Department of Transporation					
Passed through Arizona Department of Transportation:					
Highway Planning and Construction	20.205	GRT-21-0008162-T		501,050	
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GRT-21-0008162-T		141,824	
Formula Grants for Rural Areas and Tribal Transit Program	20.509	GRT-21-0008162-T		20,000	
Transit Service Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	GRT-22-0008876-T	119,391		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	GRT-19-0007473-T	5,808		
Total Transit Service Programs Cluster				125,199	
Total Department of Transporation				788,073	
Environmental Protection Agency					
Passed through Arizona Department of Environmental Quality					
Water Quality Management Planning	66.454	EV20-0003 & EV23-0010	39,551		
Brownsfields Multipurpose Assessment Revolving Loan Fund and Cleanup Cooperative Agreements	66.818	BF-99T91501-0	137,024		
Total Environmental Protection Agency				176,575	
U.S. Department of Energy					
Passed through Arizona Department of Housing:					
Weatherization Assistance for Low-Income Persons	81.042	216-22		173,540	
U.S. Department of Health and Human Services					
Passed through Arizona Department of Economic Security					
Special Programs for the Aging, Title VII, Chapter 3, Programs for the Prevention of Elder Abuse, Neglect and Exploitation	93.041	CTR048040		5,530	
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	CTR048040		37,040	
COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	CTR048040		17,850	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	CTR048040		47,517	
COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	CTR048040		25,736	
Aging Cluster:					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CTR048040	1,358,607		195,120
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CTR048040	342,532		
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CTR048040	1,115,785		833,494
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CTR048040	486,761		
Nutrition Services Incentive Program	93.053	CTR048040	183,651		171,297
Total Aging Cluster				3,487,336	
COVID-19 Special Programs for the Aging, Title iV, and Title II, Discretionary Projects	93.048	CTR048040		17,823	
National Family Caregiver Support, Title III, Part E	93.052	CTR048040		414,188	144,235
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	CTR048040		151,569	
Lifespan Respite Care Program	93.072	CTR048040		2,704	2,704
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	CTR048040		53,485	
477 Cluster:					
Temporary Assistance for Needy Families	93.558	CTR048040	159,223		4,489
Community Service Block Grant	93.569	CTR048040	278,152		28,107
Total 477 Cluster				437,375	
Low-Income Home Energy Assistance	93.568	CTR048028		617,039	45,450
COVID-19 Low-Income Home Energy Assistance	93.568	CTR048028		386,708	
CCDF Cluster:					
Child Care and Development Block Grant	93.575	P0028705401 - P0028705428	2,214,163		
Total CCDF Cluster				2,214,163	
Social Services Block Grant	93.667	CTR048040		1,237,871	698,178
Social Services Block Grant	93.667	CTR048028		53,036	
COVID-19 Elder Abuse Prevention Interventions Program	93.747	CTR048040		3,299	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	CTR048040		97,834	

Passed through Arizona Department of Housing:					
Low-Income Home Energy Assistance	93.568	216-22		434,982	
Direct Program:					
Head Start Cluster:					
Head Start	93.600	N/A	20,585,200		
COVID-19 Head Start	93.600	N/A	751,784		
Total Head Start Cluster				21,336,984	
Total U.S. Department of Health and Human Services				31,080,069	2,123,074
Total Expenditures of Federal Awards				$ 35,049,999	

See accompanying notes to schedule.

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Northern Arizona Council of Governments under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of NACOG, it is not intended to and does not present the financial position, changes in net position or cash flows of NACOG. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Indirect Cost Rate

The auditee did not use the de minimis indirect cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

Northern Arizona Council of Governments
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Programs or Clusters
93.568	Low-Income Home Energy Assistance
93.600	Head Start Cluster
93.575	CCDF Cluster
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: $1,051,500

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No

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NACOG
Northern Arizona
Council of Governments
Apache • Coconino • Navajo • Yavapai

Memorandum:

Date: February 8, 2024

To: Regional Council Executive Committee Members

From: Jennifer Brown, Head Start Director

Subject: Head Start and Early Head Start Grant Overview and Program Update

Work toward our upcoming annual grant application which is due at the Regional Office on March 1st is underway. In this proposal we have updated our Strategic long-term goals and objectives for you (See attachment). The goals and subsequent action steps planned for Year 5 have been incorporated within the Full Enrollment Initiative (FEI) plan (see attachment) with targeted data strategies and planned trends to be analyzed to support our team's integrated and qualitative attainment to reach and sustain our full workforce goals, our full enrollment goals, and our identified 2024-2025 Five Year Grant Plan Goals and Objectives.

During Year 5 of the NACOG EHS-HS Grant Cycle, the program will continue to assess children's progress towards school readiness goals on an ongoing basis utilizing the Learning Accomplishment Profile (LAP). LAP is a comprehensive, direct assessment, web-based tool that tracks individual child growth and progress toward school readiness across six domains. LAP allows child assessment data to be easily analyzed at all levels of the program.

Our systemwide commitment to the Pyramid Model provides a framework of collective problem-solving for child behavioral management and family support and for new-staff onboarding. In times of extreme or prolonged stress, comprehensive services provided by Balance Mental Health and Wellness helped our children, families, and staff to feel safe and supported. In Year 5 we have continued to budget for these staff wellness services. Our commitment remains strong to our workforce.

Responding to unprecedented workforce shortages, we have created strategies for a more comprehensive onboarding program. With the Pyramid Model approach firmly in place, the strategy for our new onboarding process follows a similar tiered pattern in building a framework of knowledge, security, confidence, and trust. The foundational tier includes three days of content that all Head Staff are required to know. The middle tier covers information relating to the Head Start/EHS center the employee will be serving, and the top tier provides training and coaching specific to each position. This also will continue to be enhanced in Year 5.

Finally, one additional hi-lite for things to continue in Year 5 is that of continuing with the tuition-free access to continuing education for our workforce as required by federal standards. We will continue to instill the program that allows for an increase in pay with each degree or certificate of completion. We will continue to build upon our active partnerships through high schools, community colleges and other community partners ensuring we build a pipeline for employment for students across the ages.

We look forward to presenting you a full grant narrative and budget overview at our upcoming meeting, in hopes of your support prior to submission March 1.

During fall-winter 2023, Head Start convened teams using the strategic long-term goals and objectives as well as the FA2 monitoring protocols to conduct the required annual Self-Assessment. Parent and staff surveys were created, disseminated, and analyzed along with a third-party vendor Data Capacity Assessment in 2023, which have been integrated into the self-assessment process as well. You will find an attachment labeled *2023-2024 EHS & HS Program Self-Assessment Report & Action Plan* for your review and discussion at our upcoming meeting.

Our Federal Review, the Focus Area 2(FA2) will be held the week of March 25, 2024! FA2 provides us with the opportunity to share our data collection. We will discuss and tell our stories of strong practices and successes. Our Self-Assessment, our grant application and the Goals and Objectives are all systems in which we can demonstrate our progress. We know that we still have work to be done, however the program is strong and this FA2 will be the time to tell our data story while focusing on continuous quality improvement as our approach for making many small changes with greater, improved outcomes.

For the final note, your Head Start Leadership team is continuing our commitment to enhancing our data capacity and literacy. We know that improving the use of data is hard and that leadership must support the process through building solid training structures, support systems, and resources. These are some of the reasons why we continue our learning journey with our partners at ACORN Evaluation, Inc. We are working to ensure we are providing vision, guidance, and support as our staff grow their data capacity. Our job is to ensure that you as stakeholders are receiving the data in a meaningful way with appropriate support to ensure that you have the knowledge you need to make good, educated decisions. Please let us know what you feel we may be lacking when it comes to this topic.

☐	**Information Only**
xx ☐	**Motion to Approve**

2023-2024 Early Head Start and Head Start
Program Self-Assessment Report & Action Plan-

Program Self-Assessment Methodology:	
During fall-winter 2023, Northern Arizona Council of Governments Early Head Start and Head Start (NACOG EHS-HS) convened program teams utilizing the NACOG EHS-HS Program Goals and Objectives, the Office of Head Start Monitoring Protocols Focus Area 2 tool to conduct the Annual Program Self-Assessment. The NACOG EHS-HS has also engaged in a comprehensive parent and staff survey data collection process. These combined data sources have been integrated within the action plans of the NACOG EHS-HS Annual Program Self-Assessment. The Program Self-Assessment was designed to integrate a point in time analysis using the Office of Head Start Monitoring Protocols-Focus Focus Area 2 tool combined with family and staff survey data to produce targeted questions about our program systems/ services related to the analysis of the 2023-2024 outcomes. The NACOG EHS-HS Program Self-Assessment continuous quality improvement process has been utilized to categorize, to determine recommendations and to create plans for the delivery of the recommended targeted areas for continuous quality improvement during Year 5 of the NACOG Five-Year Grant Plan.	
Program Self-Assessment Data Question-School Readiness: **How can we improve our school readiness conferences, what are those experiences like, are the goals aligning with children's needs?** **Recommendations for Continuous Quality Improvements and Action Planning:** **Compliance Focus: 1302.33**. (b) Assessment for individualization. (1) A program must conduct standardized and structured assessments, which may be observation-based or direct, for each child that provide ongoing information to evaluate the child's developmental level and progress in outcomes aligned to the goals described in the Head Start Early Learning Child Outcomes Framework: Ages Birth to Five. Such assessments must result in usable information for teachers, home visitors, and parents and be conducted with sufficient frequency to allow for individualization within the program year. **Self-Assessment Goal:** Continue the implementation of the Learning Accomplishments Profile (LAP) Ongoing Assessment tool as an instrument for the standardized ongoing assessment and qualitative individualization for enrolled NACOG EHS-HS children.	**Timeline:** **November 2023-May 2024**

Self-Assessment Action Plan: **1.** Develop the plan for the 2024-2025 LAP professional development scope and sequence for program staff utilizing 2023-2024 LAP implementation data and outcomes. **2.** Establish workgroups to design a plan for creating home to school connection innovations between the LAP and the NACOG EHS-HS Family Toolkit. **3.** Expand upon the NACOG EHS-HS "Glows and Grows" programmatic approach to individualization and lesson planning systems connecting innovations and best practices. **Project Team Lead:** Maegan Van Wyck	
Program Self-Assessment Data Question-ERSEA: **How can we improve our approach to the Selection process?** **Recommendation for Continuous Quality Improvements and Action Planning:** **Compliance Focus: 1302.14** 1) A program must annually establish selection criteria that weigh the prioritization of selection of participants, based on community needs identified in the community needs assessment as described in §1302.11(b), and including family income, whether the child is homeless, whether the child is in foster care, the child's age, whether the child is eligible for special education and related services, or early intervention services, as appropriate, as determined under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1400 et seq.) and, other relevant family or child risk factors. **Self-Assessment Goal:** Implement program strategies to expand access for the most eligible families to access NACOG EHS-HS enrollment opportunities. **Self-Assessment Action Plan Focus:** **1.** Convene a multi-disciplinary team to review 2023 ERSEA data and the current NACOG Selection Criteria to identify continuous improvements for the 2024-2025 NACOG EHS-HS Selection Criteria. **2.** Expand the use of current Community Assessment data to inform and prioritize criteria to engage children and families most in need of NACOG EHS-HS services. **3.** Analyze ChildPlus enrollment and waitlist data for trends to inform the continuous improvement outcomes related to program Selection Criteria. **Project Team Leads:** JoAnn Barela	**Timeline:** **December 2023-May 2024**

Program Self-Assessment Data Question-Workforce Development	Timeline:
How can we improve our outreach and recruitment for perspective employees? How do we improve our marketing to eligible workforce employees within NACOG EHS-HS communities? **Recommendations for Continuous Quality Improvements and Action Planning:** **Compliance Focus: 1302.101 Management Systems** a) *Implementation*. A program must implement a management system that: (1) Ensures a program, fiscal, and human resource management structure that provides effective management and oversight of all program areas and fiduciary responsibilities to enable delivery of high-quality services in all of the program services described in subparts C, D, E, F, G, and H of this part; (3) Ensures budget and staffing patterns that promote continuity of care for all children enrolled, allow sufficient time for staff to participate in appropriate training and professional development, and allow for provision of the full range of services described in subparts C, D, E, F, G, and H of this part;. **Self-Assessment Goal:** Implement innovative outreach, recruitment, and onboarding strategies to expand and sustain a quality NACOG EHS-HS workforce during the 2024-2025 program year. **Self-Assessment Action Plan Focus:** 1. Engage in marketing and outreach efforts to improve NACOG EHS-HS brand recognition and social media presence which results in engagement of new NACOG EHS-HS employees. 2. Pilot the integration of virtual professional development resources for new and continuing NACOG EHS-HS employees. 3. Collect and analyze the outcomes of orientation, onboarding, ongoing professional supports, and virtual professional development resources as measures of innovative workforce engagement and retention outcomes. **Project Team Leads: Piper Swenson and Jessica Miller**	**November 2023-May 2024**

Continuous Quality Improvement Measures for 2024-2025 Program Grant Planning:

The Annual NACOG EHS-HS Program Self-Assessment and Action Plan will be continued to be evaluated bi-monthly for the duration of the 2024 through the following program activities:

- NACOG EHS-HS-Comprehensive Monitoring activities,
- NACOG EHS-HS Policy Council and Executive Committee Ongoing Monitoring Reports,
- NACOG EHS-HS Data Parties and Continuous Quality Improvement efforts.

The outcome of the Self-Assessment benchmarks and areas of Self-Assessment action plans will be integrated into the next Five-Year NACOG EHS-HS Community Assessment, the NACOG Systems-Policies and Procedures, forms/ documentation systems, data systems and 5 Year Grant Plan Goals and Objectives to ensure program improvements that result in maximum impact for children, families, staff, and communities.

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Update Five-Year Grant Application
Year Five

Project Period: 6/1/24-5/31/2025

5 Year Grant Plan Goal Updates & Progress

- NACOG EHS-HS has successfully implemented the new HRIM: UKG & the new Child Plus data system.
- NACOG EHS-HS has successfully transitioned to the Learning Assessment Profile LAP system which is resulting in improved child learning outcome data for teachers, home visitors and families. The LAP data is providing real time school readiness data.
- NACOG EHS-HS has made progress in workforce and outreach efforts. During the 2024-2025 program year, Grant Plan Goal efforts will focus on an expanded workforce engagement, retention and ongoing professional talent management efforts.

Funded Enrollment & Service Areas

Program	Head Start	Early Head Start
Federal Funded Enrollment	599	377

976

Coconino, Navajo, Apache and Yavapai Counties

Budget

Funding Type	Head Start	Early Head Start
Program Operations	$11,549,616	$8,823,622
Training and Technical Assistance	$83,589	$159,820
Total Funding		**$20,616,647**

NACOG HEAD START / EARLY HEAD START
PROPOSED YEAR 5 BUDGET
Fiscal Year: JUNE 2024 - MAY 2025

	NACOG Head Start & Early Head Start: 976 funded slots	GRANT FUND Allocations:	$20,616,647	$11,633,205	$8,983,442
	Federal Budget Category Expense Line Items	FY24 Current Year 6/1/2023 - 5/31/2024	PROPOSED Grant Budget 6/1/2024 - 5/31/2025	HEAD START Preschool Fund	EARLY HS Infant & Toddlers Fund
1.	**Personnel:**	$ 11,065,658	$ 10,372,072	$ 5,674,910	$ 4,697,162
2.	**Fringe Benefits:**	$ 5,432,553	$ 5,133,331	$ 2,806,141	$ 2,327,190
3.	**Out-of-State Training Travel:**	$ 18,132	$ 49,812	$ 29,887	$ 19,925
4.	**Equipment (> $5,000 per unit cost):**	$ 226,900	$ 324,600	$ 165,900	$ 158,700
5.	**Supplies:** *- Office, Educational, Diapers/Wipes, Medical, Kitchen, Janitorial, Operations & Maint, Playground*	$ 535,474	$ 567,021	$ 375,351	$ 191,670
6.	**Contractual:** *Medical, Dental, Mental Health, Special Needs, Nutritionists & Dieticians Contracted Services*	$ 50,397	$ 104,300	$ 78,861	$ 25,439
7.	**Other:**				
a.	*- Facilities (Rent, Utilities, Insurance, Maint. & Repairs, License)*	*$ 894,789*	*$ 1,304,233*	*$ 889,987*	*$ 414,246*
b.	*- Local Travel & Transportation*	*$ 233,952*	*$ 392,763*	*$ 233,692*	*$ 159,071*
c.	*- Parent Activities (Policy Council & Local Parent Activities)*	*$ 21,060*	*$ 21,250*	*$ 12,450*	*$ 8,800*
d.	*- Food Services- (net of Child Nutrition Program-CACFP funds)*	*$ 272,471*	*$ 290,896*	*$ 192,870*	*$ 98,026*
e.	*- Training & Staff Development*	*$ 351,731*	*$ 443,984*	*$ 233,720*	*$ 210,264*
f.	*- Professional & Outside Services (Legal, Consultants)*	*$ 15,550*	*$ 58,885*	*$ 52,338*	*$ 6,547*
g.	*- Other (Publishing, Printing, Advertising & Recruitment, Membership Dues & Software Subscriptions,)*	*$ 260,614*	*$ 390,595*	*$ 251,019*	*$ 139,576*
7a-g	**Total Other:**	$ 2,050,167	$ 2,902,606	$ 1,866,076	$ 1,036,530
8.	**Indirect Cost Rate Agreement Expense:**	$ 1,237,366	$ 1,162,905	$ 636,079	$ 526,826
	TOTAL HS/EHS GRANT APPLICATION:	$ 20,616,647	$ 20,616,647	$ 11,633,205	$ 8,983,442
9	**Non-Federal Share (In-Kind 25% Match)**	$ 4,806,294	$ 5,154,162	$ 2,908,301	$ 2,245,861

Grant #09CH011520-05
Program Year #5 of 5
5th Year Application

NACOG HEAD START / EARLY HEAD START
PROPOSED YEAR 5 BUDGET
Fiscal Year: JUNE 2024 - MAY 2025

HEAD START Preschool Fund: 599 Enrollment slots		**HS FUNDING Allocation:**	**$11,633,205**
	Federal Budget Category Expense Line Items	**FY24 Current Year 6/1/2023 - 5/31/2024**	**PROPOSED HS Fund Budget 6/1/2024 - 5/31/2025**
1.	**Personnel:**	$ 6,062,757	**$ 5,674,910**
2.	**Fringe Benefits:**	$ 2,959,795	**$ 2,806,141**
3.	**Out-of-State Travel:**	$ 11,242	**$ 29,887**
4.	**Equipment (> $5,000 per unit cost):**	$ 165,800	**$ 165,900**
5.	**Supplies:**		
	- Office, Educational, Medical, Kitchen, Janitorial & Maint	$ 351,748	**$ 375,351**
6.	**Contractual:** *Medical, Dental, Mental Health, Special Needs, Nutritionists & Dieticians Contracted Services*	$ 32,823	**$ 78,861**
7.	**Other:**		
a.	*- Facilities (Rent, Utilities, Insurance, Maint. & Repairs, Licensing)*	***$ 669,432***	*$ 889,987*
b.	*- Travel & Transportation*	***$ 149,808***	*$ 233,692*
c.	*- Parent Activities (Policy Council & Local Parent Activities)*	***$ 12,955***	*$ 12,450*
d.	*- Food Services-Net Cost (Child Nutrition Program-CACFP funds)*	***$ 182,969***	*$ 192,870*
e.	*- Employee (Training & Licensing)*	***$ 179,171***	*$ 233,720*
f.	*- Professional & Outside Services (Legal, Consultants)*	***$ 12,637***	*$ 52,338*
g.	*- Other (Publishing, Ads & Recruitment, Dues & Subscriptions)*	***$ 165,376***	*$ 251,019*
7a-g.	**Total Other:**	$ 1,372,348	**$ 1,866,076**
8.	**Indirect Cost Rate Agreement Expense:**	$ 676,692	**$ 636,079**
TOTAL Head Start (3-5 yr olds) Fund:		$ 11,633,205	**$ 11,633,205**
9.	**Non-Federal Share (In-Kind 25% Match)**	$ 2,908,301	**$ 2,908,301**

NACOG HEAD START / EARLY HEAD START
PROPOSED YEAR 5 BUDGET
Fiscal Year: JUNE 2024 - MAY 2025

	EARLY HEAD START Fund: 377 Enrollment slots	EHS FUNDING Allocation:	$8,983,442
	Federal Budget Category Expense Line Items	**FY24 Current Year 6/1/2023 - 5/31/2024**	**PROPOSED EHS Fund Budget 6/1/2024 - 5/31/2025**
1.	**Personnel:**	$ 5,002,901	$ 4,697,162
2.	**Fringe Benefits:**	$ 2,472,758	$ 2,327,190
3.	**Out-of-State Travel:**	$ 6,890	$ 19,925
4.	**Equipment (> $5,000 per unit cost):**	$ 61,100	$ 158,700
5.	**Supplies:**		
	- Office, Educational, Medical, Kitchen & Janitorial	$ 183,726	$ 191,670
6.	**Contractual:** *Medical, Dental, Mental Health, Special Needs, Nutritionists & Dieticians Contracted Services*	$ 17,574	$ 25,439
7.	**Other:**		
a.	*- Facilities (Rent, Utilities, Insurance, Maint. & Repairs, Licensing)*	*$ 225,357*	*$ 414,246*
b.	*- Travel & Transportation*	*$ 84,144*	*$ 159,071*
c.	*- Parent Activities (Policy Council & Local Parent Activities)*	*$ 8,105*	*$ 8,800*
d.	*- Food Services-Net Cost (Child Nutrition Program-CACFP funds)*	*$ 89,502*	*$ 98,026*
e.	*- Employee (Training & Licensing)*	*$ 172,560*	*$ 210,264*
f.	*- Professional & Outside Services (Legal, Consultants)*	*$ 2,913*	*$ 6,547*
g.	*- Other (Publishing, Ads & Recruitment, Dues & Subscriptions)*	*$ 95,238*	*$ 139,576*
7a-g.	**Total Other:**	$ 677,819	$ 1,036,530
8.	**Indirect Cost Rate Agreement Expense:**	$ 560,674	$ 526,826
	TOTAL Early Head Start (0-3 yr olds) Fund:	$ 8,983,442	$ 8,983,442
9.	**Non-Federal Share (In-Kind 25% Match)**	$ 2,245,861	$ 2,245,861

Regional Council

Notice of Meeting and Agenda
Pursuant to ARS §38.431.01

DATE: February 22, 2023
TIME: 10:00 a.m. - NACOG Regional Council
LOCATION: Zoom Teleconference
https://us02web.zoom.us/j/85883717913?pwd=OVJVV3RCRVM0cHM0cHdDL28zcTV4dz09

Meeting ID: 858 8371 7913
Passcode: 911644

Dial by your location
+1 669 444 9171 US

I. Call to Order & Introductions

II. Acknowledgment of Title VI Policy

NACOG hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 and other related authorities in all of its programs and activities. NACOG's Title VI and ADA programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity

III. Pledge of Allegiance

IV. Consent Agenda *(All items on the Consent Agenda are considered to be routine and will be approved by a single vote. A Regional Council member or the Executive Director may request that an item be removed from the Consent Agenda and considered separately.)*

A. Approve October 26, 2023 Regional Council Meeting Minutes
B. Approve EDC Membership Considerations
C. Approve TPAC Membership Considerations
D. Adopt Resolution 01-24 Delegation of Signature Authority to the Executive Director
E. Approve SFY2025 Social Services Block Grant (SSBG) Funding and Service Intents

V. Economic Development Council (EDC) Report

A. Program Update
B. Approve 2024 Goals and Priorities List

VI. Audit Committee Report

A. Approve FY23 Agencywide Audit

VII. Transportation Policy Advisory Committee (TPAC) Report

A. Program Update
B. Approve 2023 Regional Transportation Safety Plan
C. Review Regional Planning Assessment Proposal
D. Approve Resolution 02-24 Approving an Application for Grant Funds to Administer Regional Mobility Management Services in Rural Areas of Apache, Coconino, Navajo, and Yavapai Counties
E. RTAC Legislative Update

VIII. Head Start Parent Policy Committee (HSPPC) Report

A. Review Year 04 Self-Assessment Action Plan
B. Approve Year 05 Grant and Budget Application

IX. Advisory Council on Aging (ACOA) Report

A. Program Update

X. Executive Director's Report

XI. Elect FY24 Regional Council Apache County and Navajo County Private Sector Members

XII. Reports from Regional Council Members

XIII. Call to the Public *(Members of the public may speak on any item not listed on the agenda. Items presented during the Call to the Public portion of the Agenda cannot be acted on by the Regional Council. Individual Regional Council members may ask questions of the public, but are prohibited by the Open Meeting Law from discussing or considering the item among themselves until the item is officially placed on the agenda. Individuals are limited to a two-minute presentation. For the sake of efficiency, the Chair may eliminate the Call to the Public portion of any agenda.)*

XIV. Adjourn

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Northern Arizona Council of Governments
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Chris Fetzer
Executive Director

NACOG Nondiscrimination/Title VI Notice to the Public

PUBLIC NOTICE

Northern Arizona Council of Governments (NACOG) hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 (ADA), and other related authorities in all of its programs and activities. NACOG's Title VI and ADA Programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. NACOG meetings are held in accessible locations, and materials are provided in accessible formats or in languages other than English upon request with a reasonable advance notice period.

Any person who believes they have been discriminated against by NACOG, or any of its sub- recipients or contractors, may file a written complaint with NACOG and/or the ADOT Civil Rights Office. If the complaint is filed against NACOG, the NACOG Title VI Coordinator is required to forward the complaint to the ADOT Civil Rights Office within 72 hours of receipt of complaint.

If you have difficulty understanding English, you may request language assistance services for Department information that is available to the public. These language assistance services are available free of charge. If you need more information about interpretation or translation services, please contact Tod Morris (NACOG Title VI Coordinator) at 928-213-5236 or email at: tmorris@nacog.org

Or write to:
ATTN: Tod Morris, NACOG Title VI Coordinator
NACOG
323 N. San Francisco Street, Suite A
Flagstaff, AZ 86001

EL AVISO PUBLICO

El Consejo de Gobiernos del Norte de Arizona (NACOG) por este medio notifica públicamente que es política de la Agencia asegurar el cumplimiento total del Título VI de la Ley de Derechos Civiles de 1964, el Título II de la Ley de Estadounidenses con Discapacidades de 1990 (ADA) y otros relacionados autoridades en todos sus programas y actividades. Los Programas Título VI y ADA de NACOG requieren que ninguna persona, por motivos de raza, color, origen nacional o discapacidad, sea excluida de participar, se le nieguen los beneficios o se la discrimine bajo cualquier programa o actividad. Las reuniones de NACOG se llevan a cabo en lugares accesibles, y los materiales se proporcionan en formatos accesibles o en idiomas que no sean inglés, previa solicitud, con un período de aviso previo razonable.

Cualquier persona que crea que ha sido discriminada por NACOG, o cualquiera de sus subreceptores o contratistas, puede presentar una queja por escrito ante NACOG y / o la Oficina de Derechos Civiles de ADOT. Si la queja se presenta contra NACOG, el Coordinador del Título VI de NACOG debe enviar la queja a la Oficina de Derechos Civiles de ADOT dentro de las 72 horas posteriores a la recepción de la queja.

Si tiene dificultades para entender el inglés, puede solicitar servicios de asistencia con el idioma para obtener información del Departamento que está disponible al público. Estos servicios de asistencia lingüística están disponibles de forma gratuita. Si necesita más información sobre los servicios de interpretación o traducción, comuníquese con Tod Morris (Coordinador del Título VI de NACOG) al 928-213-5236 o envíe un correo electrónico a: tmorris@nacog.org

O escribe a:
ATTN: Tod Morris, NACOG Title VI Coordinator
NACOG
323 N. San Francisco Street, Suite A
Flagstaff, AZ 86001

NACOG Title VI Chief Officer	NACOG Title VI Coordinator
NACOG Executive Director 119 East Aspen Avenue Flagstaff, AZ 86001 928-774-1895 FAX: 928-773-1135	NACOG Mobility Management Planner 323 N. San Francisco Street, Suite A Flagstaff, AZ 86001 928-213-5236 tmorris@nacog.org

Regional Council
Executive Committee Members
2024

Chair:	Alton Shepherd	Supervisor Apache County
Vice Chair:	Bill Diak Page	Mayor Coconino County
Secretary/Treasurer:	Vacant	
Members-At-Large:	Daryl Seymore	Supervisor Navajo County
	Debbie Hunseder Clarkdale	Vice Mayor Yavapai County
	Brady Harris	Private Sector Coconino County
Immediate Past Chair:	John Leech, Jr. Show Low	Mayor Navajo County

Regional Council Members
February 2024

Councilor	Jackie Baker	Town of Camp Verde
Vice Mayor	Alex Barber	Town of Jerome
Vice Mayor	Jason Brubaker	Town of Taylor
Mayor	Roberta Cano	City of Winslow
Supervisor	Nelson Davis	Apache County
Ms.	Janet Dean	Private Sector, Coconino County
Mayor	Don Dent	City of Williams
Mayor	Bill Diak	City of Page
Supervisor	Lena Fowler	Coconino County
Councilor	Brian Fultz	City of Sedona
Councilor	Ted Gambogi	City of Prescott
Mr.	Randy Garrison	Private Sector, Yavapai County
Supervisor	James Gregory	Yavapai County
Mr.	Brady Harris	Private Sector, Coconino County
Councilor	April Hepperle	Town of Prescott Valley
Vice Mayor	Debbie Hunseder	Town of Clarkdale
Mayor	Stephanie Irwin	Town of Pinetop-Lakeside
Councilor	Helaine Kurot	City of Cottonwood
Mayor	John Leech, Jr.	City of Show Low
Mayor	Jack Miller	Town of Chino Valley
Councilor	Mike Nilsson	City of Holbrook
Councilor	Terry Nolan	Town of Dewey-Humboldt
Supervisor	Harry Oberg	Yavapai County
Mr.	Bill Regner	Private Sector, Yavapai County
Mayor	Shelly Reidhead	Town of Springerville
Mayor	Christy Riddle	Town of Fredonia
Ms.	Athyna Rock	HSPPC Chairperson
Supervisor	Daryl Seymore	Navajo County
Supervisor	Alton Joe Shepherd	Apache County
Councilor	Miranda Sweet	City of Flagstaff
Vice Mayor	Marsha Tucker	Town of Eagar
Mayor	Spence Udall	City of St. Johns
Mayor	Clarinda Vail	Town of Tusayan
Supervisor	Jeronimo Vasquez	Coconino County
Mr.	Scott Waddle	Private Sector, Navajo County
Supervisor	Dawnafe Whitesinger	Navajo County

NACOG
Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

Regional Council Meeting

October 26, 2023

High Country Conference Center – Flagstaff, AZ

MEMBER NAME	ENTITY	PRESENT	ABSENT	# Mtgs Attended 2023
Jackie Baker	Town of Camp Verde		X	5
Alex Barber	Town of Jerome		X	0
Jason Brubaker	Town of Taylor	X		3
Roberta Cano*	City of Winslow	X		2
Nelson Davis	Apache County		X	2
Janet Dean	Private Sector, Coconino County	X		5
Don Dent	City of Williams	X		4
Bill Diak	City of Page		X	3
Lena Fowler*	Coconino County	X		3
Brian Fultz*	City of Sedona	X		5
Brady Harris	Private Sector, Coconino County	X		3
April Hepperle	Town of Prescott Valley		X	3
Loretta Holdsworth	Head Start Parent Policy Council		X	1
Debbie Hunseder	Town of Clarkdale	X		4
Stephanie Irwin	Town of Pinetop-Lakeside	X		5
Helaine Kurot	City of Cottonwood		X	1
John Leech, Jr.*	City of Show Low	X		5
Mary Mallory*	Yavapai County	X		4
Donna Michaels	Yavapai County		X	0
Jack Miller*	Town of Chino Valley	X		3
Brandon Montoya	City of Prescott		X	1
Mike Nilsson*	City of Holbrook	X		5
Terry Nolan	Town of Dewey-Humboldt		X	2
Bill Regner	Private Sector, Yavapai County	X		2
Shelly Reidhead	Town of Springerville		X	0
Christy Riddle*	Town of Fredonia	X		2
Daryl Seymore*	Navajo County	X		5
Alton Joe Shepherd	Apache County	X		4
Miranda Sweet	City of Flagstaff	X		4
Marsha Tucker	Town of Eagar		X	0
Spence Udall	City of St. Johns		X	0
Clarinda Vail*	Town of Tusayan	X		4
Jeronimo Vasquez	Coconino County		X	3
Scott Waddle	Private Sector, Navajo County		X	0
Dawnafe Whitesinger*	Navajo County	X		1
Vacant	Town of Snowflake			
Vacant	Private Sector, Apache County			
Vacant	Private Sector Apache County			
Vacant	Private Sector, Navajo County			
Vacant	Private Sector, Yavapai County			

STAFF NAME
Chris Fetzer
Jennifer Brown*
Gayle Benton*
Allison Priest
Tod Morris
Rob Gallegos
Brandon Baxter
Leah Cickavage
Teri Drew
Jennifer O'Connor
Maria Garcia*
Cindy Binkley

GUEST NAME	REPRESENTING
Cynthia Gentle *	Yavapai County
Jeff Eisenberg*	
Judy Sulltrop*	Senator Mark Kelly
Cindy Blackmore*	Chino Valley
Linda Prado	Senator Kyrsten Sinema
Rochelle Lacapa	Navajo County
Keith Brekhus*	Coconino County
Katie Gregory*	City of Prescott
Anthony Mancini	AZ Complete Health
Christopher Vinyard*	AZ Complete Health

PROXY/ALTERNATE	REPRESENTING
Wendy Escoffier*	Jackie Baker
Jack Dillenberg*	Alex Barber

** Denotes member/staff/guest that participated in the meeting remotely by electronic means.*

I. Call to Order & Introductions

Chairman Alton Shepherd called the meeting to order at 10:05 A.M. A quorum was present.

Self-introductions were made by the in-person attendees. Staff performed roll call of the remote meeting participants. Chairman Shepherd welcomed the members of the Regional Council, staff and guests.

II. Acknowledgment of Title VI Policy

NACOG hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 and other related authorities in all of its programs and activities. NACOG's Title VI and ADA programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity.

More information on Title VI is included in the agenda packet.

III. Pledge of Allegiance

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

IV. Consent Agenda

Chairman Shepherd 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 August 24, 2023 Regional Council Meeting Minutes**
- **B. Approve EDC Membership Considerations**

Debbie Hunseder moved to approve the Consent Agenda, seconded by Stephanie Irwin. Motion passed unanimously.

V. Executive Director's Report

NACOG will participate in a joint Legislative Day event with Central Arizona Governments (CAG). It will take place in late January/early February. Discussion priorities are being developed by the Executive Committee and CAG. More information will be provided to Regional Council members once a date has been set.

There is currently the potential for a shutdown of the federal government. In the event this does occur, NACOG programs will not be directly impacted. Operations will continue. If a long-term shutdown occurs, it could be concerning if it affects the ability of the State of Arizona to issue reimbursements.

A. Approve Amended NACOG Regional Council Bylaws

Chris Fetzer provided a summary of the revisions being proposed for the Regional Council Bylaws.

- Article III, Section 1
  - Added a specific definition for the eligibility of private sector representatives
  - Updated committee reference from NACDAB to Policy Council to reflect the committee's name change

- Article IV, Section 1
  - Added “electronic platforms” or hybrid means for conducting meetings
  - Added “calendar” for clarification
- Article IV, Section 3
  - Added “electronic platform”
- Article VI
  - Added clarification “per the Executive Director Succession Process”

Brady Harris moved to approve the amended NACOG Regional Council Bylaws as presented, seconded by Miranda Sweet. Motion passed unanimously.

VI. Transportation Policy Advisory Committee (TPAC) Report

A. Program Update

At the August Regional Council meeting, Greenlight Traffic Engineering presented an update on the Regional Transportation Safety Plan (RTSP), which included a summary of northern Arizona’s crash data, public outreach efforts, and the identified safety emphasis areas. NACOG’s planning team has worked with member agencies to refine the priority project selections and are currently awaiting feedback from a few final members to ensure the list of projects provided in the plan reflects safety priorities at all levels. The NACOG planning team is also working on assembling ArcGIS story maps for each jurisdiction, condensing the RTSP planning process into a concise, locally oriented online document.

The Rural Transportation Summit was held last week in Yuma. There was good participation from the NACOG region. The Summit was attended by local elected officials; state legislators; and staff from FHWA, ADOT, and local agencies. Presentations were made on the funding shortfall for transportation infrastructure in Arizona, grant opportunities, and local project needs. The 2024 Summit will be held in Prescott.

B. Approve FY24-29 Transportation Investment Plan (TIP) Fromal Amendment #1

Formal NACOG Transportation Investment Plan (TIP) Amendment #1 implements the following changes:

- Move Yavapai County’s FY24 TIP project to FY25
- Program Concho Highway Pavement Rehabilitation as Navajo County’s FY24 TIP project

These changes will result in two projects being funded through NACOG’s Surface Transportation Block Grant (STBG) funding during FY24: Navajo County, Concho Highway Pavement Rehabilitation; and Town of Clarkdale, Phase 2 Broadway.

Miranda Sweet moved to approve the FY24-29 Transportation Investment Plan Formal Amendment #1 as presented, seconded by Janet Dean. Motion passed unanimously.

C. Approve Revised 2023 Regional Priority Projects List

Due to uncertainties with programming and commitment, ADOT's Northeast District Office has requested the removal of their two projects from the 2023 Regional Priority Projects List. To replace those projects on the list, NACOG staff made the following changes:

- Add Ganado School Bus Loop project, which received a $1 million appropriation in FY23, but now needs an additional $2.1 million to complete.
- Add $661,468 to the Hopi Tribe's Kachina Point Road project.
- Add $1.5 million to NACOG's Rural School Bus Route Study to expand the scope of data collection for local agencies.
- Add $1.75 million to the City of Williams' Rodeo Road project for inclusion of a roundabout.
- Add $502,680 to the City of Show Low's East Woolford Road Extension project for inclusion of a turn lane on Penrod Road.

Bill Regner moved to approve the revised 2023 Regional Priority Projects List as presented, seconded by Daryl Seymore. Motion passed unanimously.

D. Adopt Regional Transportation Safety Plan Proclamation

The purpose of the Regional Transportation Safety Plan Proclamation is to show regional elected official support for increasing safety across NACOG's 4-county region. In order to get federal funding for safety projects, sponsors need to demonstrate a commitment among our elected leaders to improve safety.

At the August meeting, Regional Council members asked that "impaired driving" be added to the list of emphasis areas for the RTSP. This emphasis area was also added to the draft Rural Road Safety Proclamation. The proclamation also commits the NACOG region to working toward zero deaths on roadways by the year 2048 and identifies actions that local jurisdictions can take to work toward meeting that goal.

Jason Brubaker moved to adopt the Regional Transportation Safety Plan Proclamation as presented, seconded by Bill Regner. Motion passed unanimously.

VII. Advisory Council on Aging (ACOA) Report

A. Program Update

NACOG Aging has extended employment offers to fill the two open Care Coordinator positions in Prescott. These positions have been vacant for almost two years.

B. Approve NACOG Aging FY23 Carryover Request

NACOG Aging received its FY23 Closeout Report on 9/13. Staff completed and submitted its budget carryover request on 9/22. It was approved by the Arizona Department of Economic Security Division of Aging and Adult Services on 10/5.

NACOG AAA's FY23 budget carryover request includes the following:

- $121,970 for Title III/Title VII
- $40,810 for Title IIIE

NACOG will use the carryover funds to eliminate or significantly reduce the Home and Community Based Services waitlist. Staff looks to add $80,000 to home delivered meals to balance over-authorizations.

Jason Brubaker moved to approve the NACOG Aging FY23 carryover request as presented, seconded by Debbie Hunseder. Motion passed unanimously.

C. Approve NACOG Budget Alert FY24 3C

NACOG Aging is in receipt of a State of Arizona budget alerts for housing, released on August 10. This budget alert provides additional funding to the NACOG AAA in the amount of $447,131. This funding will be budgeted as follows:

- $312,992 to services
- $89,426 to NACOG Community Services to operate the program
- $44,713 to NACOG AAA for administration

Janet Dean moved to approve the NACOG budget alert FY24 3C as presented, seconded by Stephanie Irwin. Motion passed unanimously.

D. Approve NACOG Budget Alert FY24 3D

NACOG Aging is in receipt of a State of Arizona budget alerts for Home and Community Based Services (HCBS) released on August 15. This budget alert provides additional funding to the NACOG AAA in the amount of $447,137. This funding will be budgeted as follows:

- $320,423 to Attendant Care services
- $82,000 to Housekeeping services
- $44,714 to NACOG AAA for administration

These funds will primarily be used to address the wait list for NACOG Aging services.

Stephanie Irwin moved to approve the NACOG budget alert FY24 3D as presented, seconded by Brady Harris. Motion passed unanimously.

VIII. Economic Development Council (EDC) Report

A. Program Update

Teri Drew announced that Lora Lee Nye, longtime representative from the Town of Prescott Valley has resigned from the Economic Development Council.

The Goals and Priorities List is sent out to all member communities annually. This document is a requirement of NACOG's Economic Development Administration (EDA) funding. The Goals and Priorities is a list of projects in the region that are ready for EDA funding. The list aligns not only with EDA priorities, but also with the region's Comprehensive Economic Development Strategy Goals and Priorities. Projects must be included on the Goals and Priorities list in order to be eligible for EDA funding. The call for projects to be added to the 2024 list will be sent to NACOG's member communities in January. Staff expects to have the 2024 Goals and Priorities List to present to the Regional Council in February.

The Comprehensive Economic Development Strategy (CEDS) is the main priority for the Economic Development Council. This planning document is updated every five years. The EDC will appoint a CEDS committee to spearhead the project, which will take approximately one year. The committee will identify state/regional partners, secure sponsor funds, and hire a consultant to draft the plan. Staff expects to have submit the final plan to the EDA in February 2025.

The EDC Tourism Committee will host a Lunch and Learn presentation on January 24. The event speaker will be the 928 Law Firm, who will present on Small Business Reporting Changes and Impacts.

The EDC Tourism Form will be held July 17-18, 2024 in the Town of Camp Verde.

Broadband is a major focus for economic development in the NACOG region. Contracts have been received, and the region's communities are working with the National Forests and the Bureau of Land Management to get easements to enable the broadband projects to move forward.

Real-time labor market data is helpful for communities, as it provides up-to-date information about the current state of the job market. This data is usually collected through various sources, such as job boards, employer websites, government databases, and other online platforms.

Leah Cickavage presented a snapshot of labor market data for each county in the NACOG region. The data presented today is from the Arizona Office of Economic Opportunity (OEO).

Labor market data is an essential tool for staying informed about the ever-changing job market, making informed decisions, and improving efficiency and effectiveness of workforce and economic development. It is also helpful during planning processes to identify occupational data, workforce landscape, economic health, and market fluctuations. Staff will continue to keep the Regional Council informed about workforce trends.

IX. Head Start/Early Head Start Parent Policy Committee (HSPPC) Report

A. Program Update

The Head Start community is in support of the following legislation:

- HR 656-Head Start for Our Future Act – says we can add child development and early learning to the list of community services in which graduate and undergraduate students may participate as part of a federal work-study program.
- HR 4541- RISE from Trauma Act – this act increases funding for community-based efforts to prevent and heal the impact of trauma and expand the trauma-informed workforce in school, health, social service, and judicial settings.
- S 2832- A bill to amend the Head Start Act to permit some teachers in Early Head Start programs to teach while earning a child development associate credential. During the current workforce shortage, allowing program flexibility is critical. As the act currently reads, NACOG is unable to extend employment opportunities to some interested parties.

The National Head Start Association currently provides a data literacy certification program. The program is 3.5 CEUs for staff. The course takes 10 weeks to complete. The NACOG Head Start/Early Head Start leadership team is participating in the program.

NACOG Head Start/Early Head Start has received notification that it will be subject to its federal Classroom Assessment Scoring System (CLASS) review during the week of November 27. The CLASS is an in-person review. Monitors will visit NACOG's Head Start/Early Head Start centers and observe child-teacher interactions in each classroom and provide the program with scores for each focus area.

NACOG Head Start/Early Head Start currently has the following number of staffing vacancies:

- Apache/Navajo Counties: 17 total open positions
- Yavapai County: 38 open positions
- Coconino County: 29 open positions

NACOG Head Start/Early Head Start will be placed on a Full Enrollment Initiative. This occurs when a program has four consecutive months of under-enrollment. This training and technical assistance plan lasts for 12 months, during which time the program must reach full enrollment or face potential re-competition. NACOG's program is having difficulty reaching full enrollment because of the staffing shortage.

Construction on the new modular Head Start Center in Williams is completed. The site will open for services to children and families starting on Monday 10/30.

X. Elect FY24 Regional Council Apache County, Navajo County, and Yavapai County Private Sector Members

Chairman Shepherd asked if there are any nominations to serve as private sector members from Apache, Navajo, or Yavapai County. Debbie Hunseder nominated Randy Garrison to fill the Yavapai County private sector membership vacancy.

Chairman Shepherd asked for any other nominations. Hearing none, he asked for a motion to elect Randy Garrison as a Private Sector representative from Yavapai County. He noted that nominees to fill the remaining vacancies in Apache and Navajo Counties would be considered at future meetings.

Debbie Hunseder moved to elect Randy Garrison as a Private Sector representative from Yavapai County, seconded by Bill Regner. Motion passed unanimously.

XI. Reports from Regional Council Members

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

The next meeting of the Regional Council will take place on February 22, 2024 via Zoom Teleconference.

XIII. Call to the Public

There were no comments from the public.

XIV. Adjourn

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

Chairman Alton Shepherd adjourned the October 26, 2023 NACOG Regional Council meeting at 11:45 A.M.

Northern Arizona Council *of* Governments
221 N. Marina St. Suite 201
Prescott, AZ 86301
(928) 778-1422, FAX (928) 778-1756

Memorandum:

Date: February 6, 2024
To: Regional Council Members
From: Teri Drew, Regional Director
Subject: Economic Development Council Membership Considerations

The Economic Development Council brings the following recommendation to Regional Council for membership renewals:

Membership Renewals – The following memberships are being recommended for renewal for another three-year term through February 2027.

Kelly Patton – Ms. Patton has served as the Economic Development Manager at APS since 2021 after previously serving as the Senior Economic Development Consultant of Statewide Programs since 2014. She has a vast knowledge of the economic conditions and factors that impact Arizona communities and has served on the Economic Development Council since 2015. Ms. Patton is a member in good standing.

Keith Johnson – Mr. Johnson has served as the Town Manager of Town of Pinetop-Lakeside since July 2016. Having previously served as the City Manager of the City of Bloomfield in Bloomfield, New Mexico. Mr. Johnson was the President and Executive Board Member of San Juan Economic Development Services from 1998 to 2010. He has served on the Economic Development Council since 2018. Mr. Johnson is a member in good standing.

Molly Spangler – Ms. Spangler is the Economic Development Director for the Town of Camp Verde. She previously served as the Economic Development Director for the City of Sedona for 6 years. She is a Certified Economic Developer with the International Economic Development Council and an Economic Development Finance Professional with the National Development Council. She has served on the Economic Development Council since 2019. Ms. Spangler is a member in good standing.

Membership Renewals – The following membership is being recommended for renewal for another three-year term through April 2027.

Norman Perry – Mr. Perry represents the private sector with Yavapai County Industrial Development Authority. Mr. Perry is the current Vice Chair of the Economic Development Council and serves on the EDC Membership Committee. Mr. Perry is an expert in the field of project and financial management, having overseen acquisition and due diligence, contract negotiations, corporate finance and project budgeting, loss mitigation and control, executive and staff training and development, among many other projects. Mr. Perry has been a member in good standing since 2009.

Anthony Contreras - Mr. Contreras represents the private sector of Apache County and is a member of the Springerville/Eagar Regional Chamber of Commerce Executive Board. His resume demonstrates many years of experience in engineering and design, and expresses a concern regarding the effects of the lack of an adequate workforce and a lack of affordable housing alternatives in Apache County. Mr. Contreras is a supporter of the tourism industry as an economic driver for Apache County. Mr. Contreras completed the term of James Brimhall through April 2024.

Resignations

The EDC Membership Committee received the resignation of Lora Lee Nye who is retiring after serving Northern Arizona communities for more than 20 years. We wish Lora Lee the best in her retirement.

The EDC also received notice of resignation from Mr. Michael Dean, USDA Rural Development Community Programs Specialist for Yavapai County due to time constraints.

The EDC approved two new membership applications to fill the current vacancies:

- Yavapai County Public Sector vacancy left by Lora Lee Nye whose term expires in March 2025.
- Yavapai County Private Sector vacancy left by Michael Dean whose term expires in June 2024.

New Member Considerations:

Cutter Chamberlain – Mr. Chamberlain is the Economic Development Administrator for the

Town of Prescott Valley and is an active member of Arizona Association for Economic Development. Mr. Chamberlain is highly involved in statewide economic development and has been in his position for three years. Mr. Chamberlain would complete the term of Lora Lee Nye through March 2025.

Brian Fultz - Mr. Fultz is a Sedona City Council Member and also a NACOG Regional Council Member. Mr. Fultz is a graduate of the University of Chicago School of Business with an MBA. His primary business is a high-tech consultant, strategic marketing, sales, consultation, software and technology, project management, competitive intelligence, open information, digital marketing, and more. Mr. Fultz would complete the term of Michael Dean that will expire in June 2024.

Thank you for your consideration of renewing members recommended by an EDC majority vote and for new membership considerations.

☐	**Information Only**
☒	**Motion to Approve**

Northern Arizona Council *of* Governments
119 E. Aspen Avenue
Flagstaff, AZ 86001-5222
(928) 774-1895, FAX: (928) 773-1135

Memorandum:

Date: February 7, 2024

To: NACOG Regional Council

From: Chris Fetzer, Executive Director

Subject: **Transportation Policy Advisory Committee Member Appointments**

***

NACOG's Transportation Policy Advisory Committee is comprised of ten members from throughout the region. The bylaws specify two members from each county with one representing the county and the other representing a municipality. The committee also has two tribal government representatives. To address vacant positions, two new members have been proposed and are identified in italics within the membership for the 2024 – 2025 term. Members of the committee are not required to serve on the Regional Council.

Apache County
Alton Shepherd, Board of Supervisors (Chairman)
Vacant

Coconino County
Jeronimo Vasquez, Board of Supervisors
Bill Diak, City of Page

Navajo County
Fern Benally, Board of Supervisors
Sterling Beus, Town of Pinetop-Lakeside

Yavapai County
James Gregory, Board of Supervisors
Marney Babbitt-Pierce, Town of Clarkdale (Vice-Chair)

Tribal Government Representatives
Michael Lomayaktewa, The Hopi Tribe
Vacant – Navajo Nation

If you have any questions regarding the recommended appointments, please contact Jennifer O'Connor at joconnor@nacog.org.

Proposed Motion

Move to approve the Consent Agenda as presented.

	Information Only
X	**Motion to Approve**

Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

Memorandum:

Date: February 9, 2024

To: Regional Council Members

From: Chris Fetzer

Subject: Delegation of Signature Authority to the Executive Director

Attached for your consideration, please find Resolution 01-24. This resolution allows the NACOG Executive Director to sign grant applications, contracts, leases and other agency documents on behalf of the corporation.

This delegation of signature authority is an action that is renewed annually and was last adopted by the Regional Council in February 2023.

☐	**Information Only**
☒	**Motion to Approve**

Recommended Motion: Move to approve the Consent Agenda as presented.

119 East Aspen Avenue ◆ Flagstaff, AZ 86001 ◆ (928) 774-1895 ◆ (928) 773-1135 FAX

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
Resolution No. 01-24

A RESOLUTION OF THE
NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
SIGNATURE AUTHORITY

WHEREAS, Northern Arizona Council of Governments, (NACOG) was incorporated in 1975 according to the laws of the State of Arizona, and,

WHEREAS, the Articles of Incorporation authorize NACOG to enter into contracts with the United States of America, the State of Arizona, or any agency or department thereof, and with any person, firm, or corporation necessary or desirable to carry out the purposes of the corporation, and,

WHEREAS, the Articles of Incorporation grant the NACOG Regional Council the power to make and adopt by-laws for the Corporation, and,

WHEREAS, the NACOG Regional Council has adopted said by-laws, and,

WHEREAS, said by-laws allow for additional duties and functions to be extended to the Executive Director as specified by the NACOG Regional Council.

NOW, THEREFORE, BE IT RESOLVED that the NACOG Regional Council has specified that the Executive Director shall be empowered to sign contracts, deeds, and legal documents on behalf of the Corporation.

Signed this 22nd day of February 2024.

Attest:

____
Alton Shepherd, Chairman

____
Bill Diak, Vice-Chairman

NACOG
Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

Memorandum:

Date: February 9, 2024

To: Regional Council Members

From: Maria Garcia, Acting CSA Director

Subject: Approval of Social Service Block Grant (SSBG) SFY2025 Allocations

The State of Arizona's allotment of the national Social Services Block Grant (SSBG) appropriation is determined annually by the U.S. Department of Health and Human Services (DHHS) based on the portion of the national population that resides in Arizona. The projected SFY 2025 SSBG funding amount allocated for services within the NACOG region is $370,865**.** Each year, the Arizona Department of Economic Security provides the opportunity for input on the locally planned funding. NACOG utilizes the Community Action Advisory Board (CAB) to review the funding intents and provide input and comments to DES as applicable.

For SFY 2025, projected SSBG locally planned funds for each county are:

County	SFY2024 Budget	SFY2025 Budget	Total Increase/Decrease
Apache County	$44,149	$ 44,149	$0
Coconino County	$135,405	$135,405	$0
Navajo County	$ 71,602	$ 71,602	$0
Yavapai County	$119,709	$119,709	$0
TOTAL	**$370,865**	**$370,865**	**0**

At the Community Action Advisory Board (CAB) meeting, held on February 8, 2024, the projected SFY2025 SSBG Service Intents and Funding Allocations were approved with no recommended changes. Staff recommends approval of the SFY 2025 SSBG District III service intents and funding allocations as approved by the CAB.

A listing of the full services and target groups for each county is provided.

☐	**Information Only**
☒	**Motion to Approve**

Recommended Motion: Move to approve the Consent Agenda as presented.

119 East Aspen Avenue ◆ Flagstaff, AZ 86001 ◆ (928) 774-1895 ◆ (928) 773-1135 FAX

SOCIAL SERVICES BLOCK GRANT						
RECOMMENDATIONS FOR SFY 2025 LOCALLY PLANNED FUNDS						
FUNDING AND SERVICE INTENTS						
DISTRICT III - NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG)						
REHABILITATION SERVICES ADMINISTRATION (RSA)						
Service	**Target Group**	**Status Eligibility**	**SFY 2024 Local Planned Level**	**SFY 2025 Local Planned Level**	**DIFFERENCE**	**Service Intent**
Coconino County						
Extended Supported Employment	PWD Adults	Group	$ 7,362.22	$ 7,362.22	$ - .00	To provide an array of employment-related services for those adults with physical and mental disabilities that include varying levels of training and work, supported employment experience in employer-based job sites, job performance skills, and providing/facilitating job placement.
Coconino County - Total			**$ 7,362.22**	**$ 7,362.22**	**$ - .00**	
Navajo County						
Job Training	PWD Adults	Group	$ 12,839.53	$ 12,839.53	$ - .00	To provide an array of employment-related services for those adults with physical and mental disabilities that include varying levels of training and work, supported employment experience in employer-based job sites, job performance skills, and providing/facilitating job placement.
Navajo County - Total			**$ 12,839.53**	**$ 12,839.53**	**$ - .00**	

Yavapai County						
Extended Supported Employment	PWD Adults	Group	$ 4,079.92	$ 4,079.92	$ - .00	services for those adults with developmental disabilities, including varying levels of training and work, the value and demand for work, performance skills, and providing/ facilitating job placement.
Yavapai County - Total			**$ 4,079.92**	**$ 4,079.92**	**$ - .00**	
DISTRICT III - RSA TOTAL			**$ 24,281.67**	**$ 24,281.67**	**$ - .00**	

SOCIAL SERVICES BLOCK GRANT RECOMMENDATIONS FOR SFY 2025 LOCALLY PLANNED FUNDS FUNDING AND SERVICE INTENTS DISTRICT III - NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG) DEPARTMENT OF CHILD SAFETY (DCS)						
Service	**Target Group**	**Status Eligibility**	**SFY 2024 Local Planned Level**	**SFY 2025 Local Planned Level**	**DIFFERENCE**	**Service Intent**
Coconino County						
Supportive Intervention/Guidance Counseling	AFC	Group	$29,497.86	$29,497.86	$ - .00	To provide assistance to individuals and families in dealing with a variety of situations, to identify appropriate resources and to assist in the development of a plan to resolve the problem. This service may also provide counseling, contact, and support to victims of abuse or neglect, corrective counseling to perpetrators, and parenting skills training.
Coconino County Total			**$29,497.86**	**$29,497.86**	**$ - .00**	
Yavapai County						
Community Education and Information	CH	Group	$11,876.66	$11,876.66	$ - .00	with a variety of situations, to identify appropriate resources in the prevention of pregnancy. This service may also provide counseling, contact, and support to victims of abuse or neglect, and corrective counseling to perpetrators.

Supportive Intervention/Guidance Counseling	AFC	Group	$11,876.66	$11,876.66	$ - .00	To provide assistance to individuals and families in dealing with a variety of situations, to identify appropriate resources and to assist in the development of a plan to resolve the problem. This service may also provide counseling, contact, and support to victims of abuse or neglect, and corrective counseling to perpetrators.
Yavapai County Total			**$23,753.32**	**$23,753.32**	**$ - .00**	
DISTRICT III - DCS TOTAL			**$53,251.18**	**$53,251.18**	**$ - .00**	

SOCIAL SERVICES BLOCK GRANT
RECOMMENDATIONS FOR SFY 2025 LOCALLY PLANNED FUNDS
FUNDING AND SERVICE INTENTS
DISTRICT III - NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG)
DIVISION OF AGING AND ADULT SERVICES (DAAS)

Service	Target Group	Status Eligibility	SFY 2024 Local Planned Level	SFY 2025 Local Planned Level	DIFFERENCE	Service Intent
Apache County						
Home Delivered Meals	Elderly, or PWD, or Adults	Group	$ 24,820.23	$ 24,820.23	$ - .00	To provide nutritious home-delivered meals to homebound adults who are unable to prepare meals and are at high risk for institutionalization.
Transportation	Elderly, or PWD, or Adults	Group	$ 17,129.56	$ 17,129.56	$ - .00	To provide transportation to assist elderly and/or physically handicapped adults to remain as independent as possible.
Transportation	AFC	Group	$ 2,199.08	$ 2,199.08	$ - .00	To provide transporation to assist persons to access medical, employment, social services and basic needs.
Apache County - Total			**$ 44,148.87**	**$ 44,148.87**	**$ - .00**	
Coconino County						
Home Delivered Meals	Elderly or PWD	Group	$ 14,743.83	$ 14,743.83	$ - .00	To provide nutritious home-delivered meals to homebound adults who are unable to prepare meals and are at high risk for institutionalization.
Respite	Elderly or PWD	Group	$ 9,828.54	$ 9,828.54	$ - .00	To provide caregiver relief and prevent early institutionalization of their charges.

Case Management	Elderly or PWD	Group	$ 3,931.01	$ 3,931.01	$ - .00	To provide assessment and coordination of assistance in ensuring that the elderly and/or physically handicapped adults will secure necessary services to remain as independent as possible.
Home Care	Elderly or PWD	Group	$ 1,965.50	$ 1,965.50	$ - .00	To provide in-home care to adults who are unable to perform activities of daily living and are at risk of institutionalization.
Emergency Shelter	AFC-Crisis Intervention, Domestic Violence	Group	$ 6,879.77	$ 6,879.77	$ - .00	To provide shelter and short term counseling to Coconino County residents (individuals / families) experiencing crisis situations (i.e. domestic violence, neglect, exploitation, and other forms of abuse).
Coconino County (continued)						
Supportive Intervention/Guidance Counseling	AFC-DV	Group	$ 6,879.77	$ 6,879.77	$ - .00	To provide assistance to individuals and families in dealing with domestic violence and abuse, to identify appropriate resources and to assist in the development of a plan to resolve the problem. This service may also provide counseling, contact, and support to victims of abuse or neglect, corrective counseling to perpetrators, and parenting skills training.
Case Management	AFC-Crisis Intervention	Group	$ 6,879.77	$ 6,879.77	$ - .00	To provide assistance in securing appropriate community resources, which provide food, clothing, and housing which will prepare an individual/family to establish independence.
Transportation	Elderly or PWD	Group	$ 12,963.96	$ 12,963.96	$ - .00	To provide transportation to assist elderly and/or physically handicapped adults to remain as independent as possible.
Coconino County - Total			**$ 64,072.15**	**$ 64,072.15**	**$ - .00**	
Navajo County						

Case Management	Elderly or PWD	Group	$ 4,087.06	$ 4,087.06	$ - .00	To provide assessment and coordination of assistance in ensuring that the elderly and/or physically handicapped adults will secure necessary services to remain as independent as possible.
Transportation	Elderly, or PWD, or Adults	Group	$ 10,201.85	$ 10,201.85	$ - .00	To provide transportation to assist elderly and/or physically handicapped adults to remain as independent as possible.
Home Delivered Meals	Elderly or PWD	Group	$ 10,207.97	$ 10,207.97	$ - .00	To provide nutritious home-delivered meals to homebound adults who are unable to prepare meals and are at high risk for institutionalization.
Emergency Shelter	AFC - Crisis Intervention, Domestic Violence	Group	$ 9,195.13	$ 9,195.13	$ - .00	To provide shelter and short term counseling to Navajo County residents (individuals/families) experiencing crisis situations (homelessness, neglect, or domestic violence)
Case Management	AFC	Group	$ 15,768.91	$ 15,768.91	$ - .00	To provide assistance in securing appropriate community resources, which provide food, clothing, and housing which will prepare an individual/family to establish independence.
Transportation	AFC	Group	$ 9,301.21	$ 9,301.21	$ - .00	To provide transportation to assist persons to access medical, employment, social services and basic needs.
Navajo County - Total			**$ 58,762.13**	**$ 58,762.13**	**$ - .00**	

Yavapai County						
Case Management	Elderly or PWD	Group	$ 5,937.31	$ 5,937.31	$ - .00	To provide assessment and coordination of assistance in ensuring that the elderly and/or physically handicapped adults will secure necessary services to remain as independent as possible.
Home Delivered Meals	Elderly, or PWD, or Adults	Group	$ 35,949.25	$ 35,949.25	$ - .00	To provide nutritious home-delivered meals to homebound adults who are unable to prepare meals and are at high risk for institutionalization.
Adult Day Care/Adult Day Health Care	Elderly or PWD	Group	$ 9,502.14	$ 9,502.14	$ - .00	To provide care to adults who are unable to perform activities of daily living and are at risk of institutionalization.
Case Management Assistance for Eviction Prevention	AFC - Crisis Intervention	Group	$ 5,937.31	$ 5,937.31	$ - .00	To provide assistance in maintaining secure housing
Emergency Shelter	AFC - Crisis Intervention	Group	$ 11,876.66	$ 11,876.66	$ - .00	To provide shelter and short term counseling to Yavapai County residents (individuals/families) experiencing crisis situations (i.e. domestic violence, neglect, exploitation, and other forms of abuse.
Case Management	AFC - Crisis Intervention	Group	$ 11,876.66	$ 11,876.66	$ - .00	To provide assistance in securing appropriate community resources that provide food, clothing, and housing which will prepare an individual/family to establish independence.
Transportation	AFC	Group	$ 6,716.58	$ 6,716.58	$ - .00	To provide transportation to assist persons to access medical, employment, social services and basic needs.
Yavapai County - Total			**$ 87,795.91**	**$ 87,795.91**	**$ - .00**	
DISTRICT III - DAAS TOTAL			##########	**$254,779.06**	**$ - .00**	

SOCIAL SERVICES BLOCK GRANT

RECOMMENDATIONS FOR SFY 2025 LOCALLY PLANNED FUNDS

FUNDING AND SERVICE INTENTS

DISTRICT III - NORTHERN ARIZONA COUNCIL OF GOVERNMENTS (NACOG)
DIVISION OF DEVELOPMENTAL DISABILITIES (DDD)

Service	Target Group	Status Eligibility	SFY 2024 Local Planned Level	SFY 2025 Local Planned Level	DIFFERENCE	Service Intent
Coconino County						
Supported Employment	DD Adults	Group	#########	#########	$ - .00	To provide an array of employment-related services for those adults with developmental disabilities, including varying levels of training and work, the value and demand for work improvement of job performance skills, and pro-viding/facilitating job placement.
Coconino County - Total			**#########**	**#########**	**$ - .00**	
Yavapai County						
Supported Employment	DD Adults	Group	$ 4,079.92	$ 4,079.92	$ - .00	To provide an array of employment-related services for those adults with developmental disabilities, including varying levels of training and work, the value and demand for work, performance skills, and providing/ facilitating job placement.
Yavapai County - Total			**$ 4,079.92**	**$ 4,079.92**	**$ - .00**	
DISTRICT III - DDD TOTAL			**#########**	**#########**	**$ - .00**	

NACOG
Northern Arizona Council of Governments
Apache • Coconino • Navajo • Yavapai

Northern Arizona Council *of* Governments
221 N. Marina St. Suite 201
Prescott, AZ 86301
(928) 778-1422, FAX (928) 778-1756

Memorandum:

Date:February 7, 2024

To:Regional Council Members

From:Teri Drew, Regional Director

Subject:Economic Development Council Program Update

The NACOG Economic Development Council (EDC) met on December 7, 2023 in person and again on February 1, 2024 via Zoom. A quorum was present for both meetings.

In summary:

2024 EDC Meeting Schedule

Please be advised that EDC has changed it's 2024 meting schedule from the 1st Thursday of every even month to alternate dates. The committee will still have six meetings throughout the upcoming year but at alternate locations and dates. Please visit www.nacog.org for the full 2024 meeting schedule.

Broadband Work Group

As Northern Arizona moves from the broadband planning phase to the implementation phase the EDC has voted, at the recommendation of the Broadband Working Group, to sunset this committee effective immediately. The group's efforts have been instrumental in laying the groundwork for broadband initiatives in the region. Since it's conception the Broadband Working Group was beneficial in assisting with data collection, research, networking, and communication which resulted in about $400 million in grants being awarded to broadband projects within the region. Congratulations to the communities that have received those awards. We want to thank the group for their contributions, dedication, and commitment to fostering broadband development within the region.

Lunch & Learn / Tourism Forum

On January 24, 2024 the Tourism Committee hosted a successful Lunch & Learn event that was attended by individuals across the four counties. The 928 Law Firm provided a presentation on the Corporate Transparency Act and small business owners were able to gain valuable information on corporate rules and regulations. Thank you to the 928 Law Firm for providing a great presentation and also to the Tourism Committee for arranging the event for the small business community.

The Tourism Committee is in the process of planning an in-person tourism forum with a tentative date set for October 9-10, 2024 in Camp Verde. We are looking forward to this in person interaction as the last in person forum was held in 2019. I was able to meet with officials from Camp Verde and venue owners. Bids are currently being received by local venues and lodging facilities. Speakers and presenters to be announced at a future meeting.

We look forward to a very productive year for the Economic Development Council in 2024!

☒	**Information Only**
☐	**Motion to Approve**

Northern Arizona Council *of* Governments
221 N. Marina St. Suite 201
Prescott, AZ 86301
(928) 778-1422, FAX (928) 778-1756

Memorandum:

Date:February 6, 2024

To:Regional Council Members

From:Teri Drew, Regional Director

Subject:2024 Goals & Priorities List

Every year the Economic Development Council (EDC) is responsible for developing a **Goals and Priorities List** for the District. The Goals and Priorities List includes projects that may be considered by the Economic Development Administration (EDA) for federal funding within a calendar year. EDA does reference the Goals and Priorities List for project applicants however, being on the list does not require an applicant to formally apply if a project is not ready in 2024.

The NACOG – Economic Development Workforce team solicits projects from all EDC and Regional Council members, and encourages members to share the Goals and Priorities List with their community partners. EDA considers projects for **Physical Infrastructure, Business Retention and Expansion, Coal Community Projects, Economic Recovery Projects, and Technical Assistance.**

The Goals and Priorities List for 2024 was circulated among members of the EDC in December 2023, and then again in January 2024 to allow for project adjustments, confirmations, and removals. At the February 1, 2024 meeting, EDC members and present community members had the chance to propose, confirm, or remove projects. The attached Goals and Priorities List was unanimously approved by the EDC. With Regional Council's final review and approval today, the list will be recorded with the EDA Seattle Regional office.

The EDC requests approval from the Regional Council of the **2024 CEDS Goals and Priorities List.**

☐	**Information Only**
☒	**Motion to Approve**

NACOG Northern Arizona Council of Governments Apache • Coconino • Navajo • Yavapai

Comprehensive Economic Development Strategy

2024 District Projects, Goals and Priorities

GOAL/PROJECT	COMMUNITY/COUNTY	PRIORITY

Public Works Definition: Help distressed communities revitalize, expand and upgrade their physical infrastructure; enable communities to attract new industry; encourage business expansion; diversify local economies; and generate or retain long- term, private sector jobs and investment through the acquisition or development of land and infrastructure improvements needed for the successful establishment or expansion of industrial or commercial enterprises.

PHYSICAL INFRASTRUCTURE – 1

(Acquisition, development, design and engineering, construction, rehabilitation, alteration, expansion or improvement of public works projects that serve the public, including related machinery and equipment)

Sewer along Hwy 260	Camp Verde	Priority 1
Arsenic Removal System – clean drinking water	Camp Verde	Priority 1
Broadband deployment and access	Camp Verde	Priority 1
Finnie Flat and Main Street Streetscape	Camp Verde	Priority 1
Sewer Mains and Wastewater Collection – Black Bridge Area	Camp Verde	Priority 2
Design, engineer and construct expansion of water, wastewater and reclaimed water systems	Clarkdale	Priority 1
Expansion of water and sewer infrastructure along the 89A commercial corridor	Clarkdale	Priority 1
Completion of Centerville Road to 89A	Clarkdale	Priority 2
Construction of Bitter Creek Bridge	Clarkdale	Priority 2
I & I Rehabilitation Program	Show Low	Priority 1
Savage Sewer improvements	Show Low	Priority 1
Wi-Fi and broadband improvements	Show Low	Priority 1
Downtown parking and pedestrian improvements	Show Low	Priority 1
Fawnbrook waterline improvements	Show Low	Priority 1
Scott Ranch Road Phase 2	Show Low	Priority 1
Woolford Rd. (SR 260 to Penrod Rd.)	Show Low	Priority 1
Thornton Rd. (6th St. to Hwy 77) improvements	Show Low	Priority 1
Sidewalks Hwy 260	Show Low	Priority 2
Citywide sidewalk connectivity	Show Low	Priority 2
Trail connectivity and improvements	Show Low	Priority 2
East Cooley Road extension (Penrod Rd. to 18th Pl.)	Show Low	Priority 1
West Cooley Road extension (16th Ave. to Fox Canyon)	Show Low	Priority 2
Surface Water Treatment Plant	Show Low	Priority 1
NAHC Expansion	Coconino County	Priority 1
Highway 260 Infrastructure	Pinetop-Lakeside	Priority 1
Big Park Repurposing Project	Sedona	Priority 1

City of Winslow Joint Fire/Police Department	Winslow	Priority 1
City of Page Downtown Business Development	Page	Priority 1

<u>BUSINESS RETENTION AND EXPANSION – 2</u>

(Programs, services or facilities to support existing businesses develop and expand)

Business Resource and Innovation Center	Camp Verde	Priority 1
Acquisition of ROW and development of a paved road, lighting and street scape into the Bitter Creek Industrial Area to allow for the expansion of Bent River Machine	Clarkdale	Priority 1
Revolving Loan Fund/Microloan Program	Show Low	Priority 2
Downtown revitalization	Show Low	Priority 1
Streetscape enhancement	Show Low	Priority 1
Business/entrepreneur incubator	Show Low	Priority 1
Community commercial kitchen	Show Low	Priority 1
Fire base and training center industrial	Show Low	Priority 1
Forestry Operating Center	Coconino County	Priority 1

<u>COAL COMMUNITY PROJECTS – 3</u>

(Programs, services or facilities to support transitioning coal communities)

Multi-purpose sports/events/convention/conference center	Show Low	Priority 1
High Altitude Sports Training Center	Show Low	Priority 1
Coconino Coal Technical Assistance	Coconino County	Priority 1

<u>ECONOMIC RECOVERY PROJECTS – 4</u>

(Programs, services or facilities to support economic recovery from natural or man-made disasters)

Verde Lakes Revitalization Plan	Camp Verde	Priority 1
Acquisition to future water resources	Clarkdale	Priority 1
Development of a drainage Master Plan and construction of facilities	Clarkdale	Priority 1
Improvement of River Access Points to respond to flood conditions	Clarkdale	Priority 2
Drainage Master Plan	Show Low	Priority 1

Technical Assistance Definition: Helps analyze the feasibility of potential economic development projects, such as an industrial park or a high-technology business incubator. Helps promote planning for economic development and alleviate unemployment and outmigration in distressed regions.

<u>TECHNICAL ASSISTANCE – 5</u>

(The provision of staff time and attention or tools such as model regulations, disability studies, planning, research and development projects to assist communities.)

Strategic Tourism Marketing Plan	Camp Verde	Priority 1
Downtown Revitalization Plan	Camp Verde	Priority 1
FEMA Flood Study Update	Camp Verde	Priority 1
Verde Lakes Revitalization Plan	Camp Verde	Priority 1
Development of Infrastructure Improvement Plan	Clarkdale	Priority 1
Development of a *Made in Clarkdale Arts Incubator*	Clarkdale	Priority 2
Architectural assessment of Town Campus historic buildings and needed interventions to preserve	Clarkdale	Priority 2

Wastewater Facilities Master Plan Update	Show Low	Priority 1
Well Operations Plan	Show Low	Priority 1
Outdoor industry branding and marketing plan	Show Low	Priority 1
Tourism marketing plan	Show Low	Priority 2
Street light master plan	Show Low	Priority 2
Electric vehicle infrastructure master plan	Show Low	Priority 2
Convention & Visitors Bureau feasibility study	Show Low	Priority 2
Light Industrial Regional Education Energy Technology Center	City of St. Johns	Priority 1
Renewable Energy Project	Coconino County	Priority 1
Project Development Feasibility Study	Coconino County	Priority 1

2024 CEDS Goals and Priorities List as Approved by EDC: February 1, 2024
Approved by Regional Council:

NACOG
Northern Arizona
Council of Governments
Apache • Coconino • Navajo • Yavapai

Memorandum:

Date: February 9, 2024

To: Regional Council Members

From: Allison Priest, Finance Director

Subject: Fiscal Year 2023 Agency Audit

Attached for your information and consideration is a draft copy of NACOG's Single Audit Report for the fiscal year ending June 30, 2023, as prepared by our independent auditors Heinfeld, Meech & Company.

The draft audit and financial statements were reviewed by NACOG fiscal staff and will be subsequently presented to the Audit Committee and the Regional Council Executive Committee by the auditors. The Audit Committee will convene for approval of the report at their February 15th meeting. The Executive Committee will convene for approval at their February 22nd meeting.

As noted on page 61, *Schedule of Findings and Questioned Costs*, NACOG received a clean audit resulting in an unmodified opinion with no reported findings, questioned costs, or material weaknesses identified in internal controls. This is the third consecutive year that NACOG's results returned no findings.

Overall, NACOG's FY23 activities remained relatively unchanged when compared to the same activities in fiscal year 2022. Total Revenues increased by $6M year over year to $39M, with our current revenue levels including a few remaining ARP funds, plus one-time CCSG funding. Total fund balance increased by $232,000 excluding fund balances related to CCSG funds. It should also be noted that the financial statements create the appearance that NACOG has a significant negative net position, which is based upon the inclusion of NACOG's proportional share of pension liability for the Arizona State Retirement System, when actually the agency ended FY23 with a positive net position in the amount of $3.5M.

☐	**Information Only**
☒	**Motion to Approve**

Recommended Motion: Move to approve the FY23 agency-wide audit as presented.

119 East Aspen Avenue ◆ Flagstaff, AZ 86001 ◆ (928) 774-1895 ◆ (928) 773-1135 FAX

Statement of Revenue, Expenditures, and Changes to Fund Balances

	FY23	FY22	Variance	% change
Revenues:				
Intergovernmental	38,618,239	32,468,922	6,149,317	18.9%
Charges for services	345,383	433,410	(88,027)	-20.3%
Investment earnings	36	-	36	0.0%
Total revenues	38,963,658	32,902,332	6,061,326	18.4%
Expenditures:				
Program and administrative	32,652,971	30,947,137	1,705,834	5.5%
Capital outlay	5,187,178	2,070,355	3,116,823 **	150.5%
Debt Service	200,927			
Total expenditures	38,041,076	33,017,492	4,822,657	15.2%
Excess (deficiency) of revenues over expenditures	922,582	(115,160)	1,238,669	901.1%
Transfer of Restricted Cash	896,711	-	896,711	0.0%
Changes in fund balance	1,819,293	(115,160)	2,135,380	1679.8%
Fund balances, beginning of year	1,683,878	1,799,038	(115,160)	-6.4%
Fund balances, end of year	3,503,171	1,683,878	2,020,220	108.0%

	FY23	FY22	Variance	% change
Total net position	(1,221,635)	(5,713,902)	4,492,267	78.6%
In-kind contributions	4,387,358	4,387,358	-	0.0%

** Fiscal Year 2023 high capital outlay results from increased spending for HS modular buildings, mobile units, and playgrounds as well as multiple new fleet vehicles.

Northern Arizona Council of Governments
Single Audit Reporting Package
Year Ended June 30, 2023

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Northern Arizona Council of Governments

Single Audit Reporting Package
Year Ended June 30, 2023

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Issued by:
Business and Finance Department

Northern Arizona Council of Governments

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Independent Auditor's Report

To the Regional Council
Northern Arizona Council of Governments
Flagstaff, Arizona

<u>Report on Audit of Financial Statements</u>

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Arizona Council of Governments (NACOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise NACOG's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Arizona Council of Governments, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Northern Arizona Council of Governments and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, NACOG implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NACOG's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NACOG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NACOG's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America also require that the net pension liability information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the net pension liability information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the net pension liability information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NACOG's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **Report Date**, on our consideration of Northern Arizona Council of Governments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northern Arizona Council of Governments' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northern Arizona Council of Governments' internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
Report Date

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Basic Financial Statements

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Government-Wide Financial Statements

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	$ 6,683,127
Due from other governments	3,561,565
Accounts receivable	363,912
Prepaid items	135,180
Total current assets	10,743,784
Noncurrent assets:	
Capital assets not being depreciated	1,158,144
Capital assets, net of accumulated depreciation	6,206,651
Total noncurrent assets	7,364,795
Total assets	18,108,579
DEFERRED OUTFLOWS OF RESOURCES	
Pension and other postemployment benefit plan items	2,621,897
LIABILITIES	
Current liabilities:	
Accounts payable	1,945,450
Accrued payroll	482,505
Claims payable	391,516
Unearned revenue	48,290
Compensated absences payable	265,000
Leases payable	259,327
Total current liabilities	3,392,088
Noncurrent liabilities:	
Non-current portion of long-term liabilities	17,728,642
Total noncurrent liabilities	17,728,642
Total liabilities	21,120,730
DEFERRED INFLOWS OF RESOURCES	
Pension and other postemployment benefit plan items	831,381
NET POSITION	
Net investment in capital assets	6,654,549
Restricted for:	
Workforce development	9,890
Early childhood education	1,586,559
Human services	6,700
Weatherization	40,840
Unrestricted	(9,520,173)
Total net position	$ (1,221,635)

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General administration	$ 154,766	$ 6,807	$ 120,285	$	$ (27,674)
Early childhood education	21,018,246		21,178,103	4,564,794	4,724,651
Human services	10,026,587	90,238	9,610,597	220,884	(104,868)
Employment and training	1,723,000	49,641	1,290,881	346,105	(36,373)
Transportation and planning	1,276,593	25,933	1,211,392	1,845	(37,423)
Economic development	164,374	52,479	74,922	78	(36,895)
Interest on long-term debt	14,462				(14,462)
Total governmental activities	$ 34,378,028	$ 225,098	$ 33,486,180	$ 5,133,706	4,466,956

General revenues:	
Investment earnings	25,311
Total general revenues	25,311
Changes in net position	4,492,267
Net position, beginning of year	(5,713,902)
Net position, end of year	$ (1,221,635)

The notes to the basic financial statements are an integral part of this statement.

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Fund Financial Statements

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Workforce Development	Head Start
ASSETS			
Cash and investments	$ 2,229,398	$ 1,000	$ 250
Due from other governments	713	479,974	625,383
Due from other funds	399,283		1,595,452
Prepaid items	27,875	160	91,775
Total assets	$ 2,657,269	$ 481,134	$ 2,312,860
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 267,092	$ 71,138	$ 726,596
Accrued payroll	482,505		
Due to other funds		411,456	
Unearned revenue	34,151		505
Total liabilities	783,748	482,594	727,101
Fund balances (deficits):			
Restricted	7,500		1,585,759
Unassigned	1,866,021	(1,460)	
Total fund balances	1,873,521	(1,460)	1,585,759
Total liabilities and fund balances	$ 2,657,269	$ 481,134	$ 2,312,860

The notes to the basic financial statements are an integral part of this statement.

Aging and Adult Administration	Non-Major Governmental Funds	Total Governmental Funds
$	$	$ 2,230,648
1,389,177	1,066,318	3,561,565
	8,052	2,002,787
10,952	4,418	135,180
$ 1,400,129	$ 1,078,788	$ 7,930,180
$ 670,906	$ 209,718	$ 1,945,450
		482,505
729,223	810,085	1,950,764
	13,634	48,290
1,400,129	1,033,437	4,427,009
	50,730	1,643,989
	(5,379)	1,859,182
	45,351	3,503,171
$ 1,400,129	$ 1,078,788	$ 7,930,180

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NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total governmental fund balances		**$ 3,503,171**
Amounts reported for *governmental activities* in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 11,770,127	
Less accumulated depreciation/amortization	(4,405,332)	7,364,795
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	2,621,897	
Deferred inflows of resources related to pensions	(831,381)	1,790,516
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		4,372,852
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(450,093)	
Leases payable	(710,246)	
Net pension liability	(17,092,630)	(18,252,969)
Net position of governmental activities		**$ (1,221,635)**

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Workforce Development	Head Start
Revenues:			
Intergovernmental	$	$ 1,636,986	$ 25,742,897
Charges for services	127,092	933	
Investment earnings		36	
Total revenues	127,092	1,637,955	25,742,897
Expenditures:			
Current -			
General administration	65,292		
Early childhood education			19,918,561
Human services			
Employment and training		1,514,695	
Transportation and planning			
Economic development			
Capital outlay	53,472	346,105	4,564,794
Debt service -			
Principal retirement		108,153	63,721
Interest and fiscal charges		7,450	4,479
Total expenditures	118,764	1,976,403	24,551,555
Excess (deficiency) of revenues over expenditures	8,328	(338,448)	1,191,342
Other financing sources (uses):			
Transfer in	109,633		13
Transfer out		(30)	
Lease agreements		339,383	395,519
Total other financing sources (uses)	109,633	339,353	395,532
Changes in fund balances	117,961	905	1,586,874
Fund balances (deficits), beginning of year	1,755,560	(2,365)	(1,115)
Fund balances (deficits), end of year	$ 1,873,521	$ (1,460)	$ 1,585,759

The notes to the basic financial statements are an integral part of this statement.

Aging and Adult Administration	Non-Major Governmental Funds	Total Governmental Funds
$ 6,628,242	$ 4,610,114	$ 38,618,239
	217,358	345,383
		36
6,628,242	4,827,472	38,963,658
		65,292
		19,918,561
6,560,769	3,143,300	9,704,069
	49,658	1,564,353
	1,240,852	1,240,852
	159,844	159,844
212,158	10,649	5,187,178
14,591		186,465
2,533		14,462
6,790,051	4,604,303	38,041,076
(161,809)	223,169	922,582
	80,480	190,126
	(190,096)	(190,126)
161,809		896,711
161,809	(109,616)	896,711
	113,553	1,819,293
	(68,202)	1,683,878
$	$ 45,351	$ 3,503,171

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Changes in fund balances - total governmental funds		**$ 1,819,293**
Amounts reported for *governmental activities* in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capitalized assets	$ 4,458,255	
Less current year depreciation	(670,093)	3,788,162
Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.		(896,711)
Some intergovernmental revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(118,638)
Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		186,465
Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.		
Current year pension contributions	1,586,478	
Pension expense	(1,564,155)	22,323
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Loss on disposal of assets	(19,670)	
Compensated absences	(88,347)	(108,017)
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.		(200,610)
Changes in net position in governmental activities		**$ 4,492,267**

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Governmental Activities: Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	$ 4,452,479
Accounts receivable	363,912
Total current assets	4,816,391
Total assets	4,816,391
LIABILITIES	
Current liabilities:	
Claims payable	391,516
Due to other funds	52,023
Total current liabilities	443,539
Total liabilities	443,539
NET POSITION	
Unrestricted	4,372,852
Total net position	$ 4,372,852

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	$ 3,484,780
Total operating revenues	3,484,780
Operating expenses:	
Claims	2,948,841
Premiums	530,829
Administrative fees	207,073
Other	23,922
Total operating expenses	3,710,665
Operating income (loss)	(225,885)
Nonoperating revenues (expenses):	
Investment earnings	25,275
Total nonoperating revenues (expenses)	25,275
Changes in net position	(200,610)
Total net position, beginning of year	4,573,462
Total net position, end of year	$ 4,372,852

The notes to the basic financial statements are an integral part of this statement.

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

		Governmental Activities: Internal Service Funds
Increase/Decrease in Cash and Cash Equivalents		
Cash flows from operating activities:		
Cash received from contributions	$	3,573,425
Cash payments to suppliers for goods and services		(762,901)
Cash payments for claims		(2,754,591)
Net cash provided by/used for operating activities		55,933
Cash flows from investing activities:		
Purchase of investments		(1,508,926)
Investment income		25,275
Net cash provided by/used for investing activities		(1,483,651)
Net increase/decrease in cash and cash equivalents		(1,427,718)
Cash and cash equivalents, beginning of year		4,101,473
Cash and cash equivalents, end of year	$	2,673,755
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and investments	$	4,452,479
Less investments not maturing in less than three months		1,778,724
Total cash and cash equivalents	$	2,673,755
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities		
Operating income/loss	$	(225,885)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:		
Changes in assets and liabilities:		
Increase/decrease in accounts receivable		76,618
Increase/decrease in accounts payable		(1,077)
Increase/decrease in claims payable		194,250
Increase/decrease in due to other funds		12,027
Total adjustments		281,818
Net cash provided by/used for operating activities	$	55,933

The notes to the basic financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Northern Arizona Council of Governments (NACOG) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2023, NACOG implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. NACOG's analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

In addition, during the year NACOG consolidated individual reporting funds that were presented separately in the prior year financial statements. The consolidated funds include the Federal and State Grants Fund, Other Special Revenue Fund, and Other Capital Projects Fund.

The more significant of NACOG's accounting policies are described below.

A. Financial Reporting Entity

The Northern Arizona Council of Governments (NACOG), a non-stock, non-profit corporation, is a voluntary association of local governments and political bodies established by concurrent resolution of its member governments. Management of NACOG is independent of other state or local governments.

NACOG represents local governmental units in Apache, Coconino, Navajo, and Yavapai Counties, Arizona. NACOG aids local governments in planning and administering federal and state grants. In addition, NACOG assumes direct responsibility for the delivery of certain services.

The membership of NACOG's regional council consists of 42 members representing local government units in Apache, Coconino, Navajo and Yavapai Counties, Arizona. These local governments may receive a benefit from the activities of NACOG.

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about NACOG as a whole. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of NACOG. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. NACOG does not have any business-type activities or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. NACOG does not allocate indirect expenses to programs of functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Investment income and other items not included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, NACOG considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

Note 1 – Summary of Significant Accounting Policies

Charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by NACOG before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

NACOG reports the following major governmental funds:

General Fund – The General Fund is NACOG's primary operating fund. It accounts for all financial resources of NACOG, except those required to be accounted for in another fund.

Workforce Development Fund – The Workforce Development Fund accounts for grants that provide worker training and placement in high growth and emerging industry sectors.

Head Start Fund – The Head Start Fund accounts for grants to provide comprehensive health, educational, nutritional, social and other developmental services primarily to economically disadvantaged pre-school children.

Aging and Adult Administration Fund – The Aging and Adult Administration Fund accounts for grants to assist older Americans to lead independent and meaningful lives.

Additionally, NACOG reports the following fund type:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to NACOG’s self-insurance program.

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

Note 1 – Summary of Significant Accounting Policies

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of NACOG's internal service fund are charges for health and welfare benefits. Operating expenses for internal service funds include the cost of goods and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgetary Basis of Accounting

NACOG does not adopt an annual appropriated budget, but instead adopts a budget for management purposes. This budget is subject to constant change based upon grants received by NACOG. The grant budgets have fiscal years that vary from NACOG's and may extend beyond one year. Consequently, no budgetary comparison schedules have been presented.

E. Cash and Investments

For purposes of the Statement of Cash Flows, NACOG considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end was cash in bank.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

F. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is separately disclosed in the governmental fund financial statements and is included in nonoperating revenues in the proprietary fund financial statements.

Note 1 – Summary of Significant Accounting Policies

G. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables are shown net of an allowance for uncollectibles.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include land, buildings and improvements; vehicles, furniture and equipment; and construction in progress are reported in the government-wide financial statements.

Capital assets are defined by NACOG as assets with an initial, individual cost in excess of $5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The line item capital outlay, as reported in the governmental fund financial statements, excludes some expenditures that are capitalized, while including others that are not, such as certain repairs and maintenance expenditures.

Note 1 – Summary of Significant Accounting Policies

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Buildings and improvements	5-25 years
Vehicles, furniture, and equipment	3-10 years
Intangible right to use assets	3-5 years

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

K. Compensated Absences

NACOG's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the special revenue funds are used to pay for compensated absences.

L. Leases

As lessee, NACOG recognizes lease liabilities with an initial, individual value of $_______ or more. NACOG uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. NACOG's estimated incremental borrowing rate is based on describe how NACOG determined its estimated incremental borrowing rate.

Note 1 – Summary of Significant Accounting Policies

M. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position.

O. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

P. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements NACOG applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported of the financial statements and accompanying notes. Actual results may differ from those estimates.

R. Income Tax Status

NACOG is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, NACOG qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(v) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Note 2 – Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Regional Council. Those committed amounts cannot be used for any other purpose unless the Regional Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. NACOG does not have a formal policy or procedures for the utilization of committed fund balance. Accordingly, no committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by NACOG for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Regional Council or a management official delegated that authority by the formal Regional Council action. NACOG does not have a formal policy or procedures for the utilization of assigned fund balance. Accordingly, no assigned fund balance amounts are reported.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Note 2 – Fund Balance Classifications

NACOG applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of NACOG's fund balance classifications at year end.

	General	Workforce Development	Head Start	Non-Major Governmental Funds
Fund Balances:				
Restricted:				
Early childhood education	$ 800	$	$ 1,585,759	$
Employment and training				9,890
Human services	6,700			
Weatherization				40,840
Unassigned	1,866,021	(1,460)		(5,379)
Total fund balances	$ 1,873,521	$ (1,460)	$ 1,585,759	$ 45,351

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances – At year end, the following individual major funds reported deficits in fund balance.

	Deficit
Major Funds:	
Workforce Development	$ (1,460)
Non-Major Funds:	
Community Services Assistance	(295)
CDBG	(5,083)
Water Pollution Prevention	(1)

The deficits arose because of operations during the prior and current year and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficits.

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure NACOG's deposits may not be returned to NACOG. NACOG does not have a deposit policy for custodial credit risk. At year end, the carrying amount of NACOG's deposits was $4,903,403 and the bank balance was $5,455,453. Additionally, NACOG had cash on hand of $1,000. At year end, $5,211,077 was covered by collateral held by the pledging financial institution but not in NACOG's name.

Fair Value Measurements. NACOG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

Valuation Techniques. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Real estate assets classified in Level 3 are valued by external appraisals and are generally obtained at least annually. The appraisals are performed using generally accepted valuation approaches by an independent appraiser.

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, NACOG's investments consisted of the following:

Investment Type	Category	Fair Value	Investment Maturities (in Years) Less than 1
Certificate of Deposit (CD)	Level 1	$ 1,778,724	$ 1,778,724

Interest Rate Risk. NACOG's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. NACOG's investment policy does not limit its investment choices.

Custodial Credit Risk – Investments. NACOG's investment in a certificate of deposit was covered by collateral held by the pledging financial institution, but not in NACOG's name.

Concentration of Credit Risk. NACOG's investment policy places no limit on the amount NACOG may invest in any one issuer.

Note 5 – Receivables

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for NACOG's individual major funds and non-major governmental funds in the aggregate were as follows:

	General	Workforce Development	Head Start	Aging and Adult Administration	Non-Governmental Funds	Total
Due from other governmental entities:						
Due from federal government	$	$ 479,974	$ 625,383	$	$	$1,105,357
Due from state government	713			1,389,177	1,066,318	2,456,208
Net due from governmental entities:	$ 713	$ 479,974	$ 625,383	$ 1,389,177	$ 1,066,318	$3,561,565

Note 6 – Capital Assets

A summary of capital asset activity for the current fiscal year follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 195,739	$	$	$ 195,739
Construction in progress	934,366	1,574,276	1,546,237	962,405
Total capital assets, not being depreciated	1,130,105	1,574,276	1,546,237	1,158,144
Capital assets, being depreciated:				
Buildings and improvements	2,764,062	1,851,289		4,615,351
Vehicles, furniture and equipment	3,577,473	1,681,856	159,768	5,099,561
Total capital assets being depreciated	6,341,535	3,533,145	159,768	9,714,912
Less accumulated depreciation for:				
Buildings and improvements	(1,831,760)	(81,799)		(1,913,559)
Vehicles, furniture and equipment	(2,043,577)	(383,620)	(140,098)	(2,287,099)
Total accumulated depreciation	(3,875,337)	(465,419)	(140,098)	(4,200,658)
Intangible right-to-use assets:				
Leased buildings and improvements		897,071		897,071
Less accumulated amortization		(204,674)		(204,674)
Total capital assets, being depreciated, net	2,466,198	3,760,123	19,670	6,206,651
Governmental activities capital assets, net	$ 3,596,303	$ 3,760,123	$ 19,670	$ 7,364,795

Note 6 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

General administration	$ 611
Early childhood education	513,229
Human services	42,723
Employment and training	113,530
Total depreciation expense – governmental activities	$ 670,093

Construction Commitments – At year end, NACOG had contractual commitments related to various capital projects for the construction of several modular classrooms. At year end, NACOG had spent $962,405 on the projects and had estimated remaining contractual commitments of $1.3 million. These projects are being funded with Head Start grant funds.

Note 7 – Revolving Line of Credit

NACOG has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of federal and state revenues. At year end, NACOG had $500,000 in unused line of credit.

Note 8 – Leases Payable

NACOG has acquired the usage of several buildings under the provisions of contracts classified as leases. The related obligations under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Workforce Development, Head Start, and Aging and Adult Administration Funds are used to pay the lease obligations. Amortization of right-to-use assets recorded under leases is included with depreciation expense.

The net present value and future minimum lease payments at year end were as follows:

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2024	$ 259,327	$ 19,779
	2025	275,172	11,101
	2026	122,197	3,801
	2027	35,226	1,482
	2028	18,324	211
Total		$ 710,246	$ 36,374

Note 8 – Leases Payable

The right-to-use assets recorded under leases that meet NACOG's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Building improvements	$ 897,071
Less: Accumulated amortization	204,674
Total	$ 692,397

<u>Lease Commitments</u> – At year end, NACOG had contractual commitments related to leases for which the lease term had not yet commenced. At year end NACOG had made payments of $200,927 to the lessor and had remaining contractual commitments with the lessor of $746,620, including the lease liabilities that will be recognized at the commencement of the lease term.

Note 9 – Changes in Long-Term Liabilities

Long-term liability activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Net pension liability	$ 13,818,871	$ 3,273,759	$	$ 17,092,630	$
Leases payable		896,711	186,465	710,246	259,327
Compensated absences payable	361,746	465,342	376,995	450,093	265,000
Total governmental activities long-term liabilities	$ 14,180,617	$ 4,635,812	$ 563,460	$ 18,252,969	$ 524,327

Note 10 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds:

	General	Head Start	Non-Major Governmental Funds	Total Due to Other Funds
Workforce Development	$	$ 411,456	$	$ 411,456
Aging and Adult Administration		773,194		773,194
Internal Service Fund	52,023			52,023
Non-Major Governmental Funds	347,260	410,802	8,052	766,114
Total Due from Other Funds	$ 399,283	$ 1,595,452	$ 8,052	$ 2,002,787

Note 10 – Interfund Receivables, Payables, and Transfers

At year end, several funds had negative cash balances in NACOG's pooled cash account. Negative claims on pooled cash were reduced by interfund borrowing with the General Fund. Other borrowings were due to the timing of temporary interfund borrowing for cash flow needs. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in			
Transfers out	General Fund	Head Start	Non-Major Governmental Funds	Total
Workforce Development	$	$	$ 30	$ 30
Non-Major Governmental Funds	109,633	13	80,450	190,096
Total	$ 109,633	$ 13	$ 80,480	$ 190,126

Transfers between funds were used to eliminate deficit fund balances resulting from normal operations.

Note 11 – Contingent Liabilities

Compliance – NACOG participates as both a contractor and a subcontractor in several programs administered by federal and state agencies. Programs included in these financial statements may be subject to program compliance and/or financial monitoring by the granting agencies or representatives. Accordingly, the amount, if any, of expenditures/expenses which may be disallowed by the granting agencies cannot be determined at this time.

Note 12 – Risk Management

NACOG is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

NACOG was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, NACOG joined the Social Services Contractor Indemnity Pool (Pool). The Pool is a public entity risk pool currently operating as a common risk management and insurance program for social services contractors. NACOG pays an annual premium to the Pool for its general insurance coverage. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

Note 12 – Risk Management

NACOG established an Employee Benefit Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health claims. Under this program, the Fund provides coverage for up to a maximum of $100,000 for each claim. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended June 30, 2023	Year ended June 30, 2022
Unpaid claims, beginning of fiscal year	$ 197,266	$ 307,056
Incurred claims (including IBNRs)	2,948,841	2,383,223
Claims payments	(2,754,591)	(2,493,013)
Unpaid claims, end of year	$ 391,516	$ 197,266

NACOG carries commercial insurance for all other risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

Note 13 – Concentrations

Although NACOG administers multiple government grant programs, the Council depended on three contracts for approximately 88 percent of its total revenue. The three noted revenue sources are derived from the Head Start contract with the U.S. Department of Health and Human Services, the Community Services Assistance, and the Aging and Adult Administration contract with the Arizona Department of Economic Security. Decreases in funding or discontinuance of any or all of these contracts would severely impact the ability of NACOG to continue as presently constituted.

Note 14 – Pensions

Plan Description. NACOG employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to NACOG's financial statements.

Benefits Provided. The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Note 14 – Pensions

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and NACOG was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. NACOG's contributions to the pension plan for the year ended June 30, 2023 were $1,586,478.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. NACOG was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

NACOG's pension plan contributions are paid by the same funds as the employee's salary, with the largest component coming from the Head Start Fund.

Pension Liability. The net pension liability was measured as of June 30, 2022. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. NACOG's proportion of the net liability was based on NACOG's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2022.

Note 14 – Pensions

At June 30, 2023, NACOG reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, NACOG's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

Net Liability	NACOG % Proportion	Increase (Decrease)
$ 17,092,630	0.105	0.000

Pension Expense and Deferred Outflows/Inflows of Resources. NACOG has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. NACOG's pension expense for the year ended June 30, 2023 was $1,564,155.

NACOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 145,639	$
Changes of assumptions or other inputs	848,340	
Net difference between projected and actual earnings on pension investments		450,236
Changes in proportion and differences between contributions and proportionate share of contributions	41,440	381,145
Contributions subsequent to the measurement date	1,586,478	
Total	$ 2,621,897	$ 831,381

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2024	$ 492,046
2025	(226,917)
2026	(781,716)
2027	720,625

Note 14 – Pensions

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

Note 14 – Pensions

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents NACOG's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	$ 25,219,667	$ 17,092,630	$ 10,315,951

Contributions payable. NACOG's accrued payroll and employee benefits included $____________ of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

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Required Supplementary Information

DRAFT

NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
NACOG's proportion of the net pension (assets) liability	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
NACOG's proportionate share of the net pension (assets) liability	$ 17,092,630	$ 13,818,871	$ 19,275,753	$ 16,177,983	$ 15,370,416	$ 17,230,882	$ 17,958,482	$ 16,957,314	$ 16,214,734
NACOG's covered payroll	$ 12,321,690	$ 11,840,695	$ 12,173,476	$ 11,731,565	$ 10,954,477	$ 10,796,484	$ 10,440,018	$ 9,831,680	$ 9,872,103
NACOG's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.72%	116.71%	158.34%	137.90%	140.31%	159.60%	172.02%	172.48%	164.25%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 1,586,478	$ 1,479,835	$ 1,379,441	$ 1,393,863	$ 1,311,589	$ 1,194,038	$ 1,163,861	$ 1,132,742	$ 1,070,670
Contributions in relation to the actuarially determined contribution	1,586,478	1,479,835	1,379,441	1,393,863	1,311,589	1,194,038	1,163,861	1,132,742	1,070,670
Contribution deficiency (excess)	$	$	$	$	$	$	$	$	$
NACOG's covered payroll	$ 13,309,379	$ 12,321,690	$ 11,840,695	$ 12,173,476	$ 11,731,565	$ 10,954,477	$ 10,796,484	$ 10,440,018	$ 9,831,680
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

Note 1 – Pension Plan Schedules

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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Supplementary Information

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NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES AND EXPENDITURES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Workforce Development	Head Start
Revenues:			
Intergovernmental	120,285	1,636,986	25,742,897
Charges for services	6,807	933	
Investment earnings		36	
Total revenues	127,092	1,637,955	25,742,897
Expenditures:			
Salaries and wages	830,418	480,521	9,665,044
Employee-related expenses	296,047	174,014	4,858,314
Professional/outside services	86,984	99,980	310,395
Travel	19,792	3,363	369,846
Facility costs	102,567	134,003	1,501,240
Supplies and printing	66,139	32,274	1,303,584
Equipment	53,875	345,294	3,975,933
Operating services	98,355	6,922	477,833
Indirect cost pool assessments	(1,436,853)	49,088	1,089,252
Program services and supplies	1,440	650,944	1,000,114
Total expenditures	118,764	1,976,403	24,551,555
Excess (deficiency) of revenues over expenditures	8,328	(338,448)	1,191,342
In-kind contributions			

Aging and Adult Administration	Non-Major Governmental Funds	Total Governmental Funds
6,628,242	4,610,114	38,738,524
	217,358	225,098
		36
6,628,242	4,827,472	38,963,658
1,768,597	1,019,463	13,764,043
788,858	403,259	6,520,492
3,362,576	1,134,080	4,994,015
92,407	67,002	552,410
223,492	123,373	2,084,675
76,899	28,201	1,507,097
207,161	288,612	4,870,875
78,252	48,904	710,266
191,809	106,704	
	1,384,705	3,037,203
6,790,051	4,604,303	38,041,076
(161,809)	223,169	922,582
927,914	127,384	1,055,298

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Single Audit Section

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Regional Council
Northern Arizona Council of Governments

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Arizona Council of Governments, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Northern Arizona Council of Governments' basic financial statements, and have issued our report thereon dated **Report Date**. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements.*

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Northern Arizona Council of Governments' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northern Arizona Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Arizona Council of Governments' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Arizona Council of Governments' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
Report Date

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

To the Regional Council
Northern Arizona Council of Governments

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northern Arizona Council of Governments' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Northern Arizona Council of Governments' major federal programs for the year ended June 30, 2023. Northern Arizona Council of Governments' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northern Arizona Council of Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northern Arizona Council of Governments and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northern Arizona Council of Governments' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northern Arizona Council of Governments' federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northern Arizona Council of Governments' compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about Northern Arizona Council of Governments' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northern Arizona Council of Governments' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Northern Arizona Council of Governments' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Northern Arizona Council of Governments' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Arizona Council of Governments as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Northern Arizona Council of Governments' basic financial statements. We issued our report thereon dated **Report Date**, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
Report Date

Northern Arizona Council of Governments
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal/Pass-Through/Agency	AL Number	Federal Award Number	Expenditures and Transfers	Total Expenditures and Transfers	Subrecipient Expenditures
U.S. Department of Agriculture					
Passed through Arizona Department of Education:					
Child and Adult Care Food Program	10.558	03-26-02		499,211	
U.S. Department of Commerce					
Direct Program:					
Economic Development Support for Planning Organizations	11.302	N/A		75,000	
U.S. Department of Housing and Urban Development					
Passed through Arizona Department of Housing:					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	136-23	195,224		
Home Investment Partnerships Program	14.239	304-22	43,260		
Home Investment Partnerships Program	14.239	303-22	372,075		
Home Investment Partnerships Program	14.239	307-21	9,986		
Total Department of Housing and Urban Development				620,545	
U.S. Department of Labor					
Passed through Arizona Department of Economic Security:					
WIOA Cluster:					
WIOA Adult Program	17.258	DI21-002290	659,844		
WIOA Youth Activities	17.259	DI21-002290	446,331		
WIOA Dislocated Worker Formula Grants	17.278	DI21-002290	530,811		
Total WIOA Cluster			1,636,986		
Total Department of Labor				1,636,986	
U.S. Department of Transporation					
Passed through Arizona Department of Transportation:					
Highway Planning and Construction	20.205	GRT-21-0008162-T		501,050	
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GRT-21-0008162-T		141,824	
Formula Grants for Rural Areas and Tribal Transit Program	20.509	GRT-21-0008162-T		20,000	
Transit Service Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	GRT-22-0008876-T	119,391		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	GRT-19-0007473-T	5,808		
Total Transit Service Programs Cluster				125,199	
Total Department of Transporation				788,073	
Environmental Protection Agency					
Passed through Arizona Department of Environmental Quality					
Water Quality Management Planning	66.454	EV20-0003 & EV23-0010	39,551		
Brownsfields Multipurpose Assessment Revolving Loan Fund and Cleanup Cooperative Agreements	66.818	BF-99T91501-0	137,024		
Total Environmental Protection Agency				176,575	
U.S. Department of Energy					
Passed through Arizona Department of Housing:					
Weatherization Assistance for Low-Income Persons	81.042	216-22		173,540	
U.S. Department of Health and Human Services					
Passed through Arizona Department of Economic Security					
Special Programs for the Aging, Title VII, Chapter 3, Programs for the Prevention of Elder Abuse, Neglect and Exploitation	93.041	CTR048040		5,530	
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	CTR048040		37,040	
COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	CTR048040		17,850	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	CTR048040		47,517	
COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	CTR048040		25,736	
Aging Cluster:					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CTR048040	1,358,607		195,120
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CTR048040	342,532		
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CTR048040	1,115,785		833,494
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CTR048040	486,761		
Nutrition Services Incentive Program	93.053	CTR048040	183,651		171,297
Total Aging Cluster				3,487,336	
COVID-19 Special Programs for the Aging, Title iV, and Title II, Discretionary Projects	93.048	CTR048040		17,823	
National Family Caregiver Support, Title III, Part E	93.052	CTR048040		414,188	144,235
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	CTR048040		151,569	
Lifespan Respite Care Program	93.072	CTR048040		2,704	2,704
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	CTR048040		53,485	
477 Cluster:					
Temporary Assistance for Needy Families	93.558	CTR048040	159,223		4,489
Community Service Block Grant	93.569	CTR048040	278,152		28,107
Total 477 Cluster				437,375	
Low-Income Home Energy Assistance	93.568	CTR048028		617,039	45,450
COVID-19 Low-Income Home Energy Assistance	93.568	CTR048028		386,708	
CCDF Cluster:					
Child Care and Development Block Grant	93.575	P0028705401 - P0028705428	2,214,163		
Total CCDF Cluster				2,214,163	
Social Services Block Grant	93.667	CTR048040		1,237,871	698,178
Social Services Block Grant	93.667	CTR048028		53,036	
COVID-19 Elder Abuse Prevention Interventions Program	93.747	CTR048040		3,299	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	CTR048040		97,834	

Passed through Arizona Department of Housing:					
Low-Income Home Energy Assistance	93.568	216-22		434,982	
Direct Program:					
Head Start Cluster:					
Head Start	93.600	N/A	20,585,200		
COVID-19 Head Start	93.600	N/A	751,784		
Total Head Start Cluster				21,336,984	
Total U.S. Department of Health and Human Services				31,080,069	2,123,074
Total Expenditures of Federal Awards				$ 35,049,999	

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See accompanying notes to schedule.

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Northern Arizona Council of Governments under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of NACOG, it is not intended to and does not present the financial position, changes in net position or cash flows of NACOG. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Indirect Cost Rate

The auditee did not use the de minimis indirect cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

Northern Arizona Council of Governments
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Programs or Clusters
93.568	Low-Income Home Energy Assistance
93.600	Head Start Cluster
93.575	CCDF Cluster
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: $1,051,500

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No

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Northern Arizona Council *of* Governments
119 E. Aspen Avenue
Flagstaff, AZ 86001-5222
(928) 774-1895, FAX: (928) 773-1135

Memorandum:

Date: February 8, 2024

To: NACOG Regional Council

From: Jennifer O'Connor, Planning Director; Tod Morris, Senior Mobility Management Planner

Subject: Transportation Program Update

***

TRANSPORTATION INFRASTRUCTURE UPDATES

1) CYMPO BOUNDARY STUDY UPDATE

The Central Yavapai Metropolitan Planning Organizations (CYMPO) was founded 20 years ago to provide a forum for local elected officials and transportation experts to plan multimodal infrastructure within its service area of approximately 435 square miles. The region is made up of the following five jurisdictions: City of Prescott, Town of Prescott Valley, Town of Chino Valley, Town of Dewey-Humboldt and part of Yavapai County. CYMPO plans for and manages the investment of federal transportation funds based on the local needs with 5 through 20 year planning horizon.

In recent years, there has been interest among some residents and elected officials within the Verde Valley in exploring the possibility of the Verde Valley either forming its own Metropolitan Planning Organization or joining CYMPO, with a focus on understanding the possible benefits that could come to the Verde Valley from moving out of the NACOG planning boundary. In response, NACOG initiated conversations with the U.S. Census Bureau to determine if the Verde Valley's population growth between 2010 and 2020 made the region eligible for MPO designation; however, it became clear that the region does not qualify based on the federal governments population and growth requirements for MPO formation. In an effort to support the Verde Valley's interest in this topic, NACOG then contributed $10,000 of its planning funds to the CYMPO Boundary Study in order for the needs of the Verde Valley to be considered within the boundary expansion analysis.

CYMPO has seen that the population of the Central Yavapai region and its transportation needs have grown substantially since its formation so the organization chose to conduct the CYMPO Boundary Study to determine the benefits and challenges of a formal MPO boundary expansion. This analysis considered three expansion scenarios:

- Scenario A: Add areas east along the State Route (SR) 69 and SR 169 corridors between the current CYMPO boundary and the Interstate 17 (I-17) corridor
- Scenario B: Includes the entirety of Scenario A and all of western Yavapai County, with I-17 being the boundary south of the southeast corner of the Scenario A boundary
- Scenario C: Includes the entirety of Yavapai County (the current CYMPO boundary, Scenario A and Scenario B)

The CYMPO Boundary study used a data-driven approach to evaluate the funding impacts of the three scenarios. The Planning Implications section (page 7) provides a brief summary of some of the services that NACOG provides to the Verde Valley and the Summary section (page 14) succinctly recaps the impacts of the possible boundary changes on planning services, federal and state funding that is made available to the regions and a staffing analysis. At their January 10th meeting, the CYMPO Executive Board voted to pursue Scenario B, which means that, at this time, they would not pursue incorporation of the Verde Valley would into the CYMPO region.

At the January 24th Verde Valley Transportation Planning Organization (VVTPO) meeting, Supervisor Gregory proposed that the Verde Valley communities consider a new approach to regional transportation planning, similar to CYMPO, where Surface Transportation Block Grant (STBG) funds are used for regional planning studies and projects rather than distributed to Verde Valley jurisdictions for construction and maintenance projects. ADOT allocates $339,322 each year to the Verde Valley, which is made available to the jurisdictions through a rotational process whereby each jurisdiction receives two consecutive years of funding every 10 years. NACOG will continue to engage the Verde Valley in discussions about the potential implications of a potential future CYMPO boundary expansion as well as possible changes to the way the Verde Valley uses their STBG funds in order to enhance regional transportation planning in the region.

2) VERDE VALLEY TRANSPORTATION SAFETY PLAN

NACOG is actively working with Yavapai County to prepare for the Verde Valley Transportation Safety Plan. We are currently in the Grant Agreement phase with the Federal Highway Administration and once that is complete, we will be able to move towards an RFP process to hire a consultant to perform the work. I suspect we are still three months away from issuing the RFP.

The Verde Valley Transportation Safety Plan will take deeper dive into the safety hazards and crashes in the Verde Valley and identify strategies that can be taken at a jurisdiction and regional level to improve roadway safety. The recently completed Regional Transportation Safety Plan, which analyzed crash data for all of northern Arizona, identified the Verde Valley area as one of the areas most frequently experiencing severe injury and death on the roadways, making further analysis and identification of safety improvement projects, programs, and policies an essential planning effort going forward.

3) LEGISLATIVE OUTREACH FOR REGIONAL PRIORITY PROJECTS LIST (RPPL)

On February 1st, the State House Transportation Committee voted 9-1 to approve House Bill 2412, the state appropriations bill for rural transportation projects on NACOG's Regional Priority

Projects List. Supervisor Alton Joe Shepherd, NACOG Regional Council Chair, attended the hearing and spoke in strong support of the northern Arizona projects. While Governor Katie Hobbs' proposed budget includes "clawbacks", retractions of funding for specific roadway projects that have not seen progress since they were approved by the state legislature, many of the state legislators have spoken out in opposition to this proposal and very few northern Arizona projects are included in the list. See the "Sources and Uses of State Funds" document from the Governor's office in the meeting packet for more details. (p.)

On January 18th, NACOG participated in its second annual Legislative Day at the state capitol with strong representation from elected officials from northern Arizona, including the City of Show Low, Town of Pinetop-Lakeside, City of Williams, Town of Clarkdale, City of Page, Coconino County, and others. The Legislative Day was an excellent opportunity for local communities to share their transportation, housing, financial and other priorities with state representatives such as Rep. David Cook (LD 7), Sen. Wendy Rogers (LD 7), Rep. Selena Bliss (LD 1), Senate President Warren Petersen (LD 14), and others.

NACOG staff have been building relationships with the Legislative District 1, 6 and 7 legislators since the end of the 2023 legislative session through virtual meetings in July, August, October and November. In December 2023, NACOG staff and local jurisdictions continued to meet with state legislators from Districts 1, 6 and 7 to encourage their support for roadway infrastructure projects in northern Arizona. These projects, which comprise NACOG's 2023 Regional Priority Projects List (RPPL), will be incorporated into a single bill that incorporates roadway projects from across Greater Arizona. This bill will be sponsored by a rural legislature and seek funding through the state budget this spring (2024). A map and full list of the projects is included with this meeting packet. (p.)

NACOG has provided each legislator with a comprehensive hard copy binder, tailored to their district, with information about the process to develop the RPPL and fact sheets and supporting documentation for each project. Since the November TPAC meeting, NACOG has hosted the following virtual and in-person meetings with state legislators to encourage their support for the RPPL projects:

District 1 (Yavapai County):

- Sen. Ken Bennett – In-person meeting (NACOG staff only) – November 29th
- Rep. Selena Bliss – In-person meeting (NACOG staff only) – December 5th
- Sen. Bennett, Rep. Bliss and Rep. Quang Nguyen – Virtual call with local jurisdictions staff and elected officials to discuss RPPL projects – December 19th

District 6 (Northern parts of NACOG region in Coconino, Navajo and Apache Counties):

- Rep. Myron Tsosie – In-person meeting (NACOG staff and Regional Council Chair Supervisor Alton Joe Shepherd) – November 29th
- Representative Mae Peshlakai – In-person meeting (NACOG staff only) – November 21st

- Senator Theresa Hatathlie – In-person conversation at Rural Transportation Summit – October 19th

District 7 (Southern parts of NACOG region in Coconino, Navajo and Apache Counties):

- Sen. Wendy Rogers - Virtual call with local jurisdictions staff and elected officials to discuss RPPL projects – November 29th
- Rep. David Cook - Virtual call with local jurisdictions staff and elected officials to discuss RPPL projects – December 4th

The legislators we have spoken to have been very supportive our projects and are now knowledgeable of the project details and why they are priorities for the region. The state budget will likely not see the same levels of surplus funds as seen over the past few years, but NACOG and its planning partners remain hopeful that some of the RPPL will see funding in 2024.

Included in this packet is a sample RPPL Letter of Support that can be tweaked and sent to state legislators. (p.) NACOG strongly encourages TPAC and Regional Council members to submit letters of support for the projects in their jurisdiction directly to their state legislator. The legislators' contact information is also included as an attachment to this memo. (p.)

Additional Background Information for New Members:

The 2023 Regional Priority Projects List (RPPL) was approved by NACOG's Regional Council at its October 26th meeting and is attached to this memo. The list of priority roadway infrastructure projects can also be found on the NACOG website here: https://nacog.org/regional-priority-projects-list/. A fact sheet for each project is also available on the website.

Staff has also developed an interactive mapping website where elected officials and members of the public may view the locations of each project along with the fact sheets, which can be found on NACOG's ArcGIS Online Hub here:
https://experience.arcgis.com/experience/f50fb886ba4d4aa08f342b52d4558cab/

NACOG staff prepared RPPL binders for each legislative delegation (Districts 1, 6 and 7), which will be provided to each legislator during in-person meetings in the coming months to educate them about the importance of these projects.

4) NACOG 2024 TRAFFIC COUNTING PROGRAM

NACOG staff has assembled a draft traffic counting locations list for 2024 based on ADOT's Gap Map, the NACOG MS2 TCDS, and consultation with ADOT Traffic Data Section and their consultants. This list contains 104 locations across the northern Arizona region that either are missing traffic volume data, have aging counts that need to be updated, or are newly classified as roadway segments that need to have traffic counts as a result of urban/rural boundary changes and case-by-case FHWA updates to roadways.

The draft list of traffic counts planned for 2024 (and historical counts from 2021-2023) can be viewed online via ArcGIS here.

5) AZ SMART FUND APPLICATIONS

NACOG is pleased to report that the Town of Jerome has been awarded an AZ SMART Fund grant for its Verde Avenue Planning and Design Project in the amount of $222,133. The State Transportation Board awarded the funds to the Town at their December 15, 2023 board meeting. The request for funding includes design and engineering services related to street resurfacing and utility replacement on one of the Town's more accessed roads within its downtown district, Verde Avenue. This grant request falls within "Municipalities under 10,000 population category" which has been relatively untouched thus far into the program year so it demonstrates increased interest from small, rural communities in the AZ SMART Fund.

The AZ SMART Fund was established by the Arizona Legislature in 2022 to assist eligible cities, towns, counties and the Arizona Department of Transportation (ADOT) in competing for federal discretionary surface transportation grants. The Fund is administered by ADOT, and all awards must be approved by the State Transportation Board (STB).

Applicants may request AZ SMART Funds for any of the following eligible uses associated with developing a project for, applying for, or providing a local, non-federal match on a federal grant as follows:

- Reimbursement of up to 50% of the eligible costs associated with Grant Development and Submission of an application for a federal discretionary grant. Limited to counties with a population of less than 100,000 and cities and towns with a population of less than 10,000.
- Reimbursement of non-federal match for a federal grant.
- Reimbursement of design and other engineering services expenditures that meet federal standards for projects eligible for a federal grant. For the purposes of the AZ SMART Fund, design and other engineering services includes preliminary engineering through final design related to a road, bridge, rail or transit infrastructure construction project that the Applicant intends to submit for a federal grant *in a future year*.

More information, as well as the program application and guidelines, can be found on ADOT's AZ SMART Fund website.

6) BIPARTISAN INFRASTRUCTURE LAW (BIL) UPDATES

NACOG encourages all jurisdictions that are interested in applying for federal funds to use the many resources available on the USDOT's "Rural Opportunities to Use Transportation for Economic Success (ROUTES)" program website. The ROUTES program is designed specifically for rural communities to offer them user-friendly tools and information on federal funding opportunities and to provide technical assistance. The website includes an Application Toolkit, which can be downloaded as a PDF, in addition to toolkit videos and guidance on writing an application.

FHWA and ADOT Webinar – BIL Grants Training for Local Public Agencies

The Federal Highway Administration, in partnership with ADOT, will be hosting a webinar entitled "Grants Training for Local Public Agencies" on Thursday, February 29th from 8:00 to 10:00am. The webinar participants will gain an understanding of new grant programs under the Bipartisan Infrastructure Law with a focus on:

- General description of the program and key requirements
- Funding amount
- Eligible uses
- Eligible applicants
- Examples of awarded grants for the program

- **Join from the meeting link**

  https://azgov.webex.com/azgov/j.php?MTID=m75500518353a852f80ec45a851c29b2b

- **Join by meeting number**

  Meeting number (access code): 2630 153 7505

  Meeting password: N6MedPMnP34

NACOG Bipartisan Infrastructure Law Funding Navigator

The NACOG planning team has created a webpage to house summarized data for all funding opportunities related to the Bipartisan Infrastructure Law to adapt to the quickly-changing nature of these federal funding opportunities; this resource will be updated frequently to share the most current information about open and upcoming funding programs. All funding programs have

The BIL Funding Navigator can be found here: https://nacog.org/bil-navigator/

A) **Rebuilding American Infrastructure with Sustainability and Equity (RAISE)** – Applications due February 28, 2024

The FY 2024 RAISE Discretionary Grant Program Notice of Funding Opportunity (NOFO) was released on November 30, 2023. The RAISE program funds capital investments in surface transportation that will have a significant local or regional impact. U.S. DOT seeks to fund projects under the RAISE program that reduce greenhouse gas emissions, address environmental justice, proactively address racial equity and barriers to opportunity, and prioritize projects that support the creation of well-paying jobs.

For more information on the RAISE Program, click here.

B) FHWA Bridge Investment Program – Planning applications due February 19, 2024; Design and Construction applications due March 19, 2024

The Federal Highway Administration (FHWA) released the Bridge Investment Program's Notice of Funding Opportunity on December 20, 2023. The purpose of the Bridge Investment Program is to improve bridge condition and the safety, efficiency, and reliability of the movement of people and freight over bridges. FHWA awards grants under BIP for the following types of projects:

- "Large Projects" (referred to as "Large Bridge Projects"): Minimum award amount $50 million, grant covers 50% of total eligible project costs so other funding required
- "Other Than Large Projects" (referred to as "Bridge Projects"): Minimum award amount $2.5 million); grant covers 80% of total eligible project costs so other funding required for remaining 20%, with the exception of off-system bridges which are eligible for 90% funding
- Planning Grants: No minimum award amount; for planning, feasibility analysis, and revenue forecasting of a project that would subsequently be eligible to apply for BIP funding; grant covers 80% of total eligible project costs
- Tribal transportation facility bridges: this funding is administered as if made available under the Tribal Transportation Program (TTP); $40 million available for construction; $20 million available for planning, feasibility analysis and revenue forecasting.

For more information, visit FHWA's Bridge Investment Program website.

C) Safe Streets and Roads for All (SS4A) Grant Program – Upcoming, February 2024

The SS4A program, established by the BIL, provides $4 billion in appropriated funds over the next 4 years, intended to fund regional, local, and Tribal initiatives to prevent roadway deaths and serious injuries. Up to $1 billion is available in FY23. The following activities are eligible for the SS4A program:

- Development or update of a comprehensives safety action plan (Action Plan)
- Planning, design, and development activities in support of an Action Plan
- Carrying out projects and strategies identified in an Action Plan

More information about specific activities and tasks eligible for SS4A funding are detailed on the DOT grant webpage found here.

7) STATE AND LOCAL FUNDING OPPORTUNITIES

A) **Highway Safety Improvement Program (HSIP) –** Applications due May 3, 2024

ADOT announced its FY 27 and FY 28 Highway Safety Improvement Program (HSIP) Call for Projects on January 4, 2024. The HSIP grant program focuses on reducing fatalities and serious injuries on all public roads. ADOT will make $32,700,000 in HSIP funds available in FY 27 and $56,100,000 in FY 28. Some important modifications have been made to the grant program this year, three of which are highlighted here. All potential applications will be reviewed an ADOT consultant and the consultant's fees have been added to the cost estimator tool provided by ADOT with the application. ADOT will set aside HSIP funds to cover potential construction cost increases on local HSIP projects that qualify for 100% funding. Design consultant's costs must be at least $150,000 and the above the line construction phase must be at least $500,000.

The HSIP Manual, HSIP Application and appendixes A,B,C & E (Appx. D is still under development) are available on the following ADOT webpage: https://azdot.gov/business/transportation-systems-management-and-operations/operational-traffic-safety/arizona-highway

NACOG will be using Greenlight Traffic Engineering, Inc. to help identify and support the development of HSIP applications in 2024. For jurisdictions that would like to recommend a project for HSIP funding and receive free application support, please contact Jenn O'Connor at joconnor@nacog.org.

B) **Transportation Alternatives (TA) Program – Upcoming, Late Spring 2024**

The Arizona Department of Transportation (ADOT) invites cities, towns and other interested parties to partner with their regional planning organizations to apply for $16 million in grants available this year through the Transportation Alternatives (TA) Program.

These federal grant dollars support projects that, among other eligible purposes:

- Enhance safety and mobility for pedestrians, bicyclists and transit riders,
- Provide scenic views, preserve history
- Create recreational trails
- Support habitat connectivity and stormwater mitigation
- Enhance safe routes to schools and
- Conduct safety assessments for vulnerable road users.

Projects can encompass planning, design and/or educational activities. Successful projects will demonstrate they are feasible, have the support of the community and will provide a benefit to the community. Projects must be for areas outside Maricopa and Pima counties.

A complete list of eligible projects is available through the Federal Highway Administration's guidance for the Transportation Alternative Program.

C) **Historic Route 66 Grants – Due March 15, 2024**

The Arizona Community Foundation, in parntership with the Historica Route 66 Association of Arizona, offers this annual grant for planning, eductation, research and construction to promote the Association's mission to preserve, promote or protect Route 66. Eligible applicants include 501 (c) (3) non-profits, educational institutions, local, state, and tribal government agencies. Funding is available for awards ranging from $1,000 - $25,000 with **no match required.**

Applications will be accepted February 1 - March 15, 2024. Application must be completed through Arizona Community Foundation's website. Application can be viewed here outside the application window.

Below is a list of project grants awarded in 2023 to give members a sample of successful project applications.

- Seligman Chamber of Commerce - Welcome arches for Birthplace of Historic Route 66.
- Grand Canyon Caverns - Peach Springs, Arizona - Elevator repairs.
- Scoops on 66 - Kingman, Arizona - Windows and door for ice cream shop.
- Snow Cap Drive In - Seligman, Arizona - Restoration of business frontage signage.
- Mudd on 66 - Kingman, Arizona - plumbing infrastructure. This 1960s tavern will become a coffee shop. The plumbing in the historic building needs extensive work.

GENERAL GRANT RESOURCES

Project sponsors with additional questions or interested in receiving additional assistance are invited to visit the Department's Grants homepage to look for federal funding. Currently, twelve fact sheets are available on the following non-MPDG subjects, including apportionments, the "new" Bridge Formula Program, and all of FHWA's "legacy" formula programs carried over from the FAST Act on the FHWA website. For a full list of grant opportunities available through the BIL, please reference the Building A Better America Guidebook.

8) Grant Writing Workshop

After a successful December Grant Writing Class, NACOG has partnered with MetroPlan to host a grant management class on February 20-21. Registration is limited, please this link for more information and to register. (p.)

TRANSIT AND MOBILITY UPDATE

FY 24 & 25 FTA Section 5310 Notice of Funding Availability

On January 22nd ADOT released the FY2024 & FY2025 NOFA for FTA Section 5310 Funding. This funding is made available to support transit service that enhances mobility for seniors and individuals with disabilities in Arizona.

This year, FTA Section 5310 funding is available to fund Regional Mobility Management activities by COGs and MPOs in Arizona only. Applicants for other types of 5310 funding will apply in the
following year 2023. Mobility Management Applicants will need to apply for both years in the same application as part of a two-year application cycle. Awards are made in 1 year increments due to the federal funding allocations.

NACOG intends to apply for Regional Mobility Managements funds and continue to provide planning, technical assistance, and service coordination supports to rural transit and non-profit service providers. This grant will support transit and mobility activities completed by NACOG's Senior Mobility Planner and Planning Director. Applications are due March 5 and will require Regional Council to approval to submit the application.

<u>Other Transit and Mobility Coordination Projects</u>

5311 NOFA

- FY2024 Notice of Funding Availability for the 5311 Rural Public Transportation application which opened on December 20, 2023. This application will close Wednesday February 21, 2024 at 3:00 pm.
- This is a two year grant cycle, so the next opportunity to apply will not be until 2026.

5310 Audits

- The ADOT office of Audit and Analysis is conducting compliance reviews for select 5310 agencies across the state.
- NACOG is currently supporting several agencies navigate these site reviews. Agencies are should contact NACOG if they have received a notice of a site review audit. NACOG encourages 5310 recipients to view these audits as a opportunity to seek clarity on compliance items and highlight areas for additional training.

2024 RTAC Legislative Update #4

Rural Transportation Advocacy Council <kevin@ruraltransportationadvocacycouncil.ccsend.com>
Tue 2/6/2024 3:39 PM
To:Jennifer O'Connor <joconnor@nacog.org>

Hello all,

The deadlines to introduce bills in the Arizona House and Senate have passed. The attached bill matrix includes overviews and the status of the transportation infrastructure-related bills that have been introduced this session.

The list is somewhat subjective and tends to focus on bills regarding specific projects, funding and general issues impacting the use of the infrastructure such as safety. It also tends to be more oriented towards Greater Arizona. It is by no means an exhaustive list. For example, I decided several years ago to stop reporting on the legion of specialty license plate bills that get considered every year. If there is a bill not included that you wish to follow, please reach out and I will include it.

Also, while no more bills will be introduced, lawmakers have until the end of session to offer amendments so I will continue to sleep with one eye open until adjournment and let you know of any future legislative measures that you should be aware of.

2024 RTAC Transportation Bill Matrix February 6

Sincerely,
Kevin Adam,
Legislative Liaison
Rural Transportation Advocacy Council
https://www.rtac.net

Visit our website for more.

2024 RTAC Legislative Update #3

Rural Transportation Advocacy Council <kevin@ruraltransportationadvocacycouncil.ccsend.com>

Fri 2/2/2024 3:30 PM

To:Jennifer O'Connor <joconnor@nacog.org>

Hello all,

HB2412, appropriations; highway and road projects, passed the House Transportation and Infrastructure Committee with a 9-1 vote on Wednesday. This is the current year's version of the RTAC priority project legislation. Bill sponsor and committee chairman David Cook, along with Representatives Neal Carter, Patty Contreras, John Gillette, Consuelo Hernandez, Teresa Martinez, Keith Seaman, Myron Tsosie and Justin Wilmeth all voted in favor of the bill and expressed very strong support for investing in our rural transportation infrastructure. The lone "no" vote was from Rep. Steve Montenegro who did not explain his vote.

Thank you to RTAC Chairman and Graham County Supervisor Paul David, along with Apache County Supervisor Alton Shepherd, Coconino County Supervisor Jeronimo Vasquez, Globe City Manager Paul Jepson and Tom Dorn (representing several rural communities) for testifying and providing some excellent background on the need for these projects as well as articulating the committed local contributions, reemphasizing the point that local governments are stepping up and always willing to partner with the state to meet the transportation needs of Arizonans. A list of the projects included in the bill is attached.

While the votes and levels of support expressed by the committee members was very encouraging, the ability of lawmakers to direct additional funding to infrastructure will be very problematic this session based on the growing budget deficit which will need to be balanced. In fact, Governor Hobb's FY25 Executive Budget request proposes almost $420 million in transportation "claw backs" which would take previously appropriated funding from transportation projects and redirect it back to the State General Fund. The RTAC Board has taken a position to oppose any "claw backs" that would complicate or delay transportation project deliveries. The RTAC letter to the Governor is attached as well as the list of proposed transportation "claw backs".

HB2318, a bill sponsored by Yuma Representative Tim Dunn, which would enact RTAC-supported reforms to the Arizona SMART Fund, has also continued to progress. The SMART Fund has been an excellent resource assisting rural communities in their efforts to acquire competitive federal transportation grant funding. After an 11-0 vote by the House Transportation and Infrastructure Committee a week ago, the bill has moved through the additional steps required to be ready for consideration by the full House of Representatives.

Please continue to express your support for HB2318 and HB2412 - and your opposition to clawing back any funding previously appropriated for transportation infrastructure.

Arizona experienced some other good transportation news last week when it was announced that ADOT was awarded a $95 million federal INFRA grant which completes the remaining needed funding balance to fully expand I-10 to three lanes in both directions for the entire length between Phoenix and Tucson! Job well done by ADOT and all involved - Congratulations!

HB2412 RTAC Priority Project Bill List

2024 RTAC Transportation Bill Matrix February 1

RTAC Transportation Clawback Opposition Letter

FY25 Executive Budget Proposal Clawback Project List

Sincerely,
Kevin Adam,
Legislative Liaison
Rural Transportation Advocacy Council
https://www.rtac.net

REFERENCE TITLE: appropriations; highway and road projects

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2412

Introduced by
Representatives Cook: Carbone, Hernandez A, Tsosie

AN ACT

APPROPRIATING MONIES TO THE DEPARTMENT OF TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Appropriations: department of transportation; highway and road projects; fiscal year 2024-2025

The following amounts are appropriated from the state general fund in fiscal year 2024-2025 to the department of transportation for the following transportation infrastructure projects designated as regional priorities by the greater Arizona councils of government and metropolitan planning organizations:

1. Distribution to Globe for Yuma Street bridge replacement and improvements	$ 2,989,777
2. Distribution to Winkelman for Golf Course Road and Quarelli Street paving and improvements	$ 2,166,376
3. Distribution to Payson for McLane Road improvements between Airport Road and Houston Mesa Road	$ 3,406,786
4. Distribution to Star Valley for town street reconstruction and improvements	$ 2,301,412
5. Distribution to Superior for Lobb Avenue, Neary Avenue and Kellner Avenue pavement rehabilitation and improvements	$ 1,528,470
6. Distribution to Gila county for Young Road paving and improvements	$ 1,796,786
7. Distribution to Pinal county for Calle Futura and Neal Street paving and improvements	$ 1,081,236
8. Distribution to Pinal county for McNab Parkway paving and improvements between Erikson Avenue and Veterans Memorial Boulevard	$ 2,439,156
9. Distribution to Miami for town street and bridge improvements	$ 2,321,936
10. State Route 89 widening and improvements between Road 5 N and Road 3 N	$ 13,005,000
11. On-ramp construction and improvements at the State Route 89A, State Route 89 and Pioneer Parkway interchange	$ 5,400,000
12. Distribution to Prescott Valley for town street pavement preservation projects	$ 4,967,592
13. Distribution to Prescott for city street pavement preservation projects	$ 4,865,872
14. Distribution to Yavapai county for county street pavement preservation projects	$ 3,527,696

15. Distribution to Chino Valley for town street pavement preservation projects	$ 1,382,453
16. Distribution to Dewey-Humboldt for town street pavement preservation projects	$ 4,967,592
17. Distribution to Lake Havasu City for Falls Springs bridge replacement and improvements	$ 8,458,158
18. Distribution to Lake Havasu City for Kiowa Boulevard paving and improvements between Anacapa Drive and Canyon Cove Drive	$ 4,000,000
19. Distribution to Lake Havasu City for London Bridge Road pavement preservation from mile post 4.5 to mile post 7.88	$ 325,000
20. Distribution to Lake Havasu City for Swanson Avenue and Smoketree Avenue reconstruction and improvements from the intersection to the intersections with State Route 95	$ 1,500,000
21. Distribution to Apache Junction for Meridian Road widening and improvements between State Route 24 and Ray Road	$ 8,900,475
22. Distribution to Florence for Hunt Highway widening, realignment and improvements between 1,320 feet east and 4,500 feet west of the Attaway Road intersection	$ 6,256,212
23. Distribution to Gila River Indian Community for State Route 187 turn lane construction and improvements at intersection with Maricopa-Casa Grande Highway	$ 2,445,493
24. State Route 347 widening and improvements between Interstate 10 and Maricopa	$ 30,079,802
25. Distribution to Pinal county for State Route 24 extension construction from Ironwood Road to North-South freeway corridor	$ 16,503,460
26. Distribution to Queen Creek for Ironwood Road widening and improvements between Era Mae Boulevard and 1,250 feet south of Ocotillo Road	$ 2,178,988
27. Distribution to Flagstaff for Lone Tree corridor improvements	$ 15,360,803

28.	Distribution to Coconino county flood control district for flood mitigation improvements along U.S. Highway 89 in the vicinity of Schultz/Pipeline post-wildfire area	$ 5,029,210
29.	Distribution to Mountain Line Transit for bus maintenance facility construction	$ 2,044,750
30.	Distribution to Show Low for E. Woolford Road extension construction from State Route 260 to S. Penrod Road	$ 4,474,555
31.	Distribution to Williams for Rodeo Road and Route 66 paving and improvements	$ 6,286,896
32.	Distribution to Apache county for the rural school bus route enhancement and soil stabilization project	$ 461,250
33.	Distribution to Sedona for the State Route 89A/ Forest Road/Ranger Road roundabout project and improvements	$ 6,426,750
34.	Distribution to Apache county for Concho-Snowflake Highway pavement rehabilitation between U.S. 180A and mile post 7.5	$ 3,562,350
35.	Distribution to Hopi Tribe for Hotevilla-Bacavi Road reconstruction and improvements	$ 2,329,385
36.	Distribution to Eagar for electric vehicle charging station construction on N. Main Street	$ 420,250
37.	Distribution to Navajo Nation, Cornfields chapter for N-9205 low water crossing project at Pueblo Colorado wash	$ 1,469,850
38.	Distribution to Hopi Tribe for Kachina Point Road reconstruction and improvements between State Route 99 and State Route 264	$ 10,744,960
39.	Distribution to Yavapai county for Old Route 66 pavement rehabilitation and improvements between Ash Fork and Peach Springs	$ 5,041,635
40.	Distribution to Taylor for Centennial Boulevard improvements between W. 7th Street and Paper Mill Road	$ 194,750
41.	Distribution to Cottonwood for Main Street roundabout construction, pavement rehabilitation and improvements	$ 4,510,000

42. Distribution to Springerville for Tori Circle and Chiricahua Drive reconstruction and improvements	$ 1,044,291
43. Distribution to Winslow for Lindbergh Drive construction between Interstate 40 and State Route 87	$ 13,080,005
44. Distribution to Tusayan for State Route 64 restriping and improvements	$ 307,500
45. Distribution to Williams for Airport Road extension, paving and improvements	$ 10,777,275
46. Distribution to Apache county for Ganado School Bus Loop reconstruction	$ 2,155,410
47. Distribution to northern Arizona council of governments for northeastern Arizona rural school bus routes study	$ 2,000,000
48. Distribution to Cochise county for Moson Road improvements between State Route 90 and Hereford Road	$ 9,403,263
49. Distribution to Huachuca City for School Drive reconstruction and improvements	$ 525,000
50. Distribution to Huachuca City for Gila Street reconstruction and improvements	$ 1,305,000
51. Distribution to Sierra Vista for Buffalo Soldier Trail reconstruction and improvements	$ 8,100,000
52. Distribution to Nogales for Industrial Park Drive reconstruction and improvements between Manor Drive and Mariposa Road	$ 2,928,544
53. Distribution to San Carlos Apache Tribe for Peridot Siding Road pavement rehabilitation and improvements	$ 2,953,020
54. Distribution to Santa Cruz county for roundabout construction and improvements at and in the vicinity of the W. Frontage Road and Camino Ramanote intersection	$ 1,099,979
55. Distribution to Nogales for Frank Reed Road reconstruction and improvements between Mariposa Road and Grand Avenue	$ 1,586,252
56. Distribution to Douglas for the downtown revitalization streetscape project	$ 7,093,453
57. Distribution to Graham county for Reay Lane improvements between First Avenue and Safford Bryce Road	$ 3,655,058

58. Distribution to Cochise county for Davis Road culvert construction and improvements at mile posts 5 and 13 — $ 3,109,540
59. Distribution to Duncan for High Street paving and improvements between U.S. Route 70 and Stadium Street — $ 1,700,841
60. Distribution to Cochise county for Davis Road improvements between Central Highway and U.S. Route 191 — $ 7,093,453
61. Distribution to Nogales for La Quinta Road and Mariposa Ranch Road reconstruction — $ 1,815,722
62. Distribution to Willcox for the purchase of a transit vehicle — $ 61,071
63. Distribution to Casa Grande for improvements at and in the vicinity of the Thornton Road and Cottonwood Lane and the Trekell Road and Jimmie Kerr Boulevard intersections — $ 6,758,581
64. Distribution to Coolidge for Arica Road, Shedd Road and Vail Road paving and improvements — $ 13,517,162
65. Distribution to Eloy for Houser Road paving and improvements between the Inland Port of Entry and Interstate 10 — $ 6,758,581
66. Distribution to La Paz county for Vicksburg Road pavement rehabilitation and improvements between Interstate 10 and State Route 72 — $ 13,171,016
67. Distribution to Bullhead City for Hancock Road pavement rehabilitation and improvements between State Route 95 and Colorado Boulevard — $ 3,260,550
68. Distribution to Kingman for Airway Avenue widening and improvements east of Prospector Street — $ 2,891,740
69. Distribution to Mohave county for Bank Street paving and improvements between Grace Neal Parkway and Calle Castrano — $ 823,188
70. Distribution to Colorado City for Mohave Avenue and Redwood Street reconstruction and improvements — $ 1,317,102
71. Distribution to Kingman for Eastern Street reconstruction and improvements between Pasadena Avenue and Calumet Avenue — $ 8,830,092

72.	Interstate 40 and Rancho Santa Fe Parkway traffic interchange improvements	$ 9,899,921
73.	U.S. Route 95 widening and improvements between the Wellton-Mohawk Canal and Aberdeen Road	$ 40,000,000
74.	Distribution to Yuma county for U.S. Route 95 pavement rehabilitation between County 22nd Street and County 11th Street	$ 6,950,000
75.	Distribution to Somerton for Main Street improvements at and in the vicinity of the Somerton Avenue intersection	$ 1,377,320

REFERENCE TITLE: state match fund; rural transportation

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2318

Introduced by
Representative Dunn

AN ACT

AMENDING SECTION 28-339, ARIZONA REVISED STATUTES; RELATING TO THE DEPARTMENT OF TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 28-339, Arizona Revised Statutes, is amended to read:

28-339. State match advantage for rural transportation fund; allocation of monies; definitions

A. The state match advantage for rural transportation fund is established. The department shall administer the fund. Monies in the fund are continuously appropriated. The fund consists of the following:

1. Monies appropriated by the legislature.

2. Any nonfederal gifts, grants, donations or other amounts received from any public or private source for transportation projects.

B. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

C. The department may establish any subaccount in the fund that the department determines is necessary to carry out the purposes of this section.

D. The ~~board~~ DEPARTMENT may not approve any expenditures from the fund unless the expenditure is made in accordance with this section.

E. Monies in the fund shall be used only for the following:

1. To reimburse up to fifty percent of the costs associated with developing and submitting an application for a federal grant.

2. ~~As~~ TO PROVIDE MATCH OR REIMBURSEMENT OF a match for a federal grant.

3. To FUND OR reimburse design and other engineering services expenditures that meet federal standards for projects eligible for a federal grant. APPLICANTS AWARDED FUNDING FOR DESIGN AND OTHER ENGINEERING SERVICES SHALL SUBMIT AN APPLICATION FOR A FEDERAL GRANT WITHIN TWO YEARS AFTER THE AWARD OR THE AWARD LAPSES AND THE APPLICANT MUST REPAY ANY EXPENDED MONIES TO THE FUND. THE APPLICANT SHALL SUBMIT REPAYMENT WITHIN THIRTY DAYS AFTER RECEIVING AN INVOICE FROM THE DEPARTMENT.

F. Except as provided in subsection G of this section, THE DEPARTMENT SHALL SUBALLOCATE monies in the fund ~~shall be allocated as follows~~ TO THE FOLLOWING FIVE CATEGORIES:

1. Twenty percent to PROJECTS LOCATED IN counties with a population of one hundred thousand persons or more for uses described in subsection E, paragraphs 2 and 3 of this section.

2. Twenty percent to PROJECTS LOCATED IN counties with a population of less than one hundred thousand persons for uses described in subsection E of this section.

3. Twenty percent to PROJECTS LOCATED IN municipalities with a population of ten thousand persons or more for uses described in subsection E, paragraphs 2 and 3 of this section.

4. Twenty percent to PROJECTS LOCATED IN municipalities with a population of less than ten thousand persons for uses described in subsection E of this section.

5. Except as provided in subsection L of this section, twenty percent to the department for uses described in subsection E, paragraphs 2 and 3 of this section.

G. A PROJECT LOCATED IN A county with a population of more than one million persons is not eligible for funding pursuant to subsection F, paragraph 1 of this section. A PROJECT LOCATED IN A municipality that is partially or entirely located in an urbanized area of a county with a population of more than one million persons is not eligible for funding pursuant to subsection F, paragraph 3 or 4 of this section. The department may not use monies pursuant to subsection F, paragraph 5 of this section for projects that are located in an urbanized area of a county with a population of more than one million persons.

H. ~~A political subdivision of this state~~ AN ENTITY THAT IS ELIGIBLE TO RECEIVE A FEDERAL GRANT shall submit an application to the department to be eligible for an award from the fund. ~~A political subdivision of this state~~ THE ENTITY must first obtain the approval of the applicable metropolitan planning organization or council of governments before submitting an application to the department. The department may establish an application deadline ~~for each federal grant match~~ AND REQUIRE ADDITIONAL DOCUMENTATION TO ENSURE AN APPLICANT IS ELIGIBLE FOR THE FEDERAL GRANT. THE BOARD MAY ALSO DETERMINE THE EXTENT TO WHICH AN APPLICANT HAS THE TECHNICAL AND FINANCIAL CAPACITY TO SUCCESSFULLY COMPLETE THE PROJECT.

I. On receipt of an application, the department shall determine if the requirements of the notice of funding opportunity OR THE FEDERAL STATUTES ESTABLISHING THE FEDERAL GRANT are met and if the approval required under subsection H of this section is granted. If the department determines that the application meets the requirements and is complete, the department shall forward the application to the departmental committee established pursuant to section 28-6951 for a recommendation. If a recommendation is made, the department shall notify the chairperson of the board that the application is ready for consideration and action by the board.

J. Once notified pursuant to subsection I of this section, the chairperson of the board shall place the application on an agenda for action within forty-five days after original receipt of the notification. The board may give preference to applicants that can demonstrate ~~either or both~~ ANY of the following:

1. The percentage of matching monies provided by the applicant.

2. The extent that the applicant will partner with other entities to deliver the project.

3. OTHER FACTORS AS DEEMED APPROPRIATE BY THE BOARD FOR THE APPLICABLE FEDERAL GRANT.

K. The board may approve, deny, modify or request more information on the application. If the board approves an award, the department shall execute an ~~intergovernmental~~ agreement with the applicant regarding reimbursement and expenditures pursuant to subsection E of this section.

L. On the department's request, the board shall approve the use of monies as described in subsection F, paragraph 5 of this section. The department may ANNUALLY use up to ~~one~~ FIVE percent of the monies ~~allocated under subsection F, paragraph 5 of this section~~ EARNED IN THE PREVIOUS FISCAL YEAR UNDER SUBSECTION B OF THIS SECTION to administer the fund.

M. If an applicant receives an award pursuant to subsection E, paragraph 2 of this section but is not able to secure the federal grant, ~~the applicant must notify the department within fifteen days after receiving notice that the applicant has not secured the federal grant. After receiving the applicant's notice pursuant to this subsection,~~ the department shall make the award monies available for other applications.

N. BEGINNING JANUARY 1 AND JULY 1 OF EACH YEAR, THE BOARD MAY REDISTRIBUTE THE UNAWARDED MONIES IN THE FUND TO ENSURE EACH CATEGORY UNDER SUBSECTION F OF THIS SECTION RECEIVES A SHARE OF THE MONIES BASED ON THE PERCENTAGES PRESCRIBED IN SUBSECTION F OF THIS SECTION. THE DEPARTMENT SHALL POST THE AMOUNT AVAILABLE FOR EACH CATEGORY ON THE DEPARTMENT'S WEBSITE WITHIN THIRTY DAYS AFTER THE APPROVAL OF THE REDISTRIBUTION BY THE BOARD.

O. NOTWITHSTANDING SUBSECTION J OF THIS SECTION AND BASED ON AVAILABLE FUNDING, THE BOARD MAY DIRECT THE DEPARTMENT TO CLOSE APPLICATIONS FOR ANY CATEGORY AND RETURN ANY UNAWARDED APPLICATIONS TO THE APPLICANTS.

P. THE BOARD SHALL RESCIND AN AWARD IF AN APPLICANT RECEIVES FUNDING FROM ANOTHER SOURCE FOR THE SAME PROJECT AND PURPOSE IN AN AMOUNT EQUAL TO OR GREATER THAN THE AWARD MADE UNDER THIS SECTION. THE APPLICANT SHALL REPAY ANY MONIES EXPENDED FROM THE FUND WITHIN ONE YEAR AFTER THE DATE OF THE RESCISSION RESOLUTION APPROVED BY THE BOARD.

~~N.~~ Q. For the purposes of this section:

1. "Federal grant" means a federal discretionary grant program administered by any federal agency for surface transportation purposes.

2. "Urbanized area" means an urbanized area as defined in the most recent decennial census certified by the United States census bureau.

RURAL TRANSPORTATION ADVOCACY COUNCIL
TRANSPORTATION BILL MATRIX
FEBRUARY 6, 2024

BILL#	TITLE	DESCRIPTION	STATUS
HB2037 Cook	department of transportation; continuation	Would continue ADOT through July 1, 2032 (The House & Senate Transportation Cmtes conducted a "sunset" review of ADOT on 1/4 and recommended a shorter continuation timeframe, as short as two years)	Assigned to House Trans & Infra Cmte on 1/30 **Ready for cmte hearing** **- Scheduled for 2/7** **Similar to SB1184**
HB2142 Cook	move over law study committee	Would establish a Move Over Law Study Committee to review the effectiveness of "move over" laws related to public safety and whether other measures would improve safety.	Passed House Trans & Infra Cmte 7-1 on 1/17, passed House Rules & Caucuses on 1/30 **Ready for full House consideration** **- Scheduled for full House vote on 2/6**
HB2143 Cook	drivers license fee; homeless exemption	Would waive driver license application fees for homeless. Amended to also waive non-operating license application fees	Passed House Trans & Infra Cmte 8-3 on 1/17 amended **Ready for House Rules Cmte**
HB2179 Kolodin	traffic citation quota; prohibition	Would prohibit state and local law enforcement agencies from establishing traffic complaint quotas for peace officers	Assigned to House Military Affairs & Public Safety Cmte on 1/16 **Ready for cmte hearing**
HB2180 Kolodin	gasoline formulations; air quality	Would expand the gasolines and gasoline blends authorized for sale in Maricopa County	Assigned to House Nat'l Resources, Energy & Water Cmte on 1/10 **Ready for cmte hearing** **Identical to SB1064**

HB2189 Dunn	TPT; use tax; exemption; aviation	Would clarify and expand transaction privilege tax exemptions for general and commercial aviation operations	Assigned to House Ways & Means Cmte on 1/16 **Ready for cmte hearing**
HB2190 Cook	prohibited agreements; public works contracts	Would prohibit the state and political subdivisions from requiring in public works contracts a neutrality agreement with any service provider	Assigned to House Gov't and Commerce Cmtes on 1/16 **Ready for cmte hearings** **Identical to HB2333**
HB2232 Longdon	railroad grade crossings; on-track equipment	Would expand the prohibitions on vehicles entering railroad grade crossings when trains are approaching to include other on-track equipment	Passed House Trans & Infra Cmte 9-0 on 1/31 **Ready for House Rules Cmte**
HB2261 Ortiz	minimum parking requirements; prohibition	Would prohibit municipalities and counties from imposing in urbanized areas a requirement of more than one vehicle parking space per residential unit for approving building and use permits	Assigned to House Gov't Cmte on 1/17 **Ready for cmte hearing**
HB2263 Ortiz	railroads; annual safety inspections	Would require the Corporation Commission to conduct annual safety inspections of all railroads and tracks. Would appropriate $196,000 from the State General Fund in FY24/25 for the hiring of inspectors	Assigned to House Trans & Infra and Approps Cmtes on 1/16 **Awaiting cmte hearings**
HB2269 Cook	towing companies; private towing; requirements	Would prohibit a municipality from permitting private towing carriers from assessing below the minimum rate established by state agencies. Would clarify the signage requirements required of private property owners to prohibit parking. Would reform towing operations including documentation of vehicle conditions and vehicle release requirements. Amended to remove the minimum rate requirement, reinstates some parking violation signage requirements, clarifies ID and documents needed to require a release of the vehicle from the towing company, and specifies the insurance requirements of towing companies	Passed House Trans & Infra Cmte 6-2 on 1/17, amended by full House on 2/5 **Ready for full House vote** **- Scheduled for 2/6**

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HB2318 Dunn	state match fund; rural transportation	Would reform the Arizona SMART fund expanding eligibility to all eligible for federal transportation grants and providing ADOT with flexibility to rebalance funding allocations.	Passed House Trans & Infra Cmte 11-0 on 1/17, passed House Rules & Caucuses on 1/30 **Ready for full House consideration**
HB2332 Aguilar	traffic; vehicle laws; cities; prohibition	Would prohibit political subdivisions from prohibiting "cruising", vehicle suspension modifications, and bumper heights.	Passed House Trans & Infra Cmte 7-3 on 1/31 **Ready for House Rules Cmte**
HB2333 Aguilar	prohibited agreements; public works contracts	Would prohibit the state and political subdivisions from requiring in public works contracts a neutrality agreement with any service provider	Assigned to House Gov't and Commerce Cmtes on 1/22 **Ready for cmte hearings** **Identical to HB2190**
HB2412 Cook	appropriations; highway and road projects	Would appropriate from the State General Fund revenues to fund the state and local transportation projects recommended by the Greater Arizona COG/MPOs for inclusion in the RTAC priority project list	Assigned to House Trans & Infra and Approps Cmtes on 1/17, passed House Trans & Infra Cmte 9-1 on 1/31 **Ready for House Approps Cmte hearing**
HB2414 Cook	commercial vehicles; fleet plates; fees	Would authorize ADOT to establish and issue commercial vehicle fleet license plates, establishing plates and fees for fleets of more than 100 vehicles and more than 25 vehicles. Revenues would be deposited in a Commercial Truck Safety, Education and Workforce Fund to be administered by the Governor's Office of Highway Safety	Assigned to House Trans & Infra Cmte on 1/17 **Ready for cmte hearing** **- Scheduled for 2/7**

HB2438 Cook	ADOT; administration	Would make numerous changes to ADOT administrative requirements including a prohibition on taking action against a person's driving privileges or vehicle registration if a judicial officer reports a conviction or finding of responsibility more than five years after the conviction or finding. Amended to remove the Arizona state schools for the deaf and the blind from the list of agencies exempted from participating in the state motor vehicle fleet	Passed House Trans & Infra Cmte 11-0 on 1/17 amended, **passed House 57-0 on 2/5**, sent to Senate on 2/5 **Ready for Senate cmte assignments**
HB2535 Tsosie	appropriation; N9003; bridge project	Would appropriate from the State General Fund, $6,100,000 to the Navajo Nation for the N-9003 bridge project in Greasewood Springs	Assigned to House Trans & Infra and Approps Cmtes on 1/17, held in House Trans & Infra Cmte on 1/24 **Ready for cmte hearings**
HB2538 Tsosie	appropriation; construction; Navajo Nation	Would appropriate from the State General Fund, $6,144,700 to the Navajo Nation for road and intersection construction in Ganado	Assigned to House Trans & Infra and Approps Cmtes on 1/17 **Ready for cmte hearings** **- Identical to SB1502**
HB2539 Tsosie	appropriation; Fort Defiance; street lights	Would appropriate from the State General Fund, $3,5M to the Fort Defiance Chapter of the Navajo Nation to install solar street lights on BIA routes N110, N7, and N12 in Fort Defiance	Assigned to House Trans & Infra and Approps Cmtes on 1/17, passed House Trans & Infra Cmte 8-3 on 1/24 **Ready for House Approps Cmte hearing**
HB2540 Tsosie	appropriation; N9073 Rockfall/Roadway project	Would appropriate from the State General Fund, $16M to the Navajo Nation for Phase II of the N9073 Rockfall/Roadway Project	Assigned to House Trans & Infra and Approps Cmtes on 1/17 **Ready for cmte hearings**

HB2545 Jones	annual vehicle emissions; testing; exemption	Would exempt vehicles manufactured after 2018 from the annual vehicle emissions program	Assigned to House Nat'l Resources, Energy & Water Cmte on 1/22 **Ready for cmte hearing** **- Scheduled for 2/6**
HB2546 Jones	vehicle emissions; exemptions	Would exempt vehicles manufactured after 2018 from vehicle emission inspections	Assigned to House Nat'l Resources, Energy & Water Cmte on 1/22 **Ready for cmte hearing** **- Scheduled for 2/6**
HB2573 Biasiucci	use fuel dispenser labels; penalties	Would require ADOT to provide fuel dispenser labels to vendors in bulk	Passed House Trans & Infra Cmte 9-0 on 1/24, passed House Rules, Caucuses, Cmte of the Whole on 2/5 **Ready for full House vote** **- Scheduled for 2/6**
HB2658 Chaplik	pedestrians; congregating; medians; unsafe locations	Would prohibit a pedestrian from congregating or engaging in solicitation on a painted or raised traffic island or median, ona controlled access highway exit or entrance ramps, or an unsafe location with no sidewalks or safe corridor for pedestrians. Sets the penalties	Assigned to House Trans & Infra Cmte on 1/25 **Ready for cmte hearing** **- Scheduled for 2/7**
HB2693 Tsosie	Navajo Nation; capital outlay appropriations	Would appropriate from the State General Fund to the Navajo Nation, $1,803,100 for N-8070 improvements in Rock Point, $16,769,200 for N-8090 improvements, $5M for the Round Rock Trading Post redevelopment project, and $2,265,900 for N-8077 improvements	Assigned to House Trans & Infra and Approps Cmtes on 1/30 **Ready for cmte hearings**

HB2695 Tsosie	Navajo Nation; wash crossings; appropriations	Would appropriate from the State General Fund to the Navajo Nation, $1,735,900 for the Cornfields Chapter Pueblo Colorado Wash crossing box culvert installation project, $9,563,800 for phase one of N-15 reconstruction, and $662,800 for N-1902 and N-1903 Jeddito Wash low water crossing improvements	Assigned to House Trans & Infra and Approps Cmtes on 1/30 **Ready for cmte hearings**
HB2696 Tsosie	Navajo Nation; oil; gas; appropriation	Would appropriate from the State General Fund, $3,565,500 for distribution to the Navajo Nation Oil & Gas Company for the Blue Gap Fueling Center and Convenience Store construction	Assigned to House Trans & Infra and Approps Cmtes on 1/30 **Ready for cmte hearings**
HB2697 Tsosie	appropriations; Navajo Nation; projects	Would appropriate from the State General Fund to the Navajo Nation, $600,000 to complete the pavement at the Ganado Senior Citizens Center and Veterans Building, and $1.7M for a SR-264 milepost 441 turning lane	Assigned to House Trans & Infra and Approps Cmtes on 1/30 **Ready for cmte hearings**
HB2713 Livingston	transportation network companies; liability	Would eliminate the liability of transportation network companies (such as Uber & Lyft) for the actions of their drivers if there was no negligence or wrong doing on the part of the company, the company fulfilled its obligations to the driver, and the vehicle is not owned by the company	Assigned to House Regulatory Affairs Cmte on 2/5 **Ready for cmte hearing**
HB2718 Carbone	appropriation; I-10 interchange; Dean Road	Would appropriate from the State General Fund, $5M for the design concept report and design for an interchange on I-10 at Dean Road	Assigned to House Trans & Infra and Approps Cmtes on 2/1 **Ready for cmte hearings**
HB2719 Carbone	bond elections; date, voter turnout	Would restrict bond elections for non-charter cities and towns to the November general election of even-numbered years, increase the number voters required to sign the petition from 15% to 25%, and require a 60% voter turnout for successful passage	Assigned to House Muni Oversight & Elections Cmte on 2/1 **Ready for cmte hearing** **- Scheduled for 2/7** **- HCR2062 would make the same reforms through a November, 2024 ballot measure**

HB2728 Ortiz	transportation services employees; drivers; wages	Would establish minimal pay and benefit requirements for transportation network company drivers	Assigned to House Regulatory Affairs and Commerce Cmtes on 2/1 **Ready for cmte hearings**
HB2729 Grantham	insurance coverage requirements; transportation companies	Would reduce the primary commercial uninsured motorist coverage requirement from $250,000 to $25,000 per person and $50,000 per incident for transportation network service drivers (Uber & Lyft)	Assigned to House Regulatory Affairs Cmte on 2/1 **Ready for cmte hearing** **- Scheduled for 2/7** **- Identical to SB1272**
HB2747 Hernandez C	railroads; train length	Would prohibit a railroad operating on a main track or branch line exceeding 8,500 feet in length	Assigned to House Trans & Infra Cmte on 2/5 **Ready for cmte hearing**
HB2749 Carter	appropriation; sound barrier; SR 24	Would appropriate from the State General Fund, a sum to be determined, funding for the construction of a sound barrier on the north side of SR-24 between Williams Field Road and Meridian Road	Assigned to House Trans & Infra and Approps Cmtes on 2/5 **Ready for cmte hearings**
HB2750 Nguyen	motorcycle helmets; minors; citations	Would lower the age limit requirement for wearing a helmet while operating a motorcycle or all-terrain vehicle from 18 to 16 years of age. Operators would be prohibited from having passengers under 16 not wearing helmets	Assigned to House Trans & Infra Cmte on 2/5 **Ready for cmte hearing**
HB2866 Cook	electric vehicles; registration fee	Would establish an annual $135 registration fee for vehicles exclusively fueled by electricity Would require a two-thirds affirmative vote by both the House and Senate to be enacted	Introduced **Awaiting cmte assignments**

HB2884 Wilmeth	zero-emission vehicle program; rebate	Would transfer up to 9% of the revenue generated by the Waste Tire Fund to a newly created Zero Emission Vehicle Program which would be developed and administered by the Department of Revenue that would provide rebates to persons who have purchased zero-emission vehicles	Introduced **Awaiting cmte assignments**
HB2896 M Hernandez	transit-oriented development; standards	Would require any municipality over 525,000 to allow low-income multifamily residential rental properties to be developed within one-half mile of a major transit corridor. Sets the development standards including height and density. Provides for exceptions such as the proximity to an airport	Introduced **Awaiting cmte assignments**
HCR2018 Grantham	tax prohibition; vehicle mileage; monitoring	Would place on the 2024 November General Election ballot the consideration of amending the state constitution to prohibit the state and political subdivisions from imposing a tax or fee based on vehicle miles travelled or any measure to monitor or limit vehicle miles travelled without a person's consent. Would exempt interstate agreements for commercial vehicles operating in multiple states	Assigned to House Trans & Infra Cmte on 1/23 **Ready for cmte hearing**
HCR2062 Carbone	date; bond elections; voter turnout	Would place on the 2024 November General Election ballot the consideration of amending state law to restrict bond elections for non-charter cities and towns to the November general election of even-numbered years and require a 60% voter turnout for successful passage	Introduced **Awaiting cmte assignments** **- HB2719 would make the same reforms through a vote of the Legislature**
HJR2001 Grantham	Phoenix-Mesa gateway airport; reuse zone	Would renew the declaration of Phoenix-Mesa Gateway Airport as a military reuse zone through October 19, 2036	Assigned to House Ways & Means Cmte on 1/23 **Ready for cmte hearing**
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SB1003 Kavanagh	traffic violations; identification	Would require persons in a vehicle in addition to the driver to provide their identification information to a peace officer or other traffic enforcement official if they believe that individual failed to comply with a signal or instruction from the officer or official to stop the vehicle	Passed Senate Trans & Tech Cmte 4-3 on 1/16, **passed Senate 16-13 on 1/31,** sent to House on 2/1 **Ready for House cmte assignments**
SB1010 Hoffman	vehicle mileage; tracking; tax; prohibitions	Would prohibit the state and political subdivisions from recording a person's vehicle miles travelled, imposing a fee or tax based on vehicle miles travelled or establishing any vehicle miles reduction goals or targets	Passed Senate Trans & Tech Cmte 4-3 on 1/22, passed Senate Rules & Caucuses on 1/30 **Ready for full Senate consideration**
SB1011 Hoffman	general plan; transportation; independent study	Would prohibit municipalities from including policies or projects that reduce overall system vehicle traffic capacity, would require plan modifications and require an independent study on the impact of emergency vehicle response times if a general plan includes a reduced service level of any arterial street including speed limit or capacity	**Failed Senate Trans & Tech Cmte 3-4 on 1/22** **Could be reconsidered by Senate Trans & Tech Cmte**
SB1012 Hoffman	transportation system performance; ADOT	Would add requirements and restrictions to ADOT's transportation system performance factors including prohibitions on the adoption of a vehicle mile reduction target or performance factors applied in a manner promoting differential treatment based on race, color or ethnicity	Passed Senate Trans & Tech Cmte 4-3 on 1/22, passed Senate Rules & Caucuses on 1/30 **Ready for full Senate consideration**
SB1025 Kavanagh	DUI; transportation network drivers	The "strike everything" amendment passed in the Senate Judiciary Cmte retains the original bill subject of making it unlawful for a person to drive or be in physical control of a vehicle while having a .04 blood alcohol concentration when providing transportation network company services as a driver	Passed Senate Judiciary Cmte 6-1 on 2/1 with a "strike everything" amend, passed Senate Rules & caucuses on 2/6 **Ready for full Senate consideration**
SB1027 Kavanagh	restitution; child survivors; DUI	Would mandate restitution for the support of a minor child from a person convicted of a DWI when the violation resulted in the death of a parent of the child.	Assigned to Senate Judiciary Cmte on 1/9 **Ready for cmte hearing**

SB1051 Carroll	location tracking applications; disabling prohibited	Would expand the prohibitions of disabling or tampering with an electronic communication device's location tracking application or function to include assisting or coercing a minor to commit such action on their device	Passed Senate Judiciary Cmte 7-0 on 2/1, passed Senate Rules & Caucuses on 2/6 **Ready for full Senate consideration**
SB1052 Carroll	all terrain vehicles; definition	Would revise the definitions of off-highway and all-terrain vehicles to include increasing the unladen weight of such vehicles from 2,500 pounds to 3,500 pounds or less. Would impact vehicle registration requirements and VLT rate	Passed Senate Trans & Tech Cmte 6-1 on 1/22, passed Senate Rules & Caucuses on 1/30 **Ready for full Senate consideration**
SB1054 Carroll	state construction project delivery methods	Would extend ADOT's authority to use design-build, construction-manager-at-risk, and job-order-contracting methods of project delivery from the end of 2025 to the end of 2030	Assigned to Senate Trans & Tech Cmte on 1/16 **Ready for cmte hearing**
SB1055 Kerr	off highway vehicle study committee; extension	Would establish the Arizona Off-Highway Vehicle Study Committee to study off-highway vehicle issues and provide recommendations for administrative and legislative action	Passed Senate Trans & Tech Cmte 5-0 on 1/29, passed Senate Rules & Caucuses on 2/6 **Ready for full Senate consideration**
SB1056 Petersen	municipalities; counties; fee increases; vote	Would require a two-thirds vote of a city/town council or county board of supervisors to levy or increase any assessment, tax or fee	Passed Senate Gov't Cmte 5-3 on 1/24, passed Senate Rules & Caucuses on 1/30 **Ready for full Senate consideration**
SB1064 Wadsack	gasoline formulations; air quality	Would expand the gasolines and gasoline blends authorized for sale in Maricopa County	Held in Senate Nat'l Resources, Energy & Water Cmte on 2/1 **Ready for cmte hearing** **- Identical to HB2180**

SB1184 Farnsworth	continuation; department of transportation	Would continue ADOT through July 1, 2028 and ARS Title 28 (state statutes regarding transportation) through January 1, 2029 (The House & Senate Transportation Cmtes conducted a "sunset" review of ADOT on 1/4 and recommended a shorter continuation timeframe, as short as two years)	Held in Senate Trans & Tech Cmte on 1/24 **Ready for further cmte consideration** **- Similar to HB2037**
SB1195 Kern	public monies; prohibited uses	Would prohibit the expenditure of public monies for various purposes including; advocating or becoming a member of an organization that advocates for reducing or replacing motor vehicle travel with walking, biking, or public transit; reducing or limiting travel by airplane; reducing greenhouse gas emissions; and implementing mass surveillance systems to monitor motor vehicle travel	Assigned to Senate Gov't Cmte on 1/24 **Ready for cmte hearing** **- Scheduled for 2/7** **- Similar to SCR1015 which would take to the voters on the November state ballot the question of whether to enact these prohibitions**
SB1272 Mesnard	insurance coverage requirements; transportation companies	Would reduce the primary commercial uninsured motorist coverage requirement from $250,000 to $25,000 per person and $50,000 per incident for transportation network service drivers (Uber & Lyft)	Assigned to Senate Trans & Tech Cmte on 1/30, withdrawn & reassigned to Senate Finance & Commerce Cmte on 2/6 **Ready for cmte hearing** **- Identical to HB2729**
SB1282 Hoffman	highways; bicycle paths; walkways; prohibition	Would prohibit ADOT from accepting federal funding for a highway project if such an award requires the inclusion of a bicycle path or pedestrian walkway in the project, also prohibits ADOT from planning, designing or constructing bicycle paths or pedestrian walkways parallel and separate to a highway	Assigned to Senate Trans & Tech Cmte on 1/30 **Ready for cmte hearing**
SB1290 Hoffman	ADOT; report; construction projects; bidders	Would require ADOT to issue a quarterly report disclosing all instances when the lowest responsible low bidder for a project was not selected	Assigned to Senate Trans & Tech Cmte on 1/30 **Ready for cmte hearing**

SB1299 Kern	traffic control; right on red	Would require a documented determination from a registered engineer that permitting right turns on a red signal at a specific intersection is unsafe at all or specific times prior to prohibiting such turns at that intersection	Assigned to Senate Trans & Tech Cmte on 1/30 **Ready for cmte hearing**
SB1341 Carroll	procurement; electric vehicles; forced labor	Would prohibit a governmental entity from entering a procurement contract to acquire electric vehicles or any of their components unless the manufacturer or dealer provides sworn certification that no forced labor or oppressive child labor was used in the production	Assigned to Senate Gov't Cmte on 1/31 **Ready for cmte hearing**
SB1376 Bolick	vehicle loads; restrictions	Would expand requirements that all vehicles operating on highways have loads and their covers securely fastened also apply to streets and roadways	Assigned to Senate Trans & Tech Cmte on 1/31 **Ready for cmte hearing**
SB1419 Hernandez	traffic stops; unmarked vehicles; prohibition	Would prohibit a peace officer from stopping and detaining a person if that peace officer is driving a vehicle not appropriately marked to show that it is an official law enforcement vehicle	Assigned to Senate Trans & Tech Cmte on 2/1 **Ready for cmte hearing**
SB1420 Hernandez	traffic stops; requirements	Would require a peace officer engaged in a traffic stop to state the reason for the stop and document the reason prior to any questioning unless they believe that withholding the reason for the stop is necessary to protect life from imminent threat in cases of terrorism or kidnapping	Assigned to Senate Judiciary Cmte on 2/1 **Ready for cmte hearing**
SB1500 Farnsworth	drones; prohibition; autonomous vehicles	Would prohibit the state from purchasing or using drones, autonomous vehicles, light detection and ranging equipment manufactured in or controlled by a country of concern (listed in the bill)	Passed Senate Trans & Tech Cmte 6-1 on 2/5 **Ready for Senate Rules Cmte**
SB1502 Hatathlie	appropriation; construction; Navajo Nation	Would appropriate from the State General Fund, $6,144,700 to the Navajo Nation for road and intersection construction in Ganado	Assigned to Senate Trans & Tech and Approps Cmtes on 2/5 **Ready for cmte hearings** **- Identical to HB2538**

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SB1522 Hatathlie	appropriation; Route 2; Leupp-Oraibi Road	Would appropriate from the State General Fund, $22M to the Hopi Tribe for improvements to Indian Route 2 and Leupp-Oraibi Road	Assigned to Senate Trans & Tech and Approps Cmtes on 2/5 **Ready for cmte hearings**
SB1523 Hatathlie	appropriation; Ganado senior center	Would appropriate from the State General Fund, $600,000 to the Navajo Nation to complete the pavement at the Ganado senior citizens center and veterans building	Assigned to Senate Trans & Tech and Approps Cmtes on 2/5 **Ready for cmte hearings**
SB1524 Hatathlie	appropriation; Navajo Route 8077	Would appropriate from the State General Fund, $2,265,900 to the Navajo Nation for drainage and other improvements on Navajo Route 8077 in Tsalie	Assigned to Senate Trans & Tech and Approps Cmtes on 2/5 **Ready for cmte hearings**
SB1525 Hatathlie	appropriation; Navajo Route 8070	Would appropriate from the State General Fund, $2M to the Navajo Nation for drainage and other improvements on Navajo Route 8070 in Rock Point	Assigned to Senate Trans & Tech and Approps Cmtes on 2/5 **Ready for cmte hearings**
SB1527 Hatathlie	appropriation; rural bus routes study	Would appropriate from the State General Fund, $2M to NACOG for a rural school bus routes study	Assigned to Senate Trans & Tech and Approps Cmtes on 2/5 **Ready for cmte hearings**
SB1567 Kerr	off-highway vehicles; education requirement	Would require the Arizona Game & Fish Dep't to develop an education course for off-highway vehicle safety, the completion of which would be a requirement for ADOT to issue off-highway vehicle user indicia starting in 2025	Assigned to Senate Trans & Tech Cmte on 2/5 **Ready for cmte hearing**
SB1637 Carroll	electric vehicle charging stations	Would prohibit electricity suppliers from owning and operating electric vehicle charging stations. Legislative intent is to promote competitively neutral policies to encourage private sector investment in the development of charging stations	Assigned to Senate Finance & Commerce Cmte on 2/5 **Ready for cmte hearing**

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SB1680 Gowan	traffic violations; photo radar; penalties	Would limit photo radar violation fines to $100, and if paid within 90 days, would prohibit ADOT from considering the offense for the purpose of determining a driver license suspension or revocation and insurers from considering for the purposes of canceling or refusing to renew a policy	Assigned to Senate Trans & Tech Cmte on 2/5 **Ready for cmte hearing**
SB1681 Gowan	slow driving; left lane; penalty	Would set the penalty for driving in the left lane below the normal speed of traffic at $250	Assigned to Senate Trans & Tech Cmte on 2/5 **Ready for cmte hearing**
SCM1001 Mendez	national infrastructure bank; urging Congress	Would urge Congress to pass legislation establishing a National Infrastructure Bank to finance urgently needed infrastructure projects	Assigned to Senate Finance & Commerce Cmte on 1/23 **Awaiting cmte hearing**
SCR1001 Rogers	photo radar prohibition	Would place on the 2024 November General Election ballot the consideration of amending state law to prohibit the state or political subdivisions from using a photo enforcement system to identify violators of speed restrictions or traffic control devices	**Failed Senate Trans & Tech Cmte 3-4 on 1/22,** rescheduled and held on 2/5 **Could be reconsidered by Senate Trans & Tech Cmte**
SCR1002 Hoffman	prohibit tax; monitoring; vehicle mileage	Would place on the 2024 November General Election ballot the consideration of amending the state constitution to prohibit the state and political subdivisions from enacting taxes or fees based on vehicle miles travelled and any rule or law to monitor or limit the level of vehicle miles travelled. Amended to exclude fees or taxes that require the voluntary consent of the payee or for any interstate agreement	Passed Senate Trans & Tech Cmte 4-3 on 1/22 amended, passed Senate Rules & Caucuses on 1/30 **Ready for full Senate consideration**

SCR1015 Kern	public monies; prohibited expenditures	Would place on the 2024 November General Election ballot the consideration of amending state law to prohibit various uses of public monies including; advocating or becoming a member of an organization that advocates for reducing or replacing motor vehicle travel with walking, biking, or public transit; reducing or limiting travel by airplane; reducing greenhouse gas emissions; and implementing mass surveillance systems to monitor motor vehicle travel	Assigned to Senate Gov't Cmte on 1/24 **Ready for cmte hearing** **- Scheduled for 2/7** **SB1195 would make these same prohibitions through enactment by the State Legislature**

Northern Arizona Council *of* Governments
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Memorandum:

Date: February 7, 2024

To: NACOG Regional Council

From: Jennifer O'Connor, Planning Director

Subject: **NACOG's 2023 Regional Transportation Safety Plan Final Approval**

***

Request for Motion to Approve NACOG's 2023 Regional Transportation Safety Plan (RTSP)

Staff seeks Regional Council approval of NACOG's 2023 Regional Transportation Safety Plan (RTSP) for submittal to ADOT's Traffic Safety Section and for use by local jurisdictions to implement transportation safety improvements.

Greenlight Traffic Engineering, Inc. completed their work on the Regional Transportation Safety Plan (RTSP) at the end of the 2023. The RTSP was a regional planning effort conducted by NACOG with partners MetroPlan and CYMPO over 18 months to address safety from a holistic perspective to reduce the risk of death and serious injury to all transportation network users.

The final RTSP document includes an assessment of the crash data from across the region, a summary of the public and stakeholder comments received, identification of the major dangerous roadway segments and intersections, and safety strategies (including engineering, education and enforcement activities) to address the areas of greatest need such as lane departures and lack of seatbelt use. The RTSP also includes a valuable list of priority projects to address the identified 70 intersection improvements and 50 roadway segment improvements identified as having the greatest need for safety planning across the NACOG region.

The consultants also prepared high level scopes and cost estimates for priority projects in each jurisdiction. An example of the projects selected for Cottonwood are listed on the next page. In addition to identifying the priority locations, the consultants prepared high level cost estimates for the top projects from each jurisdiction, which will help them when applying for state and federal safety funding.

NACOG Project Selections					
Location	**Roadway Ownership**	**Intersection/ Segment**	**Project Type**	**Selection Method**	**Scope**
Cottonwood	Cottonwood	Main Street & Cherry St	Pedestrian	Agency Comment	Install intersection lighting
Cottonwood	ADOT	Main Street & SR 89A	Bicycle/ Pedestrian	Agency Comment	Install bicycle lanes, pedestrian warning signs, and high-visibility crosswalks
Cottonwood	ADOT	Mingus Ave/Cornville Rd & SR 89A	Intersection	Public Comment/ Crash Hotspot	Reduce speed limit at intersection approaches and install flashing beacon traffic signal ahead warning signs
Cottonwood	ADOT/Cotton wood	SR 89A & Skyline Dr	Intersection	Crash Hotspot	Improve intersection sight distance and install intersection lighting

NACOG is pleased to announce the availability of an interactive Story Map for each jurisdiction that provides an excellent overview of the study and its findings. The maps included in the web-based Story Map tool are interactive, which allows each jurisdiction to zoom into their geographic area to learn more about the types of proposed priority safety improvements that Greenlight Traffic Engineering has recommended for them.

Additionally, as many Regional Council members know, at the October 26th Regional Council meeting, the Regional Council voted to sign the NACOG Rural Road Safety Proclamation. The Proclamation commits the NACOG region to working toward reaching zero deaths on roadways (by a date 25 to 40 years in the future) and identifies actions that local jurisdictions can take to work toward meeting that goal. It also identifies seven emphasis areas that NACOG and local jurisdictions can use to focus their efforts when they are seeking opportunities to reduce deaths and serious injuries on their roadways: Unrestrained/Not Wearing a Seatbelt, Lane and Road Departures, Speeding/Aggressive Driving, Impaired Driving, Older Drivers, Wet/Snowy/Icy Roads, Vehicle-Animal Collisions.

Now that the RSTP is complete, NACOG and its member agencies must work to seek funding for the safety recommendations in the plan and to implement the plans strategy recommendations on their own and in collaboration with NACOG. The RTSP meets the requirements for an Action Plan, as mandated by the federal Safe Streets and Roads for All (SS4A) grant in order to qualify for design and/or construction funding.

Proposed Motion

Motion to Approve NACOG's 2023 Regional Transportation Safety Plan for submittal to ADOT's Traffic Safety Section and for use in local jurisdiction transportation safety planning and implementation.

	Information Only
X	**Motion to Approve**

Northern Arizona Council *of* Governments
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Memorandum:

Date: February 9, 2024

To: NACOG Regional Council

From: Jennifer O'Connor, Planning Director

Subject: Proposal for Regional Planning Assessment

***

Overview
Over the past two years, NACOG's Regional Planning Team has been building its transportation planning program to provide an excellent, higher level of data supports, grant writing and planning services to its member jurisdictions. In order to sustain this level of effort, NACOG is proposing that an assessment, or annual fee, be instituted for each jurisdiction to support the continuation of these expanded services. The intent of the assessment is to ensure sufficient funding for NACOG's Regional Planning program and to have a pool of cash match to allow the pursuit of grant-funded regional planning projects.

The purpose of this memo is to outline the need and cost structure for the Regional Planning assessment. Staff is seeking feedback from the Transportation Technical Subcommittee and the Transportation Policy Advisory Committee before seeking formal approval from the Regional Council at a future meeting.

Background
NACOG currently collects two local government assessments from its member jurisdictions. The first assessment provides the required matching funds for the Economic Development Administration (EDA) planning grant and brings in $60,789 annually. The second assessment is used to fund NACOG's share of employing the Rural Transportation Liaison and collects a total of $62,510 from the member jurisdictions.

Over the past two years, the Regional Planning team has benefitted from an excess of funding from Statewide Planning and Research (SPR) funds that were awarded to NACOG by the Arizona Department of Transportation (ADOT) in FY 2020. This $365,522 has been used over the past three years to fund the Regional Traffic Count Program ($162,070), the development of a Public Involvement Plan ($49,938) and a wide variety of program activities and administrative expenses, including salaries ($153,514). This excess funding has been a significant benefit to the planning team and is now running out.

Discussion

ADOT annually provides $125,000 annually in Statewide Planning and Research (SPR) funds to NACOG to support our roadway infrastructure planning program. Unfortunately, this funding level does not cover the full salaries of the two positions dedicated to the program: the Planning Director and the Transportation Planner. Additionally, this funding level is insufficient to cover the administrative expenses of the program which includes travel for meetings with local jurisdictions, TSC meetings, conferences and ADOT meetings in Phoenix. Now that the excess SPR funds have been spent, when this year's allocation of SPR funds are exhausted, NACOG will be relying on the Surface Transportation Block Grant (STBG) funds to cover the balance, as described below.

The second funding source that ADOT directs to the NACOG region is Surface Transportation Block Grant (STBG) funds. STBG funds are highly flexible and can therefore be used for planning (administrative expenses), design, engineering and construction; as opposed to the SPR funds which can only be used for planning. While some of NACOG's peers use their STBG funds for to cover their administrative expenses, NACOG sets aside nearly all of its $1.9 million of STBG funds for use by the jurisdictions for local roadway improvement projects as outlined in the Transportation Investment Plan (TIP) with only a small portion occasionally being used for grant supports. By fiscal year 2026, NACOG will need to rely on approximately $50,000 in STBG funds annually to cover the funding gap between the SPR funds available and its administrative expenses, which will reduce the amount of funding available to the local jurisdictions for TIP projects, if only by a small amount.

By establishing an annual assessment for the Regional Planning program, NACOG will be able to ensure that member agencies continue receiving the high level of technical planning services they have become accustomed to without the need to dip into the Surface Transportation Block Grant (STBG) funds. At the February 7th Transportation Technical Subcommittee level, a recommendation was made that NACOG, in fact, use the STBG funds to fund its administrative services as opposed to implementing a Regional Assessment. However, NACOG sees a significant value in an assessment that brings cash match into the organization, since NACOG would use cash match to leverage state and federal planning grant applications and demonstrate our own "skin in the game" with funders.

Benefits to Local Jurisdictions

The following includes some of the support services that local jurisdictions can expect to benefit from with the Regional Planning Assessment:

- Receive grant development supports in the form of data provision, grant guidance and training to help with the identification grant opportunities, connections and information on navigating ADOT and FHWA, and letters of support
- Participation in sub-regional planning efforts, like the Verde Valley Transportation Safety Plan that will be conducted in 2024 with Safe Streets and Roads for All funds, and other potential applications for federal grant funding regional projects
- Receive guidance and direction on legislative outreach at the AZ state capitol for the Regional Priority Projects List (RPPL) and other critical roadway projects, including

setting up virtual meetings between legislators, jurisdiction staff and elected officials, extensive materials preparations (maps, fact sheets and commitment forms), in-person meetings with legislators, and attendance of key committee meetings for bill hearings

- Access to high quality maps and mapping tools for regional and jurisdiction projects, such as the interactive GIS StoryMaps for the Regional Transportation Safety Plan, which present the complex data analysis and priority safety recommendations in a user-friendly format that is tailored to each jurisdiction.
- Participation in the proposed Rural School Bus Routes Study, a funding request to the 2024 state legislature and for potential federal grant funding, to better understand the impact of poorly maintained rural roads on school bus routes and student performance in order to advocate for increased rural roadway maintenance funding

The above list of planning activities is a sample of the work that NACOG staff would like to continue providing to enrich the quality of our services on behalf of the local jurisdictions. Additionally, NACOG would like to be able to maintain its updates to the Bipartisan Infrastructure Law Funding Navigator, an excellent tool for information and grant deadline tracking.

NACOG's peer agencies in northern Arizona, MetroPlan and Central Yavapai MPO, require funding from their member agencies using the following methods. MetroPlan collects an annual fee from its members based upon an agreed upon split of $15,000 from the City of Flagstaff, $10,000 from Coconino County and $5,000 from Mountain Line (the local transit provider). Central Yavapai MPO requires its member agencies to provide a minimum amount in-kind contributions and, if there is insufficient in-kind for a reporting period, they invoice the member jurisdictions for a cash amount based on their population percentage.

Recommendation
NACOG is recommending that a Regional Planning Assessment be established to sustain the expanded planning services and support the staffing levels needed to maintain its outstanding planning program activities on behalf of its member agencies. The funds can also be used as cash match for grant opportunities, as described below.

There are many benefits to NACOG's Regional Planning team if funding were to become available through the collection of cash assessments. First, all grant programs require either cash or in-kind match in order to receive funding; NACOG currently relies solely on in-kind match (which comes in the form of time and travel performed by member jurisdiction staff and elected officials) but cash match would allow NACOG to seek additional grants such as a federal PROTECT grant for the Rural School Bus Routes Study and further Safe Streets and Roads for All planning and implementation grants. Second, the Regional Planning Team will provide the administrative and technical services outlined on pages two and three, which go above and beyond those required by its Work Program agreement with ADOT. Third, even a small amount of local funding will make a significant impact in NACOG's ability to hire and retain employees at competitive salaries, including the potential hiring of a part-time administrative staff person to manage the Transportation Investment Plan.

The attached FY 25 Local Government Assessment Proposal for Regional Planning outlines three potential assessment options. Options 1 is based on a per capita rate of 11.3 cents per person, the same as the RTAC assessment; this option collects $47,299. Option 2 is based on a per capita rate of 10 center per person with the addition of a minimum contribution of $750. This option generates $47,044. Option 3 recommends a flat fee of $4,500 per county, $1,500 for cities with a population over 9,000, and $750 for municipalities with a population under 9,000, which would generate $35,250. The structure of Options 2 and 3 puts less financial pressure on the counties, who have more staff and funding to provide these types of planning services internally, while also finding a reasonable rate for the smaller jurisdictions to pay since they often benefit the most.

Under the current funding scenario, NACOG will expend its excess SPR funds during the next fiscal year. Therefore, NACOG is requesting the implementation of a Regional Planning Assessment to help continue offering the excellent services its developed that are above and beyond its ADOT requirements and that jurisdictions have become accustomed to and benefit from. While the Regional Planning program currently relies on in-kind to meeting its match requirements, there is a limit to what it can accomplish in the long term without small cash supports from its member jurisdictions. Cash match, in the form of Regional Planning assessments, will help maintain the current program and better leverage grant applications for regional projects into the future.

x	**Information Only**
	Motion to Approve

NACOG Region				
FY25 Local Government Assessment Proposal for Regional Planning				
Draft Proposal - 2/7/2024				
		Option 1	Option 2	Option 3
		11.3 cents per capita across the board. Same as Rural Liaison	*10 cents per capita; with a minimum flat fee of $750*	*$4,500 per county; $1,500 per muni over 9K pop; $750 per muni under 9K*
	2020 Population Census Data	**FY25 Regional Planning Assessment**	**FY25 Regional Planning Assessment**	**FY25 Regional Planning Assessment**
Apache County	56,492	$6,384	$5,649	$4,500
Eagar	4,395	$497	$750	$750
Springerville	1,717	$194	$750	$750
St. Johns	3,417	$386	$750	$750
Coconino County*	68,270	$7,715	$6,827	$4,500
Flagstaff	76,831	NA/MetroPlan Region	NA/MetroPlan Region	NA/MetroPlan Region
Fredonia	1,323	$149	$750	$750
Page	7,440	$841	$744	$750
Tusayan	603	$68	$750	$750
Williams	3,202	$362	$750	$750
Navajo County	66,993	$7,570	$6,699	$4,500
Holbrook	4,858	$549	$750	$750
Pinetop-Lakeside	4,030	$455	$750	$750
Show Low	11,732	$1,326	$1,173	$1,500
Snowflake	6,104	$690	$750	$750
Taylor	3,995	$451	$750	$750
Winslow	9,005	$1,018	$901	$1,500
Yavapai County*	126,251	$14,266	$12,625	$4,500
Camp Verde	12,147	$1,373	$1,215	$1,500
Chino Valley	13,020	NA/CYMPO Region	NA/CYMPO Region	NA/CYMPO Region
Clarkdale	4,424	$500	$750	$750
Cottonwood	12,029	$1,359	$1,203	$1,500
Dewey-Humboldt	4,326	NA/CYMPO Region	NA/CYMPO Region	NA/CYMPO Region
Jerome	464	$52	$750	$750
Prescott	45,827	NA/CYMPO Region	NA/CYMPO Region	NA/CYMPO Region
Prescott Valley	46,785	NA/CYMPO Region	NA/CYMPO Region	NA/CYMPO Region
Sedona	9,684	$1,094	$968	$1,500
Totals	**605,364**	**$47,299**	**$47,004**	**$35,250**
Notes:				
* Coconino County and Yavapai County popluation numbers are based solely on the population data for areas outside of the CYMPO and MetroPlan member jursidictions (Flagstaff for Coconino County and Chino Valley, Dewey-Humboldt, Prescott and Prescott Valley for Yavapai County)				

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Memorandum:

Date: February 9, 2024

To: NACOG Regional Council

From: Tod Morris, Senior Mobility Planner

Subject: **NACOG 5310 Grant Application Resolution 02-24**

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FY 24 & 25 FTA Section 5310 Notice of Funding Availability
On January 22nd ADOT released the FY2024 & FY2025 NOFA for FTA Section 5310 Funding. This funding is made available to support transit service that enhances mobility for seniors and individuals with disabilities in Arizona.

This year, FTA Section 5310 funding is available to fund only Regional Mobility Management activities by COGs and MPOs in Arizona. Applicants for other types of 5310 funding will apply in the following year (2025). Mobility Management applicants will need to apply for both years in the same application as part of a two-year application cycle. Awards are made in 1 year increments due to the federal funding allocations.

NACOG intends to apply for Regional Mobility Managements funds and continue to provide planning, technical assistance, and service coordination supports to rural transit and non-profit service providers. This grant will support transit and mobility activities completed by NACOG's Senior Mobility Planner and Planning Director. Applications are due March 5th and will require Regional Council to approve Resolution ___ in order for NACOG to submit the application.

NACOG Mobility Management Grant Application: Resolution 02-24

Resolution 02-24 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.

	Information Only
x	**Motion to Approve**

Recommended Motion: Approve Resolution 02-24 in support of NACOG's Mobility Management Grant Application.

RESOLUTION NO. 02-24

A RESOLUTION OF THE REGIONAL COUNCIL OF NORTHERN ARIZONA COUNCIL OF GOVERNMENTS APPROVING AN APPLICATION FOR UNITED STATES DEPARTMENT OF TRANSPORTATION GRANT FUNDS THROUGH THE ARIZONA DEPARTMENT OF TRANSPORTATION TO ADMINISTER REGIONAL MOBILITY MANAGEMENT SERVICES IN RURAL AREAS OF APACHE, COCONINO, NAVAJO & YAVAPAI COUNTIES;

WHEREAS, NACOG's mission is the "Collaborate Regionally to Improve Quality of Life"; and

WHEREAS, NACOG is the designated agency responsible for administering transportation planning in rural areas of northern Arizona; and

WHEREAS, strengthening transportation systems supports the development of the Region's economic vitality; improves safety, accessibility, and mobility of people and freight; protects the environment; promotes energy conservation; and stimulates economic & community development; and

WHEREAS, Mobility Management is an eligible activity in the Federal Transit Administration Section 5310 grant program to enhance the availability and accessibility of transportation options for various populations; and

WHEREAS, the *Northeast Arizona Coordinated Mobility Plan* and *Yavapai Passenger Transportation Study* identifies *Mobility Management* as a means to ensure the availability of technical assistance and training opportunities benefitting multiple stakeholders; develops strategies to leverage funding; facilitates innovative partnerships to address service gaps; prioritizes investments; and coordinates operations and administrative services amongst partners to minimize duplication;

NOW, THEREFORE, BE IT RESOLVED THAT the Regional Council of Northern Arizona Council of Governments supports an application to be made to the State of Arizona for funding from the Federal Transit Administration, and authorizes Chris Fetzer, Executive Director, to sign application and contract or grant documents for receipt and use of these funds, and authorizes staff to take all actions necessary to implement and complete activities submitted in said application(s); and

THAT, the Regional Council of Northern Arizona Council of Governments will comply with all Grant Program Guidelines, State and Federal Statutes and regulations applicable to the Federal Transit Administration and the certifications contained in the application.

Passed and adopted by the Regional Council of Northern Arizona Council of Governments this 22nd day of February, 2024.

By: ______________________________ Attest: ______________________________

Alton Joe Shepherd, Chair *Chris Fetzer, Executive Director*

NACOG
Northern Arizona
Council of Governments
Apache • Coconino • Navajo • Yavapai

Memorandum:

Date: February 8, 2024

To: Regional Council Members

From: Jennifer Brown, Head Start Director

Subject: Head Start and Early Head Start Grant Overview & Program Update

Work toward our upcoming annual grant application which is due at the Regional Office on March 1st is underway. In this proposal we have updated our Strategic long-term goals and objectives for you (See attachment). The goals and subsequent action steps planned for Year 5 have been incorporated within the Full Enrollment Initiative (FEI) plan (see attachment) with targeted data strategies and planned trends to be analyzed to support our team's integrated and qualitative attainment to reach and sustain our full workforce goals, our full enrollment goals, and our identified 2024-2025 Five Year Grant Plan Goals and Objectives.

During Year 5 of the NACOG EHS-HS Grant Cycle, the program will continue to assess children's progress towards school readiness goals on an ongoing basis utilizing the Learning Accomplishment Profile (LAP). LAP is a comprehensive, direct assessment, web-based tool that tracks individual child growth and progress toward school readiness across six domains. LAP allows child assessment data to be easily analyzed at all levels of the program.

Our systemwide commitment to the Pyramid Model provides a framework of collective problem-solving for child behavioral management and family support and for new-staff onboarding. In times of extreme or prolonged stress, comprehensive services provided by Balance Mental Health and Wellness helped our children, families, and staff to feel safe and supported. In Year 5 we have continued to budget for these staff wellness services. Our commitment remains strong to our workforce.

Responding to unprecedented workforce shortages, we have created strategies for a more comprehensive onboarding program. With the Pyramid Model approach firmly in place, the strategy for our new onboarding process follows a similar tiered pattern in building a framework of knowledge, security, confidence, and trust. The foundational tier includes three days of content that all Head Staff are required to know. The middle tier covers information relating to the Head Start/EHS center the employee will be serving, and the top tier provides training and coaching specific to each position. This also will continue to be enhanced in Year 5.

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Finally, one additional hi-lite for things to continue in Year 5 is that of continuing with the tuition-free access to continuing education for our workforce as required by federal standards. We will continue to instill the program that allows for an increase in pay with each degree or certificate of completion. We will continue to build upon our active partnerships through high schools, community colleges and other community partners ensuring we build a pipeline for employment for students across the ages.

We look forward to presenting you a full grant narrative and budget overview at our upcoming meeting.

During fall-winter 2023, Head Start convened teams using the strategic long-term goals and objectives as well as the FA2 monitoring protocols to conduct the required annual Self-Assessment. Parent and staff surveys were created, disseminated, and analyzed along with a third-party vendor Data Capacity Assessment in 2023, which have been integrated into the self-assessment process as well. You will find an attachment labeled *2023-2024 EHS & HS Program Self-Assessment Report & Action Plan* for your review.

Our Federal Review, the Focus Area 2(FA2) will be the week of March 25, 2024! FA2 provides us with the opportunity to share our data collection. We will discuss and tell our stories of strong practices and successes. Our Self-Assessment, our grant application and the Goals and Objectives are all systems in which we can demonstrate our progress. We know that we still have work to be done, however the program is strong and this FA2 will be the time to tell our data story while focusing on continuous quality improvement as our approach for making many small changes with greater, improved outcomes. Your Executive Committee has been committed to months of learning and training sessions at each meeting for the past year. A great big thank you to them, we know they will represent us well!

For the final note, your Head Start Leadership team is continuing our commitment to enhancing our data capacity and literacy. Weekly Zoom training sessions, pre and post homework and portfolio projects are all what we have signed up for. You may ask why have we chosen to add the additional workload, well we know that improving the use of data is hard and that leadership must support the process through building solid training structures, support systems, and resources. These are some of the reasons why we continue our learning journey with our partners at ACORN Evaluation, Inc. We are working to ensure we are providing vision, guidance, and support as our staff grow their data capacity. Our job is to ensure that you as stakeholders are receiving the data in a meaningful way with appropriate support to ensure that you have the knowledge you need to make good, educated decisions. Please let us know what you feel we may be lacking when it comes to this topic.

☐	**Information Only**
XX ☐	**Motion to Approve**

2023-2024 Early Head Start and Head Start
Program Self-Assessment Report & Action Plan-

Program Self-Assessment Methodology:

During fall-winter 2023, Northern Arizona Council of Governments Early Head Start and Head Start (NACOG EHS-HS) convened program teams utilizing the NACOG EHS-HS Program Goals and Objectives, the Office of Head Start Monitoring Protocols Focus Area 2 tool to conduct the Annual Program Self-Assessment. The NACOG EHS-HS has also engaged in a comprehensive parent and staff survey data collection process. These combined data sources have been integrated within the action plans of the NACOG EHS-HS Annual Program Self-Assessment.

The Program Self-Assessment was designed to integrate a point in time analysis using the Office of Head Start Monitoring Protocols-Focus Focus Area 2 tool combined with family and staff survey data to produce targeted questions about our program systems/ services related to the analysis of the 2023-2024 outcomes. The NACOG EHS-HS Program Self-Assessment continuous quality improvement process has been utilized to categorize, to determine recommendations and to create plans for the delivery of the recommended targeted areas for continuous quality improvement during Year 5 of the NACOG Five-Year Grant Plan.

Program Self-Assessment Data Question-School Readiness:	Timeline:
How can we improve our school readiness conferences, what are those experiences like, are the goals aligning with children's needs? **Recommendations for Continuous Quality Improvements and Action Planning:** **Compliance Focus: 1302.33**. (b) Assessment for individualization. (1) A program must conduct standardized and structured assessments, which may be observation-based or direct, for each child that provide ongoing information to evaluate the child's developmental level and progress in outcomes aligned to the goals described in the Head Start Early Learning Child Outcomes Framework: Ages Birth to Five. Such assessments must result in usable information for teachers, home visitors, and parents and be conducted with sufficient frequency to allow for individualization within the program year. **Self-Assessment Goal:** Continue the implementation of the Learning Accomplishments Profile (LAP) Ongoing Assessment tool as an instrument for the standardized ongoing assessment and qualitative individualization for enrolled NACOG EHS-HS children.	**November 2023-May 2024**

Self-Assessment Action Plan: 1. Develop the plan for the 2024-2025 LAP professional development scope and sequence for program staff utilizing 2023-2024 LAP implementation data and outcomes. 2. Establish workgroups to design a plan for creating home to school connection innovations between the LAP and the NACOG EHS-HS Family Toolkit. 3. Expand upon the NACOG EHS-HS "Glows and Grows" programmatic approach to individualization and lesson planning systems connecting innovations and best practices. **Project Team Lead:** Maegan Van Wyck	
Program Self-Assessment Data Question-ERSEA: **How can we improve our approach to the Selection process?** **Recommendation for Continuous Quality Improvements and Action Planning:** **Compliance Focus: 1302.14** 1) A program must annually establish selection criteria that weigh the prioritization of selection of participants, based on community needs identified in the community needs assessment as described in §1302.11(b), and including family income, whether the child is homeless, whether the child is in foster care, the child's age, whether the child is eligible for special education and related services, or early intervention services, as appropriate, as determined under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1400 et seq.) and, other relevant family or child risk factors. **Self-Assessment Goal:** Implement program strategies to expand access for the most eligible families to access NACOG EHS-HS enrollment opportunities. **Self-Assessment Action Plan Focus:** 1. Convene a multi-disciplinary team to review 2023 ERSEA data and the current NACOG Selection Criteria to identify continuous improvements for the 2024-2025 NACOG EHS-HS Selection Criteria. 2. Expand the use of current Community Assessment data to inform and prioritize criteria to engage children and families most in need of NACOG EHS-HS services. 3. Analyze ChildPlus enrollment and waitlist data for trends to inform the continuous improvement outcomes related to program Selection Criteria. **Project Team Leads:** JoAnn Barela	**Timeline:** **December 2023-May 2024**

Program Self-Assessment Data Question-Workforce Development	Timeline:
How can we improve our outreach and recruitment for perspective employees? How do we improve our marketing to eligible workforce employees within NACOG EHS-HS communities? **Recommendations for Continuous Quality Improvements and Action Planning:** **Compliance Focus: 1302.101 Management Systems** a) *Implementation*. A program must implement a management system that: (1) Ensures a program, fiscal, and human resource management structure that provides effective management and oversight of all program areas and fiduciary responsibilities to enable delivery of high-quality services in all of the program services described in subparts C, D, E, F, G, and H of this part; (3) Ensures budget and staffing patterns that promote continuity of care for all children enrolled, allow sufficient time for staff to participate in appropriate training and professional development, and allow for provision of the full range of services described in subparts C, D, E, F, G, and H of this part;. **Self-Assessment Goal:** Implement innovative outreach, recruitment, and onboarding strategies to expand and sustain a quality NACOG EHS-HS workforce during the 2024-2025 program year. **Self-Assessment Action Plan Focus:** 1. Engage in marketing and outreach efforts to improve NACOG EHS-HS brand recognition and social media presence which results in engagement of new NACOG EHS-HS employees. 2. Pilot the integration of virtual professional development resources for new and continuing NACOG EHS-HS employees. 3. Collect and analyze the outcomes of orientation, onboarding, ongoing professional supports, and virtual professional development resources as measures of innovative workforce engagement and retention outcomes. **Project Team Leads: Piper Swenson and Jessica Miller**	**November 2023-May 2024**

Continuous Quality Improvement Measures for 2024-2025 Program Grant Planning:

The Annual NACOG EHS-HS Program Self-Assessment and Action Plan will be continued to be evaluated bi-monthly for the duration of the 2024 through the following program activities:

- NACOG EHS-HS-Comprehensive Monitoring activities,
- NACOG EHS-HS Policy Council and Executive Committee Ongoing Monitoring Reports,
- NACOG EHS-HS Data Parties and Continuous Quality Improvement efforts.

The outcome of the Self-Assessment benchmarks and areas of Self-Assessment action plans will be integrated into the next Five-Year NACOG EHS-HS Community Assessment, the NACOG Systems-Policies and Procedures, forms/ documentation systems, data systems and 5 Year Grant Plan Goals and Objectives to ensure program improvements that result in maximum impact for children, families, staff, and communities.

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NACOG HEAD START AND EARLY HEAD START

Update Five-Year Grant Application

Year Five

Project Period: 6/1/24-5/31/2025

5 Year Grant Plan Goal Updates & Progress

- NACOG EHS-HS has successfully implemented the new HRIM: UKG & the new Child Plus data system.
- NACOG EHS-HS has successfully transitioned to the Learning Assessment Profile LAP system which is resulting in improved child learning outcome data for teachers, home visitors and families. The LAP data is providing real time school readiness data.
- NACOG EHS-HS has made progress in workforce and outreach efforts. During the 2024-2025 program year, Grant Plan Goal efforts will focus on an expanded workforce engagement, retention and ongoing professional talent management efforts.

Funded Enrollment & Service Areas

Program	Head Start	Early Head Start	976
Federal Funded Enrollment	599	377	

Coconino, Navajo, Apache and Yavapai Counties

Budget

Funding Type	Head Start	Early Head Start
Program Operations	$11,549,616	$8,823,622
Training and Technical Assistance	$83,589	$159,820
Total Funding		**$20,616,647**

NACOG HEAD START / EARLY HEAD START
PROPOSED YEAR 5 BUDGET
Fiscal Year: JUNE 2024 - MAY 2025

NACOG Head Start & Early Head Start: 976 funded slots		GRANT FUND Allocations:	$20,616,647	$11,633,205	$8,983,442
	Federal Budget Category Expense Line Items	FY24 Current Year 6/1/2023 - 5/31/2024	PROPOSED Grant Budget 6/1/2024 - 5/31/2025	HEAD START Preschool Fund	EARLY HS Infant & Toddlers Fund
1.	**Personnel:**	$ 11,065,658	$ 10,372,072	$ 5,674,910	$ 4,697,162
2.	**Fringe Benefits:**	$ 5,432,553	$ 5,133,331	$ 2,806,141	$ 2,327,190
3.	**Out-of-State Training Travel:**	$ 18,132	$ 49,812	$ 29,887	$ 19,925
4.	**Equipment (> $5,000 per unit cost):**	$ 226,900	$ 324,600	$ 165,900	$ 158,700
5.	**Supplies:** *- Office, Educational, Diapers/Wipes, Medical, Kitchen, Janitorial, Operations & Maint, Playground*	$ 535,474	$ 567,021	$ 375,351	$ 191,670
6.	**Contractual:** *Medical, Dental, Mental Health, Special Needs, Nutritionists & Dieticians Contracted Services*	$ 50,397	$ 104,300	$ 78,861	$ 25,439
7.	**Other:**				
a.	*- Facilities (Rent, Utilities, Insurance, Maint. & Repairs, License)*	*$ 894,789*	*$ 1,304,233*	*$ 889,987*	*$ 414,246*
b.	*- Local Travel & Transportation*	*$ 233,952*	*$ 392,763*	*$ 233,692*	*$ 159,071*
c.	*- Parent Activities (Policy Council & Local Parent Activities)*	*$ 21,060*	*$ 21,250*	*$ 12,450*	*$ 8,800*
d.	*- Food Services- (net of Child Nutrition Program-CACFP funds)*	*$ 272,471*	*$ 290,896*	*$ 192,870*	*$ 98,026*
e.	*- Training & Staff Development*	*$ 351,731*	*$ 443,984*	*$ 233,720*	*$ 210,264*
f.	*- Professional & Outside Services (Legal, Consultants)*	*$ 15,550*	*$ 58,885*	*$ 52,338*	*$ 6,547*
g.	*- Other (Publishing, Printing, Advertising & Recruitment, Membership Dues & Software Subscriptions,)*	*$ 260,614*	*$ 390,595*	*$ 251,019*	*$ 139,576*
7a-g.	**Total Other:**	$ 2,050,167	$ 2,902,606	$ 1,866,076	$ 1,036,530
8.	**Indirect Cost Rate Agreement Expense:**	$ 1,237,366	$ 1,162,905	$ 636,079	$ 526,826
	TOTAL HS/EHS GRANT APPLICATION:	**$ 20,616,647**	**$ 20,616,647**	**$ 11,633,205**	**$ 8,983,442**
9	**Non-Federal Share (In-Kind 25% Match)**	$ 4,806,294	$ 5,154,162	$ 2,908,301	$ 2,245,861

NACOG HEAD START / EARLY HEAD START
PROPOSED YEAR 5 BUDGET
Fiscal Year: JUNE 2024 - MAY 2025

	HEAD START Preschool Fund: 599 Enrollment slots	**HS FUNDING Allocation:**	**$11,633,205**
	Federal Budget Category Expense Line Items	**FY24 Current Year 6/1/2023 - 5/31/2024**	**PROPOSED HS Fund Budget 6/1/2024 - 5/31/2025**
1.	**Personnel:**	$ 6,062,757	$ 5,674,910
2.	**Fringe Benefits:**	$ 2,959,795	$ 2,806,141
3.	**Out-of-State Travel:**	$ 11,242	$ 29,887
4.	**Equipment (> $5,000 per unit cost):**	$ 165,800	$ 165,900
5.	**Supplies:**		
	- Office, Educational, Medical, Kitchen, Janitorial & Maint	$ 351,748	$ 375,351
6.	**Contractual:** *Medical, Dental, Mental Health, Special Needs, Nutritionists & Dieticians Contracted Services*	$ 32,823	$ 78,861
7.	**Other:**		
a.	*- Facilities (Rent, Utilities, Insurance, Maint. & Repairs, Licensing)*	$ 669,432	$ 889,987
b.	*- Travel & Transportation*	$ 149,808	$ 233,692
c.	*- Parent Activities (Policy Council & Local Parent Activities)*	$ 12,955	$ 12,450
d.	*- Food Services-Net Cost (Child Nutrition Program-CACFP funds)*	$ 182,969	$ 192,870
e.	*- Employee (Training & Licensing)*	$ 179,171	$ 233,720
f.	*- Professional & Outside Services (Legal, Consultants)*	$ 12,637	$ 52,338
g.	*- Other (Publishing, Ads & Recruitment, Dues & Subscriptions)*	$ 165,376	$ 251,019
7a-g.	**Total Other:**	$ 1,372,348	$ 1,866,076
8.	**Indirect Cost Rate Agreement Expense:**	$ 676,692	$ 636,079
	TOTAL Head Start (3-5 yr olds) Fund:	$ 11,633,205	$ 11,633,205
9.	**Non-Federal Share (In-Kind 25% Match)**	$ 2,908,301	$ 2,908,301

NACOG HEAD START / EARLY HEAD START
PROPOSED YEAR 5 BUDGET
Fiscal Year: JUNE 2024 - MAY 2025

	EARLY HEAD START Fund: 377 Enrollment slots	EHS FUNDING Allocation:	$8,983,442
	Federal Budget Category Expense Line Items	FY24 Current Year 6/1/2023 - 5/31/2024	PROPOSED EHS Fund Budget 6/1/2024 - 5/31/2025
1.	**Personnel:**	$ 5,002,901	$ 4,697,162
2.	**Fringe Benefits:**	$ 2,472,758	$ 2,327,190
3.	**Out-of-State Travel:**	$ 6,890	$ 19,925
4.	**Equipment (> $5,000 per unit cost):**	$ 61,100	$ 158,700
5.	**Supplies:**		
	- Office, Educational, Medical, Kitchen & Janitorial	$ 183,726	$ 191,670
6.	**Contractual**: *Medical, Dental, Mental Health, Special Needs, Nutritionists & Dieticians Contracted Services*	$ 17,574	$ 25,439
7.	**Other:**		
a.	*- Facilities (Rent, Utilities, Insurance, Maint. & Repairs, Licensing)*	$ 225,357	$ 414,246
b.	*- Travel & Transportation*	$ 84,144	$ 159,071
c.	*- Parent Activities (Policy Council & Local Parent Activities)*	$ 8,105	$ 8,800
d.	*- Food Services-Net Cost (Child Nutrition Program-CACFP funds)*	$ 89,502	$ 98,026
e.	*- Employee (Training & Licensing)*	$ 172,560	$ 210,264
f.	*- Professional & Outside Services (Legal, Consultants)*	$ 2,913	$ 6,547
g.	*- Other (Publishing, Ads & Recruitment, Dues & Subscriptions)*	$ 95,238	$ 139,576
7a-g.	**Total Other:**	$ 677,819	$ 1,036,530
8.	**Indirect Cost Rate Agreement Expense:**	$ 560,674	$ 526,826
	TOTAL Early Head Start (0-3 yr olds) Fund:	$ 8,983,442	$ 8,983,442
9.	**Non-Federal Share (In-Kind 25% Match)**	$ 2,245,861	$ 2,245,861

Memorandum:

Date: February 8, 2024

To: Regional Council Members

From: Brandon Baxter

Subject: NACOG*Aging*

NACOG Aging State Monitoring 2/26-2/28

NACOG Aging is in the final stages of preparation for its upcoming State Program Monitoring. This Monitoring review will include HR, Fiscal, Program and Administrative Reviews for compliance. Our last Monitoring took place in 2018 and this monitoring was delayed due to the impacts of the Pandemic. The Monitoring will take place in our Prescott Office and Remotely on Monday February 26th – Wednesday February 28th.

NACOG Aging FY25 Budget Planning

I will discuss the expiration of one-time ARPA funding ($1,519,079) and Public Health Worker Grant Funds ($81,000) as well as the impacts of a possible loss of State HCBS Funds ($447,137). How will these combined losses ($2,047,216) effect FY25 Service levels? I will also discuss the plans that we are working on to maximize our FY25 Federal OAA Carry-over and how we are looking at reducing the planned expenses for the upcoming fiscal year. Once the State releases the FY25 Planning Dollar Alert (usually in March), NACOG Finance, HACOG HR and NACOG Aging staff will schedule a meeting to review actual planning dollars vs. our previous planning predictions. This group strategy session will help solidify how NACOG Aging will adjust its FY25 Budget to meet the reduction of these funds.

NACOG Aging Staffing

NACOG*Aging* Programs Manager Sharon Rickman started on 12/4/2023 in our Prescott Office and has quickly become a valuable member of the team. Posting for Operations Manager to occur after final HR approval of updated Job Description and PDQ. Client Service Manager Kathy Kent retiring 2/23/2024, after 10 years of service. FY25 Budget planning will also review the option of not filling several open positions to account for decreasing client caseloads resulting from the pending service reductions. Several staff members have asked about voluntarily reducing their hours worked as well. Aging to review all of these options with HR and Finance to chart a successful and sustainable path forward.

NACOG Senior Homelessness Prevention Program

NACOG*Aging* and Community Services began facilitation of the Senior Homelessness prevention program at the beginning of January. Roll-out has already begun and clients are actively being served and assisted. These funds were identified as non-lapsing within the 8/10/23 Alert, so we do plan on being able to continue this program until all the allocated funds are expended.

X	**Information Only**
☐	**Motion to Approve**

NACOG
Northern Arizona
Council of Governments
Apache • Coconino • Navajo • Yavapai

Memorandum:

Date: February 9, 2024

To: Regional Council Members

From: Chris Fetzer

Subject: Executive Director's Report

Welcome to New Regional Council Members

- Supervisor Harry Oberg, Yavapai County
- Supervisor James Gregory, Yavapai County
- Councilmember Ted Gambogi, City of Prescott
- Randy Garrison, Yavapai County Private Sector

Secretary-Treasurer Officer Vacancy

Former Regional Council member Supervisor Mary Mallory was elected to the officer role of Secretary-Treasurer at the annual business meeting of the Regional Council in June 2023. Supervisor Mallory's departure from the Regional Council leaves this role vacant until July 2024, following the election of Officers and Executive Committee members at the 2024 annual business meeting. In April, the Regional Council Chairman will appoint a nominating committee to establish the slate of Officers and Executive Committee members for FY2025.

Regional Council Private Sector Representatives – *Vacancies in Apache & Navajo Counties for FY 24*

Per the Regional Council bylaws (see excerpt below), there are two private sector representatives elected annually from each county. There are currently vacant seats in several counites - two in Apache County and one in Navajo County.

Private sector representatives may be elected for the remainder of the FY24 term at Regional Council meetings. NACOG staff are available to convene meetings of the Regional Council members from a specific county to facilitate discussion of potential private sector representatives. Please contact Cindy Binkley or me for assistance.

> *"…the Regional Council shall annually elect up to two (2) individuals from each County to serve as private representatives from that County. These private representatives shall be elected from the nominations submitted by the City, Town, and County representatives from that County. Private representatives shall serve a one (1) year term and shall represent a low income or minority group, or representative organization, or represent the principal economic interests in the Region such as, but not limited to, business, industry, transportation, finance, utilities, education, the professions, agriculture, or labor."*

<u>Regional Council & Standing Committee Vacancies – *Opportunities to Get More Involved*</u>

Regional Council Private Sector Representatives

- Apache County – 2
- Navajo County – 1

Advisory Council on Aging

- Apache County – 4 members; 4 alternates
- Coconino County – 1 member; 4 alternates
- Navajo County – 2 members; 4 alternates
- Yavapai County – 4 alternates

Audit Committee

- 4 vacant positions to fill maximum membership (8)

Community Action Board

- Apache – 1 public or elected official; 1 private
- Navajo – 1 public or elected official; 1 private
- Yavapai – 1 public or elected official

Economic Development Council

- No vacancies

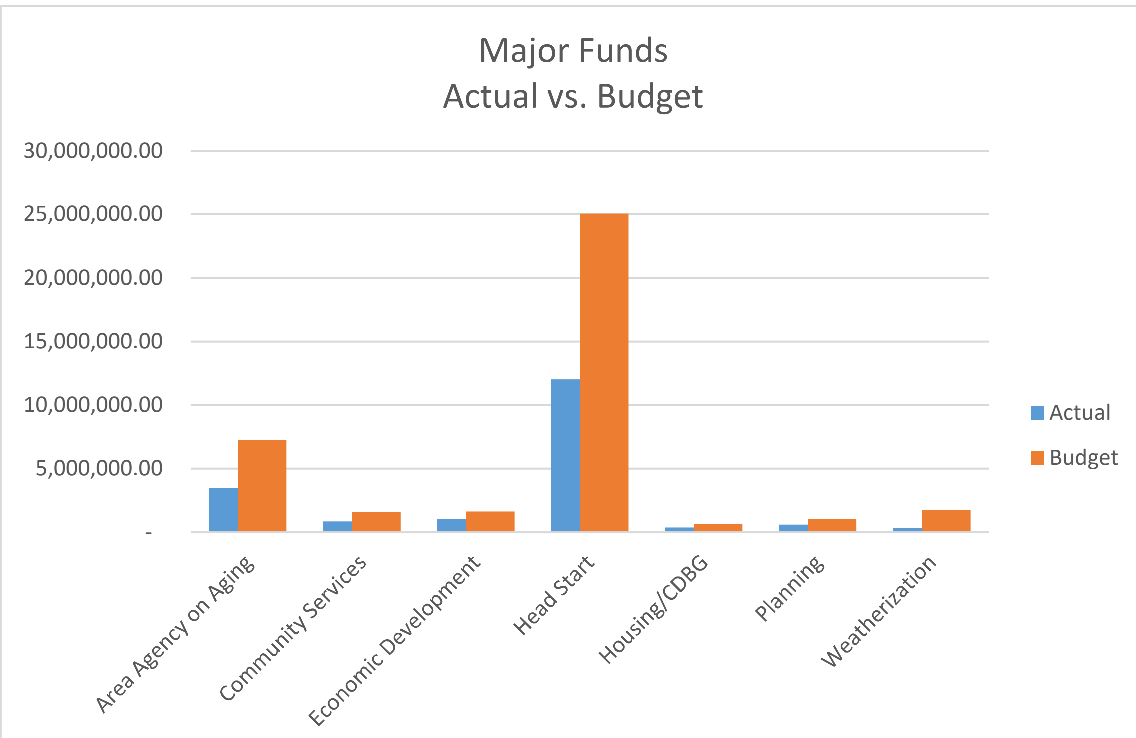
Transportation Policy Advisory Committee

- Apache – 1 municipal
- Tribal - 1

Major Funds - Actual vs. Budget

December 31, 2023

Division	Actual	Budget	% Complete
Area Agency on Aging	3,501,714	7,231,719	48.4%
Community Services	854,431	1,571,907	54.4%
Economic Development	1,024,824	1,622,812	63.2%
Head Start	12,018,889	25,057,470	48.0%
Housing/CDBG	377,169	640,000	58.9%
Planning	603,230	1,028,657	58.6%
Weatherization	334,005	1,736,174	19.2%
Total	**18,714,262**	**38,888,739**	**48.1%**



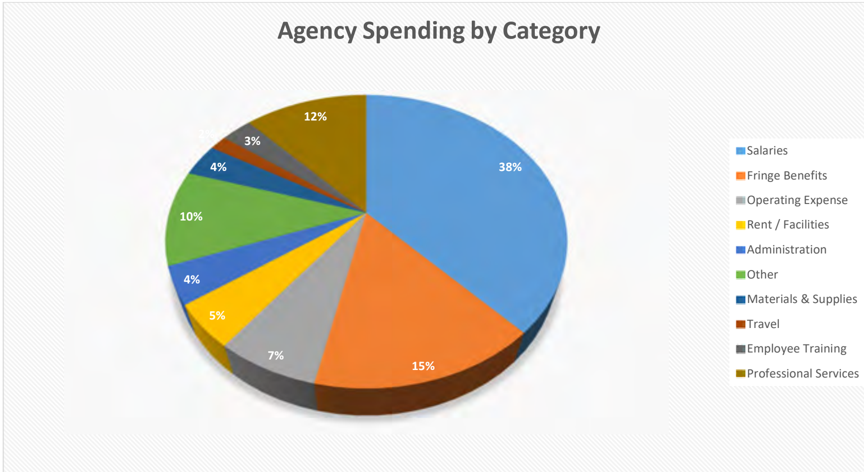
Comments:

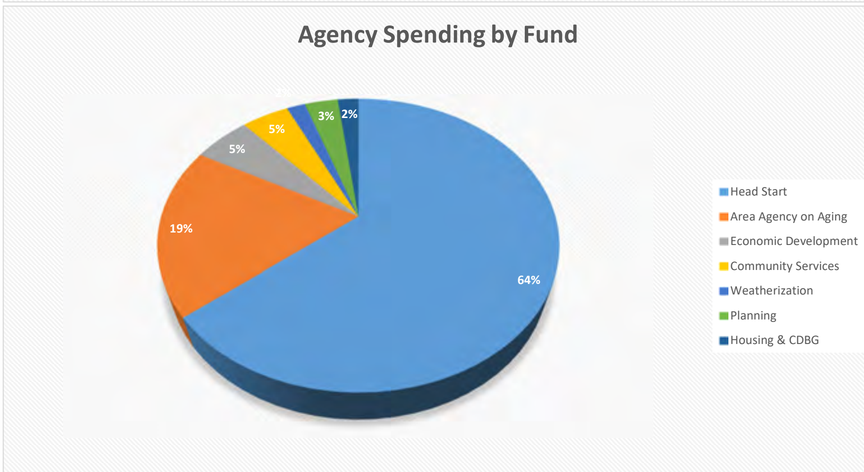
Reference for above totals: through December the year is 50% complete

Agency Spending

December 31, 2023

Line Item	Area Agency on Aging	Community Services	Economic Development	Head Start	Housing/CDBG	Planning	Weatherization	Total
Salaries	1,004,833	154,400	349,083	5,221,551	98,560	182,575	54,735	7,065,736
Fringe Benefits	432,694	65,085	103,016	2,146,991	38,448	57,995	23,642	2,867,871
Professional Services	1,674,460	166,269	17,786	34,544	1,452	298,931	-	2,193,441
Travel	57,804	4,613	6,181	212,656	7,194	20,162	2,237	310,846
Rent / Facilities	85,664	15,672	69,352	700,393	6,253	4,135	4,041	885,510
Operating Expense	5,000	415,917	124,006	506,642	210,207	1,271	222,651	1,485,694
Materials & Supplies	40,910	4,504	14,659	605,432	1,198	4,229	557	671,489
Equipment	-	-	-	1,523,179	-	-	-	1,523,179
Telephone	23,856	3,718	3,621	58,675	1,082	4,231	1,051	96,235
Postage	1,092	2,148	992	5,863	78	30	658	10,862
Printing and Copies	4,538	293	5,837	26,880	229	580	480	38,837
Administration	108,226	16,461	47,377	558,611	10,352	18,043	5,947	765,017
Advertising	4,335	-	27,175	53,818	1,198	-	11,978	98,505
Dues & Subscriptions	33,820	985	2,240	9,487	-	6,164	930	53,625
Employee Training	16,915	3,577	251,677	263,586	425	3,523	600	540,302
Insurance	7,065	751	1,600	82,578	433	1,361	4,492	98,279
License & Bonding	502	39	222	8,003	59	-	7	8,833
Board Expenses	-	-	-	-	-	-	-	-
Total Expenses	**3,501,714**	**854,431**	**1,024,824**	**12,018,889**	**377,169**	**603,230**	**334,005**	**18,714,262**

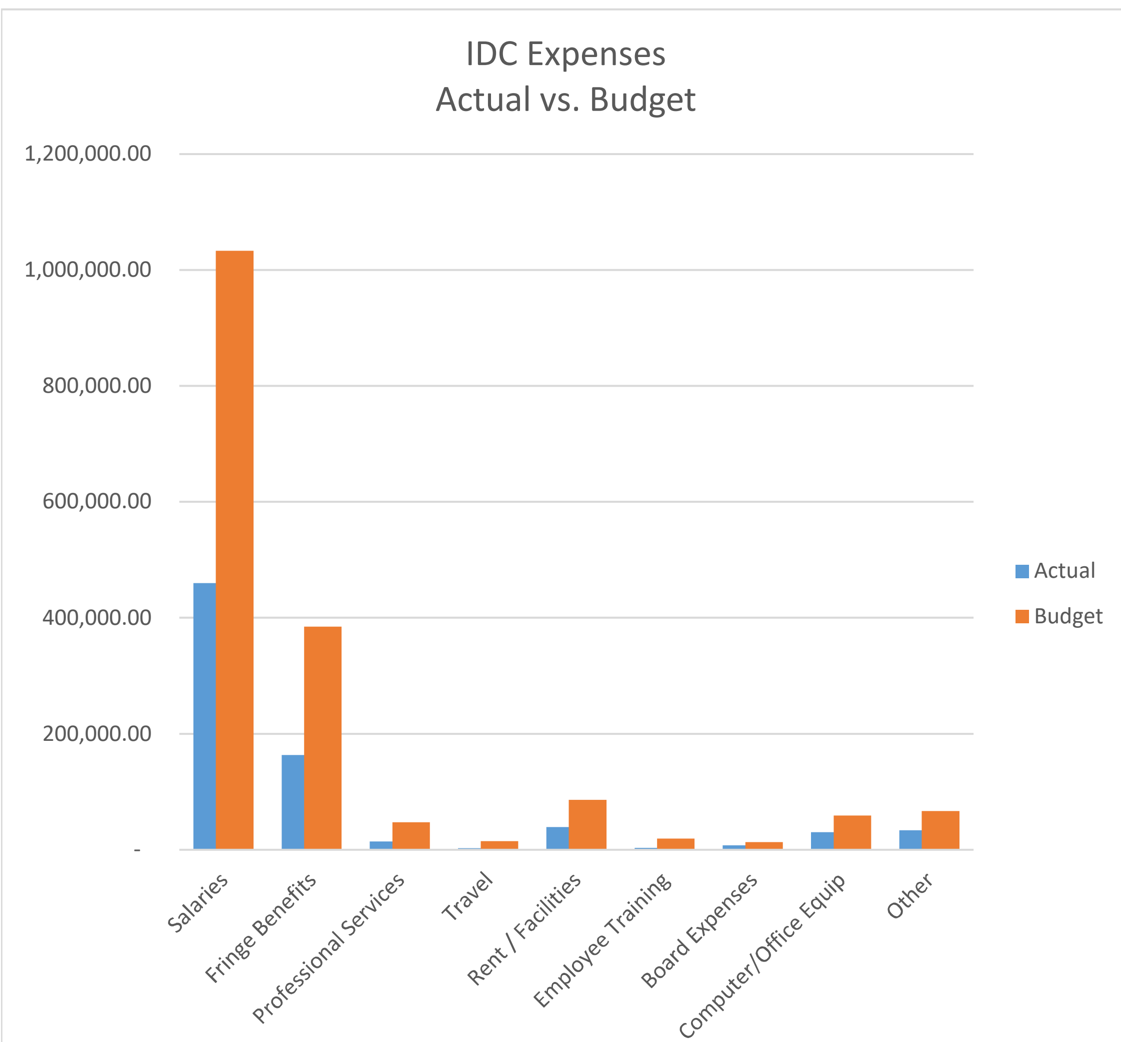

Agency Spending by Category
12%
3%
4%
38%
10%
4%
5%
7%
15%
Salaries
Fringe Benefits
Operating Expense
Rent / Facilities
Administration
Other
Materials & Supplies
Travel
Employee Training
Professional Services


Agency Spending by Fund
5%
3%
2%
5%
19%
64%
Head Start
Area Agency on Aging
Economic Development
Community Services
Weatherization
Planning
Housing & CDBG

Administration Division - Actual vs. Budget

December 31, 2023

Line Item	Actual	Budget	% Complete
Salaries	460,012	1,032,808	44.5%
Fringe Benefits	163,123	385,014	42.4%
Professional Services	14,386	47,150	30.5%
Travel	2,951	15,000	19.7%
Rent / Facilities	39,182	86,181	45.5%
Employee Training	3,105	19,500	15.9%
Board Expenses	7,706	13,300	57.9%
Computer/Office Equip	30,162	58,811	51.3%
Audit	24,500	35,000	70.0%
Other	33,603	66,827	50.3%
Total Expenses	**778,730**	**1,759,590**	**44.3%**



Regional Council Meetings 2024

Date	Location
February 22, 2024	Zoom Teleconference
April 25, 2024	Northern AZ Center for Entrepreneurship & Technology - Flagstaff, AZ
June 27, 2024	Northern AZ Center for Entrepreneurship & Technology - Flagstaff, AZ
August 22, 2024	Northern AZ Center for Entrepreneurship & Technology - Flagstaff, AZ
October 24, 2024	Northern AZ Center for Entrepreneurship & Technology - Flagstaff, AZ

Time:	Executive Committee	8:30AM – 9:30AM
	Regular Session	10:00AM – 12:00PM
	Lunch	12:00PM – 1:00PM

NACET
2201 North Gemini Rd.
Flagstaff, Arizona 86001
(928) 213-9234

List Updated 10/26/2023

From the office of Council Member O'Neill

February Report

2/6	Attended joint meeting with Historic Preservation Commission.
2/8	Attended Trails open house.
2/13	One-on-one meeting with Town Manager; Council meeting.
2/16	NAMWUA meeting in Prescott Valley.
2/20	Attended Planning Commission meeting, via Zoom.
2/23	Attended Public Policy and the Future of Ageing in AZ, via Zoom.
2/27	One-on-one meeting with Town Manager; Board of Adjustment Meeting; Council Meeting; Executive Session.
2/29	Attended joint work session with Town Council and Planning Commission.

From the office of Council Member Babbitt-Pierce

February Report

6 - Joint meeting with Historic Preservation Commission.

8 - Trails Master Plan Open House.

11 - Visited with citizens concerned about The Highlands.

12 - Meeting with Town Manager Guthrie.

13 - Town Council Meeting.

14 – Transportation Policy Advisory Council (TPAC) Meeting.

20 - Planning Commission meeting.

26 - Meeting with Town Manager Guthrie.

27 – Board of Adjustment Meeting; Town Council Meeting.

29 - Joint work session with the Planning Commission.

Transportation Policy Advisory Committee

January 10, 2024 ◆ Zoom Teleconference

MEMBER NAME	ENTITY	PRESENT	ABSENT	STAFF NAME	
Marney Babbitt-Pierce	Town of Clarkdale	**X**		**Jennifer O'Connor**	
Fern Benally	Navajo County	**X**		**Cindy Binkley**	
Sterling Beus	Town of Pinetop-Lakeside	**X**		**Tod Morris**	
Bill Diak	City of Page	**X**		**Mike Huff**	
James Gregory	Yavapai County	**X**			
Michael Lomayaktewa	Hopi Tribe		**X**		
Mary Mallory	Yavapai County	**X**		**GUEST/ALTERNATE NAME**	**ENTITY**
Alton Shepherd	Apache County	**X**		**Kevin Adam**	RTAC
Jeronimo Vasquez	Coconino County	**X**		**Amber Pava**	Yavapai County
				Sandra	

I. Call to Order and Introductions

Chairwoman Mary Mallory called the meeting to order at 1:05 P.M. Self-introductions were made. A quorum was present.

II. Acknowledgment of Title VI Policy

NACOG hereby gives public notice that it is the Agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990 and other related authorities in all of its programs and activities. NACOG's Title VI and ADA programs require that no person shall, on the grounds of race, color, national origin, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity.

More information on Title VI is included in the agenda packet and on NACOG's website.

III. Approval of Minutes – November 8, 2023

Chairwoman Mallory asked for any corrections to the November 8 meeting minutes. Hearing none, she asked for a motion to approve.

Jeronimo Vasquez moved to approve the November 8, 2023 meeting minutes, seconded by Marney Babbitt-Pierce. Motion passed unanimously.

IV. Election of 2024 TPAC Chair and Vice-Chair

The purpose of today's election is to fill the Chair and Vice-Chair positions for the term beginning in January 2024. The term of office for the Chair and Vice-Chair positions is two years. The Chair is responsible for presiding over all TPAC meetings and assisting in the development of meeting agendas. The duties of the Vice-Chair are to perform the duties of the chair, in his or her absence. The Chair or Vice-Chair may also represent the TPAC at NACOG Regional Council meetings, as necessary.

Mary Mallory moved to elect Alton Shepherd as Chairman, seconded by Jeronimo Vasquez. Motion passed unanimously.

Mary Mallory moved to elect Marney Babbitt-Pierce as Vice Chair, seconded by Bill Diak. Motion passed unanimously.

V. Approval of 2024 Meeting Calendar

Staff presented a slide with the proposed meeting dates for 2024. Chairwoman Mallory asked for any questions or comments. Hearing none, she asked for a motion to approve.

Bill Diak moved to approve the 2024 meeting calendar, seconded by Jeronimo Vasquez. Motion passed unanimously.

VI. Legislative Update

Kevin Adam provided a legislative update.

Federal Update

There is a bipartisan agreement for the budget for the remainder of the fiscal year, with transportation appropriated at fully-authorized levels.

State Update

It is currently the first week of the legislative session. Because of the partisan split between the legislature and the Governor's office, it is anticipated to be a difficult and potentially contentious session. The revenue outlook is not as positive as it has been over the last couple of years. The budget forecast estimates a $400 million structural deficit for this year, and a $450 million structural deficit for next year. There are a few reasons for this: revenue collections are down, due to tax cuts that had a bigger impact than expected and there is no federal COVID funding backing up revenue collections. Inflation is impacting spending statewide. At this point, it doesn't appear that transportation funding is in the cross hairs to balance the general fund shortfall. However, the legislature may potentially defer or rescind project funding that was appropriated over the last couple of years.

The RTAC is pursuing its priority project legislation, though prospects don't look particularly well for project funding. Doing so will help keep attention on the underinvestment to transportation infrastructure.

Advocacy is underway for reforms to the AZ SMART Fund. The purpose is to add flexibility to the fund's allocation, while ensuring the maximum benefit to rural Arizona. There is currently the following amount available for awards:

- $12,497,299 for municipalities with population less than 10,000
- $167,827 for municipalities with population greater than 10,000
- $12,916,941 for counties with population less than 100,000
- $7,659,599 for counties with population greater than 100,000

VII. Transportation Program Update

The draft Regional Transportation Safety Plan (RTSP) is now completed and available on NACOG's website. The Regional Council will adopt the final plan at their February 22 meeting.

Staff presented individual intersection, segment and systemic projects that were developed in participation with jurisdiction staff. Staff provided examples of the RTSP strategy recommendations. Local staff have been asked to review the priority project recommendations for their jurisdiction and work toward implementation.

The NACOG team will participate in ADOT's statewide transportation safety planning effort in 2024. Staff will work to identify opportunities for partnership with statewide safety initiatives from ADOT and the Governor's Office of Highway Safety.

Mike Huff performed a demonstration of an RTS story map.

The Regional Priority Project List (RPPL) is a list of 18 critical roadway infrastructure projects across the NACOG region. It was approved by the Regional Council in October 2023. The list includes updated cost estimates for all projects and $2,000,000 for the Rural School Bus Routes Study. It will be used to seek funding at the state legislature in the 2024 session.

NACOG has delivered project binders for each legislator that include fact sheets, commitment forms and letters of support. NACOG hosted 6 meetings with state legislators in November and December. TPAC members are encouraged to write letters of support for the projects on the list. Jurisdiction staff and elected officials are encouraged to reach out to legislators in advance of the bill's introduction and advocate for their projects. NACOG will set up in-person meetings with legislators in February and March.

The SMART Fund provides reimbursement of up to 50% of eligible costs associated with grant development and submission of an application for a federal discretionary grant. It also provides reimbursement of 100% of design and other engineering services expenditures.

Staff provided information on the following grant opportunities:

- RAISE – NOFO currently open. Applications are due 2/28
- FHWA Bridge Investment Program - Planning applications due 2/19, design and construction applications due 3/19.
- HSIP – Applications are due 5/3. Construction project cost can range from $500,000 to $5 million.
- SS4A – NOFA anticipated to be released in February.
- Transportation Alternatives – Call for Projects expected in April.

VIII. Adjourn

Committee members that do not currently receive Kevin's RTAC email updates should contact Cindy Binkley or visit rtac.net/contact to be added to the distribution list.

The next TPAC meeting is scheduled for 1-2:30PM on Wednesday, 2/14. Staff will send an Outlook invitation to determine if there will be a quorum for the meeting.

Chairwoman Mallory asked for any final questions or comments. Hearing none, she adjourned the meeting.

Chairwoman Mary Mallory adjourned the January 10, 2024 meeting of the NACOG Transportation Policy Advisory Committee at 2:10 P.M.

From the office of Council Member Jones

February Report

2/06	Attended Joint Council/Historic Preservation Commission Meeting.
2/09	Met with Nikki Check, candidate for County Supervisor to discuss airplane noise.
2/12	Met with Susan Guthrie, Town Manager.
2/13	Town Council Meeting.
2/15	Met with David Gressly, New Executive Director of Friends of the Verde River. Also in attendance was Susan Guthrie, Mayor Prud'homme-Bauer and Jim Mast.
2/20	Attended Planning Commission Meeting.
2/21	Met with Verde Valley Aviation Impact Relief (VVAIR) regarding airplane noise.
2/22	Met with Susan Guthrie, Town Manager.
2/27	Met with Verde Valley Aviation Impact Relief (VVAIR) regarding airplane noise.
2/27	Attended Board of Adjustment Meeting.
2/27	Attended Town Council Meeting.
2/27	Attended Executive Session.
2/29	Attended Joint Work Session with Town Council and Planning Commission.

Staff Report

Item Number: 6.A.

Agenda Item: **Approval of Minutes**
Consider and act upon the draft minutes from the regular meeting held on Feb. 27, 2024.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: March 12, 2024

Strategic Goal: Not applicable.

Background: Review of the draft minutes from the regular meeting held on Feb. 27, 2024.

Budget Impact: No budget impact.

Recommendation: Staff recommends approval of the draft minutes from the regular meeting held on Feb. 27, 2024.

SUMMARIZED MINUTES OF A REGULAR MEETING OF THE TOWN COUNCIL
OF THE TOWN OF CLARKDALE
TUESDAY, FEBRUARY 27, 2024, AT 3:00 PM
(To listen to the full audio of the meeting, please visit www.clarkdale.az.gov – agendas & minutes)

Members Present: Mayor Prud'homme-Bauer, Vice Mayor Debbie Hunseder, and Council Members, Lisa O'Neill, Marney Babbitt-Pierce, and Laura Jones

Other Municipal Officials Present: Susan Guthrie, Town Manager; Charity Brooks, Town Clerk; Joni Westcott, Parks and Recreation Director; Ruth Mayday, Assistant Town Manager; Angela Benavides, Human Resources Director; D.K. Green, Grants Manager; Chell Smart, Public Information Officer; Chief Taylor, Police Chief

Zoom: Twot members of the public were present.

Audience: Approximately six members of the public were present.

1. **CALL TO ORDER -** *Mayor Prud'homme-Bauer called the meeting to order at 3:00 p.m.*

2. **ROLL CALL -** *All members present.*

3. **PUBLIC COMMENT –** *No public comment.*

4. **REPORTS**

   Departmental Reports (submitted with Council packet) –
   Summary of written reports from Town Departments and other agencies:
   - Building Permit Report
   - Magistrate Court Report
   - Water, Wastewater and Cottonwood Area Transit Report
   - Police Department Report
   - Verde Valley Humane Society

   A. Finance Report (submitted with Council packet)

5. **PROCLAMATIONS**

A. Proclamation - Teen Dating Violence Awareness Month

Discuss, consider and act upon a proclamation declaring February as National Teen Dating Violence Awareness and Prevention Month.

Tracy McConnell with the Verde Valley Sanctuary was in attendance to receive the proclamation.

Action: Approve the Proclamation declaring February as National Teen Dating Violence Awareness Month:

Motion: Mayor Prud'homme-Bauer

Second: Council Member Babbitt-Pierce

Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

6. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the Town Council at a work session or during a New Business discussion. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

Clerk Note: Item 6e was pulled by Mayor Prud'homme-Bauer for separate consideration.

A. Approval of Minutes of the Common Council

Consider and act upon the draft minutes from the regular meeting held on Feb. 13, 2024.

B. Municipal Court Service for the Town of Clarkdale

Consider and act upon a renewal of the Intergovernmental Agreement (IGA) with the City of Cottonwood to provide for Municipal Court Services.

C. Magistrate Services for the Town of Clarkdale

Consider and act upon an agreement for Clarkdale Magistrate Services and re-appoint Catherine Kelley to serve as the Clarkdale Town Magistrate.

D. Prosecuting Attorney Services for the Town of Clarkdale

Consider and act upon the renewal of the Professional Services Agreement with Musgrove, Drutz, Kack & Gautreaux, PC to provide prosecuting attorney services for the Town of Clarkdale.

Action: Approve consent agenda items A thru D as written:

Motion: Council Member Babbitt-Pierce

<u>Second</u>: Vice Mayor Hunseder
<u>Vote:</u> Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

E. Town Wide Printing and Products Services

Consider and act upon a Professional Services Agreement with Nick of Time Productions, LLC for Town Wide Printing and Products Services.
Mayor Prud'homme-Bauer pulled this item from consent for separate consideration. Vice Mayor Hunseder recused herself from the item and left the room for the vote.

<u>Action: Approve the Professional Services Agreement with Nick of Time Productions, LLC for Town Wide Printing and Products Services and authorize the Town Manager and Town Clerk to execute all documents:</u>
<u>Motion:</u> Council Member O'Neill
<u>Second</u>: Council Member Jones
<u>Vote:</u> Approved 4-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Recused
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

Vice Mayor Hunseder returned to the Dais upon the conclusion of the vote.

7. NEW BUSINESS

A. Town of Clarkdale Marketing Update

Presentation only to provide the Council with an update on the 2023-2024 marketing campaign with Dog Cat Mouse Media for content creation and branding guidance.

B. Patio Park Revitalization Strategy

Discuss, consider and act upon Resolution #1709 regarding the Patio Park Revitalization Strategy and authorizing the Town Manager to take all actions necessary to implement the Strategy.

Action: Approve Resolution #1709, adopting the Patio Park Revitalization Strategy, and authorize the Town Manager to take all actions necessary to implement the Strategy:
Motion: Council Member Babbitt-Pierce
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

C. Ratification of a Grant Application for National Night Out Funding
Discuss, consider and act upon a request to ratify the application for a grant for the Arizona Blue Cross Blue Shield Foundation for Community and Health Advancement Charitable Events in the amount of $2,500 for Clarkdale's National Night Out event.

Action: Approve the request to ratify the application for a grant for the Arizona Blue Cross Blue Shield Foundation for Community and Health Advancement Charitable Events in the amount of $2,500 for Clarkdale's National Night Out Funding and authorize the Town Manager to sign all documents to accept the grant should it be awarded:
Motion: Council Member O'Neill
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

D. Ratification of a Grant Application for Firehouse Subs
Discuss, consider and act upon a request to ratify an application for the Firehouse Subs

Grant for a new Police Rescue ATV valued at $35,759.36.

Action: Approve the request to ratify the application for the Firehouse Subs Grant for a new Police Rescue ATV valued at $35,759.36 and authorize the Town Manager to sign all documents to accept the grant should it be awarded:
Motion: Vice Mayor Hunseder
Second: Council Member Jones
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

E. Ratification of a Grant Application for Clubhouse Window Repair or Replacement

Discuss, consider and act upon a request to ratify the application for a Cynthia Woods Mitchell Fund for Historic Interiors Grant from the National Trust for Historic Preservation in the amount of $15,000 to be used for window repair and/or replacement in the Clark Memorial Clubhouse.

Action: Approve the request to ratify the application for a Cynthia Woods Mitchell Fund for Historic Interiors Grant from the National Trust for Historic Preservation in the amount of $15,000 to be used for window repair and/or replacement in the Clark Memorial Clubhouse and authorize the Town Manager to sign all documents to accept the grant should it be awarded:
Motion: Council Member Jones
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

F. Parks and Recreation Commission Youth Advisory Member
Discuss, consider and act upon the recommendation from the Parks and Recreation Commission to add a Youth Advisory Member to the Commission.

Action: Approve the Park and Recreation's request to add a Youth Advisory member to the Commission:
Motion: Council Member Jones
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

G. Clarkdale Historical Society and Museum Facilities Use Agreement
Discuss, consider and act upon the 2023-2024 Reimbursement Agreement for the use of Town Facilities by the Clarkdale Historical Society and Museum.

Action: Approve the proposed Facility Use Agreement for the Clarkdale Historical Society and Museum with an expiration date of June 30, 2024:
Motion: Council Member O'Neill
Second: Vice Mayor Hunseder
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

8. POSSIBLE VOTE TO ENTER EXECUTIVE SESSION - The Council voted to discuss the

following matters in executive session pursuant to A.R.S. § 38-431.03 (A)(3) discussion or consultation for legal advice with the attorney or attorneys of the public body and/or A.R.S. § 38-431.03(A)(4) Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation:

A. YAN Water Rights Settlement

Action: Enter into Executive Session:
Motion: Vice Mayor Hunseder
Second: Council Member Jones
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

9. RESUMPTION OF REGULAR MEETING - Immediately following the executive session, the Council resumed public session at 6:21 p.m.

A. YAN Water Rights Settlement
No action taken by the Council.

10. FUTURE AGENDA ITEMS
Town Council did not propose items to be placed on a future agenda.

11. ADJOURNMENT

Action: Motion to Adjourn:
Motion: Vice Mayor Hunseder
Second: Council Member Jones
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye

Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

Mayor Prud'homme-Bauer adjourned the meeting without objection at 6:23 p.m.

APPROVED: ATTESTED/SUBMITTED:

_______________________________ _______________________________

Robyn Prud'homme-Bauer, Mayor Charity Brooks, Town Clerk

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Clarkdale, Arizona held on the 27th day of February 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Date approved by Town Council: March 12, 2024

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Charity Brooks, Town Clerk

Staff Report

Item Number: 6.B.

Agenda Item: **Mingus Union High School Facilities Use Agreement**
Consider and act upon a 2024 Facility Use Agreement with Mingus Union High School that includes a rental fee that is consistent with past fees for the same event.

Staff Contact: Joni Westcott, Parks and Recreation Director

Meeting Date: March 12, 2024

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 3 - Enhance the quality and availability of parks, recreation and cultural opportunities.

Background: Mingus Union High School (MUHS) has been utilizing the Clark Memorial Clubhouse as a local venue for their annual Prom celebration since 2015 and has historically been charged a local/non-profit hourly rate for use of the venue. The affordability of the venue has allowed students to attend this event locally rather than travel out of town as they did prior to 2015.

In September 2023, the Town Council approved an increase in the fees for Clubhouse rentals following a DMAIC process. The process informed on the deficit of rental fees verses the cost of facility maintenance and operations. The fee increase that was approved by the Town Council in 2023 would cost MUHS an additional $3,000, even at the local rate. Staff have been informed that the increase in rental pricing is not feasible with the budget that the high school has in place for this event.

Staff proposes that the fees previously charged to MUHS remain the same for their requested three days of use per year:

FACILITY	FEE
Clubhouse Auditorium	*$763 ($45/hour for the first 8 hours. After 8 hours $13/hour)*
Clubhouse Men's Lounge	*$643 ($30/hour for the first 8 hours. After 8 hours $13/hour)*
Clubhouse Ladies' Lounge/Kitchen	*$643 ($30/hour for the first 8 hours. After 8 hours $13/hour*
The total cost for 3 days of use would be $2,049 at the reduced rate. *Additional costs (damages, etc.) will be assessed from the TOWN's most recent Fee Schedule Resolution.*	

Budget Impact: Consistent with past revenue.

Recommendation: Staff recommends that the Council approve the 2024 Facility Use Agreement with Mingus Union High School that includes a rental fee that is consistent with past fees for the same event and authorize the Town Manager to execute all documents necessary.

MINGUS UNION HIGH SCHOOL

1801 East Fir Street
Cottonwood, AZ 86326
928-634-7531
www.mingusunion.com

Mingus Union High School
1801 E Fir St Cottonwood, AZ 86326
ggee@muhs.com
klyons@muhs.com
928-634-7531

February 28, 2024

Clarkdale Town Council
39 N. Ninth Street Clarkdale, AZ 86324

Dear Members of the Clarkdale Town Council,

As representatives of Mingus Union High School, we are writing to you with a request that we hope you will consider with great care and understanding. On behalf of our school community, we are asking for your support in honoring our legacy pricing of facility fees for the Clarkdale Clubhouse for our upcoming prom event.

We understand and appreciate the need for adjustments to cover rising costs associated with maintaining facilities and services. However, we also want to emphasize the significance of preserving the prom experience for our high school students. The Clarkdale Clubhouse provides a beautiful, safe, and ideal setting for our prom, ensuring that our students can enjoy this milestone event in a memorable and secure environment.

Given the recent increase in facility fees, we are concerned about the financial impact it may have on our school and our students. Therefore, we respectfully request that the Council consider maintaining the facility fee schedule for Mingus Union High School at the prices agreed to prior to the cost increase. By doing so, you will help us uphold the tradition of prom while mitigating any additional financial strain on our school budget and our students' families.

Prom holds a special place in the hearts of our students, and we believe that every effort should be made to ensure that they can participate in this event without unnecessary financial burden. By maintaining the facility fee schedule, you will not only support our school community but also contribute to the overall well-being and happiness of our students.

We genuinely appreciate your attention to this matter and your consideration of our request. We hope that you will see the importance of preserving the prom experience for our students and agree to maintain the facility fee schedule for Mingus Union High School. Thank you for your time and consideration.

Sincerely,

Genie Gee Principal, Mingus Union High School

Kelcy Lyons Student Leadership Advisor, Mingus Union High School

Dear Clarkdale City Council,

My name is Aaliyah Myers and I write to ask you to enter us at a grandfather price for renting a venue at the Clarkdale Clubhouse. I, as a student, have many reasons as to why I could think of why we would need this location and pricing.

To start off, we like to do traditional things at Mingus. Whenever the topic of prom gets brought up we all think of the clubhouse. It's an exciting thing for our Juniors who have never seen prom and therefore get absolutely blown away from how gorgeous the venue is. For our returning seniors they get to see how they as juniors used to be and get a sense of "coolness" to being there longer and knowing more. It's the looked-forwarded to tradition that many kids at Mingus love.

Safety is another concern for me. The clubhouse is far enough away that it becomes fun to arrive. Other venues are far away and it becomes a safety concern for the parents and students when it comes to driving. I wanted everyone to be safe and have an enjoyable time. This is the best location for us to have a chance to achieve those goals.

The experience is probably the most important. I want our prom to be as special and inviting as possible, with the clubhouse we can achieve that. When kids walk in and see the beautiful venue it already makes them so happy just to see that. This is something intradable to us and I don't think anywhere else would be able to achieve this.

I hope you will consider changing the price of the clubhouse so we can continue to have an amazing prom!

-Aaliyah Myers, MUHS Student Council Representative

Aaliyah Myers

To the Town of Clarkdale,

The Clarkdale Clubhouse has been a staple in Mingus's prom for years. I'm currently a junior and have been in StuCo since my freshman year, and every year of my highschool career, prom has been at the Clubhouse. I would like it to continue to be there, however, the Student Council will be unable to afford it if the cost is raised to $5,300. We budgeted for a 400~ dollar increase, but this is over double last year's price of $2,100. If we can't get the Clubhouse, StuCo would have to scatter to find somewhere else to host prom or be out an extra $2,000. As someone who loves putting on prom and seeing our visions come to life, getting the renting cost of the Clubhouse grandfathered would be a blessing. Thank you so much for your consideration.

Thank you,
Kenzie Fangman

Dear town of Clarkdale city council,

My name is Cailyn Harroun, I am a junior at Mingus Union High School, and a Student Council representative. I am writing to help appeal to the city of clarkdale to keep the rental fees low for Mingus union student body to continue to host prom at your wonderful clubhouse and keep the prom experience one to remember.

Over the last decade we have continued to use the clubhouse as our venue for prom, and I have heard nothing but great things about prom every single time. Prom is important for several reasons! It's a rite of passage for many high school students and a chance to celebrate the end of their high school journey. Prom allows students to dress up, feel glamorous, and create cherished memories with friends. It's a night filled with dancing, laughter, and fun, creating a special and unforgettable experience. Plus, it's a chance to let loose and have a break from the stress of school. So, prom holds a special place in many students' hearts!

There are many memorable events in a student's life! Graduation day is a big one, as it marks the end of a chapter and the beginning of new adventures. Homecoming, sporting events, school trips, and even just hanging out with friends can also create lasting memories. Prom is one of the highest and most memorable, it's the beginning of a new chapter for the juniors. It's all about the moments we share with the people we care about!

Please consider lowering the prices so we can continue to make memories for our kids to come!

Sincerely, Cailyn Harroun, MUHS STUCO Representative

REIMBURSEMENT AGREEMENT FOR USE OF
TOWN OF CLARKDALE FACILITIES
BY MINGUS UNION HIGH SCHOOL

Recitals

WHEREAS, Mingus Union High School is a public school that serves the Clarkdale community.

WHEREAS, Mingus Union High School offers an annual Prom event to high school Juniors and Seniors each year.

WHEREAS, Mingus Union High School has used the Clark Memorial Clubhouse for the Prom event since 2015 to provide an affordable venue that allowed students to attend locally.

WHEREAS, the Town of Clarkdale adopted new Clubhouse rental fees on Sept. 26, 2023, that increased the hourly rate.

Agreement

THIS AGREEMENT made and entered into as of March 12, 2024, by the Town of Clarkdale, Arizona, hereinafter referred to as "**TOWN**", and Mingus Union High School, hereinafter referred to as "**MUHS**".

For and in consideration of the mutual covenants hereinafter set forth, and a reduced fee for reimbursement of the **TOWN**'s costs, the **TOWN** hereby allows **MUHS** to use the following **TOWN** owned property for recreational purposes under the following terms:

Facility	Days	Event
Clark Memorial Clubhouse	3 days per year	2024 MUHS Prom

The parties intend and agree that the **TOWN** does not waive the limitation of liability provided to owners who allow use of property for public recreational or educational purposes, pursuant to A.R.S. 33-1551.

I. TERM
The term of this agreement shall be from March 12, 2024, to June 30, 2024.

II. SCHEDULING OF FACILITIES
MUHS shall provide notice to the **TOWN** before it shall organize and conduct events/meetings, including, but not limited to, disclosing information regarding the nature, dates, purpose, location, and details of the event. **MUHS** shall execute and submit all required **TOWN** facility use documents at least thirty (30) days prior to each event date.

If **MUHS** has not vacated the premises by the ending time(s) scheduled for a specific event, additional reimbursement costs will be due. Said costs will be determined by the **TOWN** at an amount to cover additional staff time or loss of other revenues caused by **MUHS**. The **TOWN** reserves the right to have a member or members of **TOWN** staff on the premises during any period the facility is in use by **MUHS**.

III. USE

MUHS shall occupy and use the premises for the purpose(s) and specific date(s) and time(s) scheduled with the **TOWN** and for no other purposes unless scheduled and arranged under a separate agreement between the parties.

IV. RULES FOR USE

MUHS will use and occupy the **TOWN** premises in a careful, safe, and proper manner, in accordance with all rules. Any violation of this agreement shall constitute an automatic breach of covenant and shall subject this agreement to immediate cancellation or assessment of additional fees.

1. The person who signs the agreement is the responsible party. This person must be a **MUHS** designated official. This responsibility includes informing everyone involved of the rules of the agreement.

2. The **TOWN** requires two (2) School Resource Officers (MUHS/CPD) and one (1) ODM scheduled officer at each event.

3. The **TOWN** requires two (2) Clubhouse Ambassador Staff to be present at the event. Clubhouse Ambassador Staff is defined as any on-site facility support.

4. Special arrangements may be made by **MUHS** and considered by the **TOWN** on a case-by-case basis to accommodate rental company deliveries/pick-ups.

5. Maximum capacity of room/facility as determined by the International Building Code and posted in the facility may not be exceeded.

6. Dragging or rolling of any item(s) except for items on wheeled carts, across **TOWN** facility floors is prohibited unless the floors have been adequately protected. It is at the **TOWN**'s discretion as to what meets "adequate" protection and prior to any work commencing a **TOWN** representative must first inspect and approve prior to any item(s) being dragged or rolled across **TOWN** facility floors.

7. Event preparations requiring protection of **TOWN** facility surfaces must be inspected and approved by a **TOWN** representative prior to any work commencing.

8. Nothing is to be put on **TOWN** facility floors without authorization from the **TOWN** (i.e.: sawdust, wax cleaners, plywood, and scaffolding).

9. All decorations, displays or props to be constructed, including, but not limited to, taping, texturing and/or painting, will have all work performed outside of **TOWN** facilities. Any such work requested to be performed inside a **TOWN** facility require protection of floors and walls beforehand and such protection shall be inspected and approved by a **TOWN** representative prior to commencing. Method of proposed protection for walls and floors

is to be provided to the **TOWN** representative prior to installation.

10. Use of glitter, confetti, sparklers, or similar materials are prohibited in **TOWN** facilities.

11. Stapling, nailing, tacking, taping, or gluing on the floors, walls, ceilings, moldings, doors and/or furniture, etc. are prohibited at the **TOWN** facility for any purpose.

12. Open flames are not allowed in any **TOWN** facility without prior expressed approval by the **TOWN** and the Clarkdale Fire Chief.

13. All uses of the premises must be disclosed in writing and approved by the **TOWN**.

14. Spills will immediately be cleaned by **MUHS** and reported to the **TOWN**. Any required additional cleaning of spills in the facility will be performed by the **TOWN**.

15. In the event of damage to or on the floor or walls of **TOWN** facility, said damage is to be reported immediately to the **TOWN** for any resulting action to be directed accordingly.

16. Trash will be removed from the premises daily and at the conclusion of any event.

17. Outside doors will be locked upon leaving the **TOWN** facility.

18. All string, wire, tape and/or decorations will be removed from the **TOWN** facility at the conclusion of any event.

19. Staking on **TOWN** grounds is prohibited. Tents and similar structures on **TOWN** grounds must be weighted down.

20. Illegal activities are prohibited on **TOWN** premises.

<u>V. CONSIDERATION</u>

MUHS will reimburse the **TOWN** a utility/administrative charge for use of:

FACILITY	***FEE***
Clubhouse Auditorium	*$763 ($45/hour for the first 8 hours. After 8 hours $13/hour)*
Clubhouse Men's Lounge	*$643 ($30/hour for the first 8 hours. After 8 hours $13/hour)*
Clubhouse Ladies' Lounge/Kitchen	*$643 ($30/hour for the first 8 hours. After 8 hours $13/hour*
The total cost for 3 days of use would be $2,049. *Additional costs (damages, etc.) will be assessed from the **TOWN**'s most recent Fee Schedule Resolution.*	

Total fees for any event will be estimated by the **TOWN** based on information provided by **MUHS** in a Facilities Use rental document. Payment to the **TOWN** is required thirty (30) days prior to the event date. These charges are agreed upon by the parties to be reasonable reimbursement to the **TOWN** for utility and customary charges incurred by reason of **MUHS**' use of the **TOWN**'s facilities for **MUHS**' educational and recreational uses.

MUHS will be responsible for cleaning the provided **TOWN** facility after each event. If at any time the **TOWN** must clean the premises after **MUHS** has utilized the **TOWN** facility, **MUHS** hereby agrees to reimburse the **TOWN** for all costs associated with cleaning the **TOWN** facility.

If the **TOWN** premises are damaged during **MUHS**' occupancy, **MUHS** hereby agrees to reimburse the **TOWN** for all costs associated with the repair of said damage. The **TOWN** will inspect the premises before and after rental to ascertain whether any damage has occurred during **MUHS**' occupancy.

VI. INDEMNITY

To the fullest extent permitted by law, **MUHS** shall defend, indemnify, and hold harmless the Town, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, alleged to have resulted from the acts, errors, omissions, mistakes, or malfeasance of **MUHS** relating to or arising out of the subject matter of this Agreement, as well as any person or entity for whose acts, errors, omissions, mistakes or malfeasance **MUHS** may be legally liable.

VII. LIABILITY INSURANCE

MUHS shall provide the **TOWN** with a Certificate of Insurance evidencing a blanket insurance policy, to be renewed annually, in the aggregate amount of one million dollars ($1,000,000.00), in which the **TOWN** is named as Additional Insured. A separate Additional Insured endorsement evidencing the policy amendment is required to accompany the Certificate of Insurance

VIII. ATTORNEY'S FEES

In any suit which may be brought by either party to enforce this Agreement, or any part hereof, or to recover damages for the breach hereof, the Court, sitting without a jury, shall award a reasonable amount as and for attorney's fees to the prevailing party.

IX. NON-WAIVER OF STATUTORY LIMITATION OF LIABILITY

The parties recognize and agree that the **TOWN** does not waive the limitation of liability provided to the **TOWN** for allowing recreational or educational uses of **TOWN** property, pursuant to A.R.S. Section 33-1551. The parties further recognize and agree that the fees charged by the **TOWN** are nominal and intended to offset the **TOWN**'s cost in making the subject property available for use by the public.

X. APPLICABLE LAW

The laws of the State of Arizona shall govern the construction, performance, and enforcement of this Agreement. Venue for any action arising out of the provisions of this Agreement shall be Yavapai County, Arizona.

XI. MEDIATION

If a dispute arises out of or relates to this Agreement, or breach thereof and if the dispute cannot be settled through negotiation, the parties agree first to settle the dispute through mediation before resorting to arbitration, litigation, or some other dispute resolution procedure. If the parties cannot agree upon the selection of a mediator within ten (10) days, either party may request the Presiding Judge of the Superior Court of Yavapai County to assign a mediator from a list of experienced mediators maintained by Arizona Municipal Risk Retention Pool.

XII. OTHER PROVISIONS

The **TOWN** reserves the right to close any event if the health and/or safety of the public is endangered.

The **TOWN** reserves the right to limit the number of participants allowed onto the site if the size of the crowd poses a threat to 1) the public health and safety; 2) safety of the facility; or 3) safety to the surrounding community.

MUHS shall comply with Yavapai County Health Codes for the serving of food.

The **TOWN** reserves the right to limit activities using water pursuant to Town Code Chapter 19, Article 19-11 Drought, and Water Shortage Preparedness Plan.

XIII. SEVERABILITY

Should any part, term or provision of this Agreement be declared invalid, void, or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired, or affected thereby.

XIV. CANCELLATION OF AGREEMENT

This Agreement may be cancelled by either the **TOWN** or **MUHS** if either is provided with at least thirty (30) days written notice by the other party. The parties hereto acknowledge that this Agreement is subject to cancellation pursuant to the provisions of ARS §38-511.

XV. NOTICE

All notices, demands or other writing to this Agreement to be sent or provided to either party shall be deemed to have been properly served when made in writing and deposited in the U.S. Mail, registered, or certified, and addressed as follows:

To **TOWN**:	Town of Clarkdale Attention: Susan Guthrie, Town Manager P.O. Box 308 Clarkdale, AZ 86324
To **MUHS**:	Mingus Union High School ATTN: Lynn Leonard, Business Manager 1801 E Fir Street Cottonwood, AZ 86326

XVI. ENTIRE AGREEMENT

This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and it may be amended or modified only by an instrument in writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement the 12th day of March 2024.

TOWN OF CLARKDALE

____

Susan Guthrie, Town Manager
PO Box 308
Clarkdale, AZ 86324
(928) 639-2400

MINGUS UNION HIGH SCHOOL

____

Lynn Leornard, Business Manager
1801 E Fir Street
Cottonwood, AZ 86326
(928) 634-7531

ATTEST:

____

Charity Brooks, Town Clerk

Staff Report

Item Number: 7.A.

Agenda Item: **Selna Mongini Park**
Discussion only and review of the final Selna Mongini Park plan.

Staff Contact: Joni Westcott, Parks and Recreation Director

Meeting Date: March 12, 2024

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 1 - Preserve and celebrate Clarkdale's unique, complex history.
- Goal Area 2 - Enhance the quality of life for residents, businesses, and visitors to Clarkdale.
- Goal Area 3 - Enhance the quality and availability of parks, recreation, and cultural opportunities.

Background: Selna Mongini Park Mission: *To revitalize Selna Mongini Park so that it is once again a hub of community activity.*

Due to soil remediation needs reported in 2018, staff took the opportunity to consider a full park renovation. Here is a summary of what has taken place since:

- Public engagement opportunities and surveys to develop a neighborhood park that meets the needs of the community.
- A park renovation plan was developed.
- The State Historic Preservation Office was contacted to review a plan to sensitively modify the ballfield. A finding of "No Adverse Effect" was reported.
- Grants were pursued and the Town was awarded a $500,000 Heritage Fund grant through Arizona State Parks and a $1 million Land and Water Conservation Grant.
- Freeport McMoRan conducted soil remediation on the entire park, which also removed invasive goat heads.
- Secured the engineering firm, Ardurra, to finalize the park design and complete construction drawings.

Revisions were made to the 2021 conceptual park rendering and include:

- Removal of the planned educational water feature.
- Addition of water conservation education elements including a water collection demonstration tank.
- Reduction of the lawn area to reduce water consumption.
- Special area for portable restrooms-event specific.
- Removal of the amphitheater with solar shade cover.
- Boulder clad slope added.
- Relocation of the planned Zipline area.
- Stairs added from the Broadway sidewalk for easy access to the walking path.
- Climbing-vine wall to protect pollinator garden.
- Enlarged ADA picnic ramada with improved access.

The park is full of planned active recreational features with basketball and pickleball courts, playgrounds, and walking paths throughout, as well as a large gathering pavilion and ADA accessible picnic area. It also honors the historical integrity of the ballfield with a special home plate memorial plaque and renovation of an existing dugout for historical/educational purposes.

Currently, design selections for the pavilion, ADA ramada, restrooms, and playground equipment are being finalized. Staff will review the park plan changes that have occurred since the Council's last review.

Budget Impact: $2.5 million Selna Mongini Park CIP.

Recommendation: Discussion only. No recommendation.

Selna-Mongini Park
Clarkdale, AZ

WORKING - HARDSCAPE
NOT FOR CONSTRUCTION

Staff Report

Item Number: 7.B.

Agenda Item: **Ratification of an Application for a Local Jurisdiction Affordable Housing Plan Grant**
Discuss, consider and act upon a request to ratify an application for a Local Jurisdiction Affordable Housing Planning Grant through the Arizona Department of Housing (ADOH).

Staff Contact: D.K. Green, Grants Manager

Meeting Date: March 12, 2024

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 5 - Plan for the maintenance and growth of quality infrastructure that is sustainable and resilient.

Background: The purpose of this grant from the Arizona Department of Housing (ADOH) Local Jurisdiction Affordable Housing Plan in the amount of $200,000 is for Clarkdale to develop an Affordable Housing Plan. This is a new grant program funded by the Arizona State Legislature in response to the need to develop affordable housing throughout Arizona, and the state is providing financial assistance to counties and municipalities to pursue plans tailored to their individual needs.

The Town of Clarkdale does not have an Affordable Housing Plan. These funds will be used for the purpose of conducting a planning process, identifying and assessing initiatives that may be included in the Town zoning code and development and design standards. The deadline for this grant application was Feb. 29, 2024.

If awarded, the proposed expenditures are as follows:

Task	Schedule
Housing Need Assessment	$35,000
Housing Initiatives Identification and Analysis	$55,000
Community Education and Outreach	$15,000
Draft Revisions to Zoning Code and Development and Design Standards	$60,000
Action Plan Development and Implementation	$35,000
Total	$200,000

The tentative schedule is as follows:

Task	Schedule
ADOH Award Notice	March 2024
Consultant Contract	June 2024
Secondary and Primary Data Collection and Analysis	June 2024 – December 2024
Housing Initiatives Identification and Detailed Analysis of Each, and Related Community Education and Outreach	June 2024 – June 2025
Identification and Detailed Analysis of Zoning Code Revisions and Development and Design Standards to Support Housing Initiatives, and Related Community Education and Outreach	May 2025 – January 2026
Action Plan Development	September 2025 – March 2026
Town Council Housing Plan Adoption	May 2026

Budget Impact: Funds will be disbursed on a reimbursement basis no less than quarterly. As this is the first time this grant has been made available, awards may be for less than the amount budgeted.

Recommendation: Staff recommends that the Council approve a request to ratify an application for a Local Jurisdiction Affordable Housing Plan Grant through the Arizona Department of Housing (ADOH) and authorize the Town Manager to sign all required documents related to this grant should it be awarded.

Entity Information

Organization Name:	Town of Clarkdale
Organization Type:	Unit of Local Government
Tax Identification Number:	86-6005840
Contact Person:	Ruth Mayday, Assistant Town Manager
	PO Box 308
	39 North Ninth Street
	Clarkdale, AZ 86324
	928-639-2459
	Ruth.Mayday@clarkdale.az.gov

Amount of funding requested: $200,000

Applicant Experience, Qualifications, and Capacity

Ruth Mayday- I have deep experience in writing detailed Market Feasibility Assessments for multifamily housing projects in the City of Detroit, as well as finance packaging of tax credits and layering of grant funding at the federal, state, and local levels. In my current role, I work with developers to encourage development of a broad range of housing options for workforce housing and educate elected officials on the status of the housing market and difficulties in developing workforce and middle market housing options.

The Town of Clarkdale will utilize Kuehl Enterprises LLC (KELLC) to conduct the planning process. A second consulting firm will be procured to identify and assess initiatives that may be included in the Town zoning code and development and design standards. Martina Kuehl, KELLC Managing Member has over thirty years of experience in the Arizona Housing Industry. As KELLC Managing Member and a previous ADOH employee, Ms. Kuehl has completed eleven housing needs assessments, strategies, and plans for Arizona jurisdictions. Ms. Kuehl has also assessed, designed, and administered more than twenty affordable housing initiatives addressing housing quality, variety, and affordability in concert with state and local government and nonprofit organizations. While managing federal and state programs as a state employee, Ms. Kuehl spearheaded the planning, education and outreach efforts that contributed to the elevation of the Arizona Office of Housing Development to state agency status.

Proposed Implementation Plan

The Town of Clarkdale will utilize consultants to develop an Affordable Housing Plan that includes:

1. A housing needs assessment identifying 1) households by cohort and income level, 2) suitable types and costs of housing for each household cohort income level, and 3) estimated need for different housing types and price points by household cohort income level.
2. Identification and detailed analysis of specific housing initiatives that have the potential to increase the production of housing to meet estimated need, including potential private sector partnerships, organizational structures, zoning and code revisions, and incentive policies.
3. Identification and detailed analysis of, and draft revisions to the zoning code, development standards, and design standards to support housing initiatives.
4. A robust action plan that includes an implementation timeline, potential partners and resources, and a mechanism for tracking and reporting progress.
5. Community education regarding 1) how housing affordability impacts individuals, families, and small and large businesses, focused on household types and income cohorts most impacted by housing affordability, and 2) how partnerships, zoning and code revisions and incentive policies address housing affordability to have positive outcomes in the community.

Upon completion the plan will be brought to the Town Council for adoption.

Project Readiness

The Town of Clarkdale has an existing relationship with a consultant, Kuehl Enterprises LLC. This relationship will allow the Town to commence work within 90 days of ADOH contract. The proposed schedule for the housing plan includes:

Task	**Schedule**
ADOH award notice	March 2024
Consultant contract	June 2024
Secondary and primary data collection and analysis	June 2024 – December 2024
Housing initiatives identification and detailed analysis of each, and related community education and outreach.	June 2024 – June 2025
Identification and detailed analysis of zoning code revisions and development and design standards to support housing initiatives, and related community education and outreach.	May 2025 – January 2026
Action plan development	September 2025 – March 2026
Town Council Housing Plan adoption	May 2026

Program Budget

Task	**Budget**
Housing needs assessment	$35,000
Housing initiatives identification and analysis	$55,000
Community education and outreach.	$15,000
Draft revisions to zoning code and development and design standards.	$60,000
Action Plan development and plan adoption	$35,000
Total	$200,000

Prioritization New Plan

The Town of Clarkdale does not have an existing affordable housing plan.

Staff Report

Item Number: 7.C.

Agenda Item: **Ratification of an Application for a State of Arizona SMART Fund Grant**
Discuss, consider and act upon a request to ratify the submission of an application for a State of Arizona SMART Fund Grant for the design of the Cement Plant Road Multi-Modal Improvement Project in the amount of $280,000.

Staff Contact: D.K. Green, Grants Manager

Meeting Date: March 12, 2024

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 5 - Plan for the maintenance and growth of quality infrastructure that is sustainable and resilient.

Background: In 2021, the Arizona legislature voted to establish the SMART Fund to assist communities with developing grant applications and providing funding for completing project design that would be competitive in the Federal grant process. This grant is for funds to be used for design purposes for the Cement Plant Road Multi-Modal Improvement Plan, to tie into other ongoing projects like Clarkdale Parkway and the Connect Clarkdale Master Trails Plan.

If the grant is awarded, the town will apply for Federal Grants like RAISE or Safe Streets for America (SS4A) to complete the construction phase of the project.

This project will provide for all pre-construction activities up to and including design and engineering, as well as pre-development activities and Arizona Department of Transportation administrative costs.

This project provides significant safety and connectivity improvements to Cement Plant Road and Main Street leading to Clarkdale Jerome School. The project will add multi-modal trails and pathways, bike lanes, curbs and gutters. Pedestrians and bicyclists, including school children and our Yavapai-Apache neighbors will directly benefit. Additionally, completion of this project will tie into our Master Trails plan to add multi-modal forms of transportation around town.

Budget Impact: The grant request is for $280,000, to cover the estimated costs of $250,000 for the design of the project as well as the $30,000 Arizona Department of Transportation administrative fees. Any costs beyond the request must be paid for by the Town. This is a reimbursement grant for design and other engineering expenditures that meet federal standards for projects eligible for a federal grant. If awarded this grant, the Town will apply for a Federal Grant, like RAISE or Safe Streets for America (SS4A) in FY 25, to complete the construction phase of the project.

Recommendation: Staff recommends that the Council ratify the submission of the SMART Fund grant application for design of the Cement Plant Road Multi-Modal Improvement Project in the amount of $280,000 and authorize the Town Manager to sign all required documents related to accepting this grant.

AZ Smart Fund

AZ Smart Fund

AZ State Match Advantage for Rural Transportation (SMART) Fund

About the Program

The following information is a summary only - see the Application Materials, FAQs and Resources and Federal Discretionary Grant Program pages for further details.

Numerous new federal discretionary grant programs were created with the passage of the Infrastructure Investment and Jobs Act (IIJA, also know as the Bipartisan Infrastructure Act or BIL). The AZ SMART Fund was established by the Arizona Legislature in 2022 to assist eligible cities, towns, counties and the Arizona Department of Transportation (ADOT) in competing for federal discretionary surface transportation grants. The Fund is administered by ADOT, and all awards must be approved by the State Transportation Board (STB).

Federal discretionary grants are highly competitive at the national level. It is the policy of the STB to award AZ SMART Funds to well-developed applications that maximize the State's competitiveness for each federal discretionary grant. It is recommended that Applicants develop and/or review cost estimates carefully as they will be responsible for all costs exceeding the amount awarded by both the AZ SMART Fund and a federal agency.

The AZ SMART monies are allocated to certain categories of eligible applicants. See current funding and awarded applications here. This information is updated after each STB meeting.

AZ SMART does not provide match for formula programs such as STBGP, HSIP, off-system bridge or other formula federal aid.

The AZ SMART Fund grant program is different from the federal program using the "SMART" acronym, the Strengthening Mobility and Revolutionizing Transportation grant program which is funded by the federal government.

Eligible Applicants

All cities, towns and counties outside of Maricopa County and Pima County are eligible for the AZ SMART Fund. Within Maricopa County, only Gila Bend is eligible.

Eligible Uses

Applicants may request AZ SMART Funds for any of the following eligible uses associated with developing a project for, applying for, or providing a local, non-federal match on a federal grant.

- Reimbursement of up to 50% of the eligible costs associated with Grant Development and Submission of an application for a federal discretionary grant. Limited to counties with a population of less than 100,000 and cities and towns with a population of less than 10,000.
- Reimbursement of non-federal match for a federal grant.
- Reimbursement of design and other engineering services expenditures that meet federal standards for projects eligible for a federal grant. For the purposes of the AZ SMART Fund, design and other engineering services includes preliminary engineering through final design related to a road, bridge, rail or transit infrastructure construction project that the Applicant intends to submit for a federal grant *in a future year*.

AZ SMART Fund Application Materials
AZ Smart Fund FAQ
AZ SMART Fund Resources
Federal Discretionary Grant Programs

Staff Report

Item Number: 7.D.

Agenda Item: **Resolution #1710 - Accepting and Dedicating a Portion of Cement Plant Road as Public Right-of-Way**
Discuss, consider and act upon Resolution #1710, accepting and dedicating a portion of Cement Plant Road as Public Right-of-Way.

Staff Contact: Lou Andersen, Public Works Director

Meeting Date: March 12, 2024

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal Area:

- Goal Area 5 - Plan for the maintenance and growth of quality infrastructure that is sustainable and resilient.

Background: The Town of Clarkdale acquired Cement Plant Road on Dec. 2, 2013 through a quit-claim deed from JP Morgan Chase Bank, who obtained title through a series of bank mergers beginning in the early 1980s and culminating in the merger between JP Morgan Chase and Bank One in November of 2004.

The Town accepted the deed and land described therein in fee, or fee-simple, which is outright ownership of private property. Typically, streets and roads are dedicated as Public Rights-of-Way, meaning the public has the right to travel over the land.

This action will change the status of the land to a Public Right-of-Way, which will entitle the traveling public to use it.

Budget Impact: Staff is currently discussing road maintenance costs with Salt River Materials Group.

Recommendation: Staff recommends that the Council approve Resolution #1710, accepting and dedicating a portion of Cement Plant Road as Public Right-of-Way and authorize the Mayor, the Town Attorney, and Town Clerk to execute all documents necessary.

RESOLUTION NO. 1710

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE DEDICATING CEMENT PLANT ROAD AS A PUBLIC RIGHT-OF-WAY.

WHEREAS, the Town of Clarkdale, an Arizona municipal corporation, acquired Cement Plant Road on December 2, 2013, via Quit Claim Deed recorded at Book 4994, Page 822, Official Records of Yavapai County; and

WHEREAS, the Town has not previously dedicated Cement Plant Road as a public right-of-way; and

WHEREAS, the Town now desires to dedicate Cement Plant Road as legally described in **Exhibit A** attached hereto as a public right-of-way.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA:

SECTION 1: Pursuant to A.R.S. §§ 9-240 and 9-241, the TOWN OF CLARKDALE, an Arizona municipal corporation, Grantor, dedicates to TOWN OF CLARKDALE, an Arizona municipal corporation, Grantee, a public right-of-way over, under, and across the following described real property located in Yavapai County, Arizona, legally described as follows:

See **Exhibit A** attached hereto.

SECTION 2: The Mayor and Town Clerk are hereby authorized and directed to execute and deliver any and all documents necessary to effectuate the dedication of the aforementioned right-of-way.

SECTION 3: This resolution shall take effect immediately upon its passage and approval.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL of the Town of Clarkdale on this ___ day of ________________, 2024.

ATTEST:

_______________________________ _______________________________

Robyn Prud'homme-Bauer, Mayor Charity Brooks, Town Clerk

APPROVED AS TO FORM:

____

Stephen W. Polk, Town Attorney

EXHIBIT "A"
(Legal Description)

Parcel 1:

A strip of land 120 feet in width, traversing a portion of the Northwest quarter of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, 60 feet each side of a centerline described as follows:

Beginning at a point on the West line of said Section 19 that lies South 0°02' East, 28.0 feet from the Northwest corner of said Section 19;
THENCE South 52° 18' 45" East, 457.68 feet to a point of curvature;
THENCE Southeasterly, 918.72 feet along a curve to the right with a radius of 2,864.79 feet.

Parcel 2:

A strip of land, 200 feet in width, traversing a portion of the West half of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, 100 feet each side of a centerline described as follows:

Commencing at a point on the West line of said Section 19 that lies South 0° 02' East 28.0 feet from the Northwest corner of said Section 19;
THENCE South 52° 18' 45" East 457.68 feet to a point of curvature;
THENCE Southeasterly 918.72 feet along a curve to the right with a radius of 2,864.79 feet to the POINT OF BEGINNING;
THENCE Southeasterly 471.36 feet along said curve to a point of tangency;
THENCE South 24° 29' 45" East 1,675.36 feet.

Parcel 3:

A strip of land 120 feet in width, traversing a portion of the Southwest quarter of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona 60 feet each side of a centerline described as follows:

Commencing at a point on the West line of said Section 19 that lies South 0° 02' East 28.0 feet from the Northwest corner of said Section 19;
THENCE South 52° 18' 45" East 457.68 feet to a point of curvature;
THENCE Southeasterly 1,390.08 feet along a curve to the right with a radius of 2,864.79 feet to a point of tangency;
THENCE South 24° 19' 45" East 1,675.36 feet to a point of curvature, the POINT OF BEGINNING;
THENCE Southeasterly 642.36 feet along a curve to the left with a radius of 2,864.79 feet to a point from which the Southwest corner of said Section 19 bears South 50° 32' 17" West 2,890.36 feet distant.

Parcel 4:

A strip of land 120 feet in width, traversing a portion of the South half of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, 60 feet each side of a centerline described as follows:

Beginning at a point located North 50°32'17" East, 2,890.36 feet from the Southwest corner of said Section 19;
THENCE Southeasterly 1,305.47 feet along a curve to the left with a radius of 2,864.79 feet to a point of tangency;
THENCE South 63°27'09" East, 1,534.11 feet to a point on the Westerly 50 foot R/W line of U.S. Highway 89-A, from which the Southeast corner of Section 19 bears South 63°25'27" East, 652.56 feet distant.

EXCEPT from the foregoing Parcel 4, that portion lying Easterly of NEW RIGHT OF WAY LINE described as follows:

COMMENCING at a 3 inch Arizona Department of Transportation (ADOT) brass cap marking the Southeast corner of said Section 19, being North 89°57'59" East, 2,638.05 feet from a 3 ½ inch brass cap marking the South quarter corner of said Section 19;
THENCE along the South line of said Section 19, South 89°57'59" West, 22.86 feet to the existing right of way centerline of State Route 89A (PRESCOTT - FLAGSTAFF HIGHWAY);
THENCE along said existing right of way centerline from a Local Tangent Bearing of North 52°55'08" West along a curve to the Left having a radius of 1,909.86 feet, a length of 348.03 feet;
THENCE continuing along said existing right of way centerline North 63°21'35" West, 236.04 feet to the existing centerline of 11th Street;
THENCE along said existing centerline of 11th Street North 22°41'47" East 259.00 feet;
THENCE North 67°18'13" West, 50.00 feet to the POINT OF BEGINNING on the existing westerly right of way line of 11th Street;
THENCE South 41°07'53" West, 34.79 feet;
THENCE South 22°17'01" West, 67.00 feet;
THENCE South 69°38'08" West, 122.16 feet;
THENCE North 63°25'31" West, 300.82 feet;
THENCE South 26°34'29" West, 120.00 feet;
THENCE South 63°25'31" East, 308.95 feet;
THENCE South 20°21'52" East, 105.83 feet;
THENCE South 15°19'00" West 193.46 feet to the POINT OF ENDING on said existing Westerly right of way line of State Route 89A.

ALSO EXCEPT from the foregoing Parcels 1 and 2, those portions lying within the "C.T.I. Parcel", as described in Book 988 of Official Records, page 723 and within the "Gibbons Transportation Parcel", as described in Book 1041 of Official Records, page 797, records of Yavapai County, Arizona.

RECORDING REQUESTED BY
And when recorded, return to FOLDER:

Town of Clarkdale
ATTN: Town Clerk
P. O. Box 308
Clarkdale, Arizona, 86324

MAIL TAX STATEMENTS TO:

Town of Clarkdale
ATTN: Town Clerk
P. O. Box 308
Clarkdale, Arizona, 86324

AFFIDAVIT EXEMPT PURSUANT TO A.R.S. §11-1134(a)(7)

DEED OF DEDICATION

TO TOWN OF CLARKDALE, ARIZONA
FOR PUBLIC RIGHT-OF-WAY
(CEMENT PLANT ROAD)

THIS DEED OF DEDICATION is made and entered into this _______ day of ________________, 2024, by and between the **Town of Clarkdale**, an Arizona municipal corporation ("Grantor"), and the **Town of Clarkdale**, an Arizona municipal corporation ("Grantee").

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Grantor hereby dedicates to Grantee a public right-of-way over, under, and across the following described real property located in Yavapai County, Arizona, legally described as follows:

See **Exhibit A** attached hereto.

TOGETHER WITH all rights and privileges appurtenant or to become appurtenant to the subject real property.

SUBJECT TO current taxes and assessments, reservations or exceptions in governmental patents to the property or in Acts authorizing the issuance thereof, easements, obligations, covenants, conditions and restrictions as may appear of record or as may be disclosed upon an inspection of the property.

THIS DEED OF DEDICATION is made for the purpose of a public right-of-way pursuant to A.R.S. §§ 9-240 and 9-241 and is hereby accepted by the Common Council of the TOWN OF CLARKDALE, ARIZONA by its signature below.

IN WITNESS WHEREOF, the Town of Clarkdale, an Arizona municipal corporation, has executed this DEED OF DEDICATION, this ______ day of__________________, 2024.

TOWN OF CLARKDALE, ARIZONA

____
By: Robin Prud'homme-Bauer
Its: Mayor

ATTEST:

____
By: Charity Brooks
Its: Clerk

APPROVED AS TO FORM:

____
Stephen W. Polk, Town Attorney

EXHIBIT "A"
(Legal Description)

Parcel 1:

A strip of land 120 feet in width, traversing a portion of the Northwest quarter of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, 60 feet each side of a centerline described as follows:

Beginning at a point on the West line of said Section 19 that lies South 0°02' East, 28.0 feet from the Northwest corner of said Section 19;
THENCE South 52° 18' 45" East, 457.68 feet to a point of curvature;
THENCE Southeasterly, 918.72 feet along a curve to the right with a radius of 2,864.79 feet.

Parcel 2:

A strip of land, 200 feet in width, traversing a portion of the West half of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, 100 feet each side of a centerline described as follows:

Commencing at a point on the West line of said Section 19 that lies South 0° 02' East 28.0 feet from the Northwest corner of said Section 19;
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THENCE Southeasterly 918.72 feet along a curve to the right with a radius of 2,864.79 feet to the POINT OF BEGINNING;
THENCE Southeasterly 471.36 feet along said curve to a point of tangency;
THENCE South 24° 29' 45" East 1,675.36 feet.

Parcel 3:

A strip of land 120 feet in width, traversing a portion of the Southwest quarter of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona 60 feet each side of a centerline described as follows:

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Parcel 4:

A strip of land 120 feet in width, traversing a portion of the South half of Section 19, Township 16 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, 60 feet each side of a centerline described as follows:

Beginning at a point located North 50°32'17" East, 2,890.36 feet from the Southwest corner of said Section 19;
THENCE Southeasterly 1,305.47 feet along a curve to the left with a radius of 2,864.79 feet to a point of tangency;
THENCE South 63°27'09" East, 1,534.11 feet to a point on the Westerly 50 foot R/W line of U.S. Highway 89-A, from which the Southeast corner of Section 19 bears South 63°25'27" East, 652.56 feet distant.

EXCEPT from the foregoing Parcel 4, that portion lying Easterly of NEW RIGHT OF WAY LINE described as follows:

COMMENCING at a 3 inch Arizona Department of Transportation (ADOT) brass cap marking the Southeast corner of said Section 19, being North 89°57'59" East, 2,638.05 feet from a 3 ½ inch brass cap marking the South quarter corner of said Section 19;
THENCE along the South line of said Section 19, South 89°57'59" West, 22.86 feet to the existing right of way centerline of State Route 89A (PRESCOTT - FLAGSTAFF HIGHWAY);
THENCE along said existing right of way centerline from a Local Tangent Bearing of North 52°55'08" West along a curve to the Left having a radius of 1,909.86 feet, a length of 348.03 feet;
THENCE continuing along said existing right of way centerline North 63°21'35" West, 236.04 feet to the existing centerline of 11th Street;
THENCE along said existing centerline of 11th Street North 22°41'47" East 259.00 feet;
THENCE North 67°18'13" West, 50.00 feet to the POINT OF BEGINNING on the existing westerly right of way line of 11th Street;
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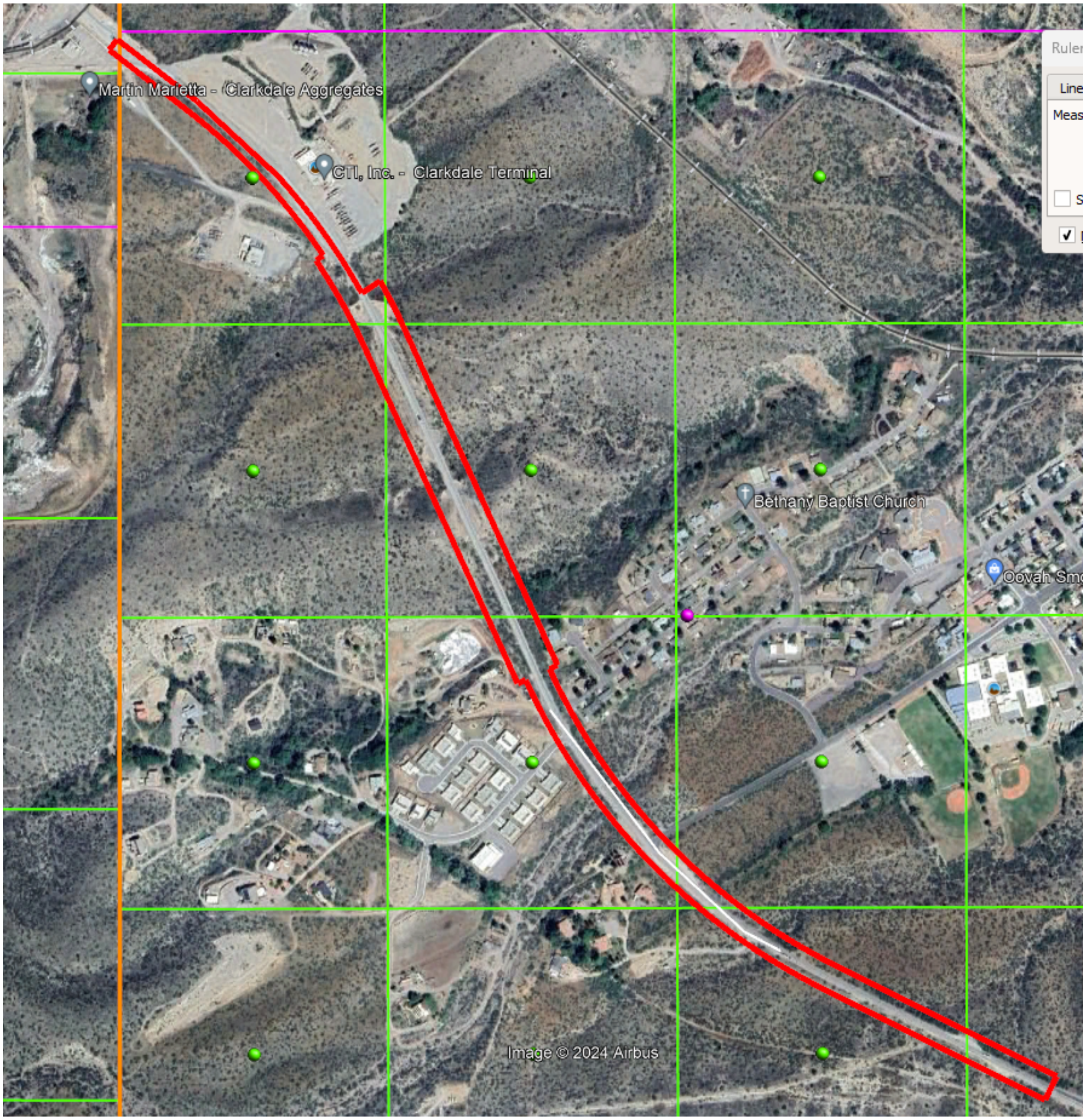
THENCE South 63°25'31" East, 308.95 feet;
THENCE South 20°21'52" East, 105.83 feet;
THENCE South 15°19'00" West 193.46 feet to the POINT OF ENDING on said existing Westerly right of way line of State Route 89A.

ALSO EXCEPT from the foregoing Parcels 1 and 2, those portions lying within the "C.T.I. Parcel", as described in Book 988 of Official Records, page 723 and within the "Gibbons Transportation Parcel", as described in Book 1041 of Official Records, page 797, records of Yavapai County, Arizona.


Martin Marietta - Clarkdale Aggregates
CTI, Inc. - Clarkdale Terminal
Bethany Baptist Church
Image © 2024 Airbus