



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

Regular Meeting Agenda

Thursday, 3 August 2017, 1:30pm-4:00pm

1188 E 2nd Ave., Durango CO

- I. Introductions
- II. Consent Agenda
 - a. 26 June 2017 SWCCOG Meeting Minutes
 - b. June 2017 Financials
- III. Reports (Staff will be available for questions on the written reports)
 - a. Director's Report
 - b. Broadband Report
 - c. Transportation Report
 - d. VISTA Report
- IV. Discussion Items
- V. Decision Items
 - a. Executive Committee Meeting Minutes from June 26, 2017
- VI. Other Items
- VII. Community Updates

Consent Agenda

June 2017 Financials

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 3 August 2017

Comments: The following attachments include:

- Balance Sheet as of June 30, 2017
- January – June 2017 Profit & Loss Budget vs. Actual

Items to Note

Balance Sheet: The bank account balance looks low but did not actually reach this level in the account as a \$46,000 check was written and held until a cash advance was received from the All Hazards grant. This too is why you see a large balance in accounts payable.

Sara's credit card balance is high due to an All Hazards grant purchase of \$926 that was cancelled in July and never charged to the credit card.

P&L Budget vs. Actual: Net Income is at a loss because there are many grants that were on the verge of close-out with final invoices being prepared. DoLA 9038, SWTPR for FY2016-2017, and the RREO grants were all closed by the end of June with invoices being processed and sent out in July. The July/August financials will reflect the final funds received from these grants for approximately \$47,000.

Fiscal Impact: High, Budget changes throughout the year

Staff Recommendation: Approve the June 2017 Financials allowing staff to move forward with the 2017 budget.

Legal Review: Not Applicable

Southwest Colorado Council of Governments

Balance Sheet

As of June 30, 2017

	<u>Jun 30, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Alpine Bank	
Alpine Bank Account (UR)	21,790.08
Total Alpine Bank	21,790.08
Petty Cash	
AmeriCorps VISTA	348.58
Jessica Laitsch	185.63
Petty Cash - Other	29.07
Total Petty Cash	563.28
Total Checking/Savings	22,353.36
Accounts Receivable	
Accounts Receivable	41,186.52
Total Accounts Receivable	41,186.52
Other Current Assets	
Prepaid Expense	11,994.00
Total Other Current Assets	11,994.00
Total Current Assets	75,533.88
TOTAL ASSETS	75,533.88
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	46,440.30
Total Accounts Payable	46,440.30
Credit Cards	
Credit Cards	
Miriam	39.00
Sara	985.97
Total Credit Cards	1,024.97
Total Credit Cards	1,024.97

Southwest Colorado Council of Governments

Balance Sheet

As of June 30, 2017

	<u>Jun 30, 17</u>
Other Current Liabilities	
Deferred Revenue	-6,540.00
Total Other Current Liabilities	<u>-6,540.00</u>
Total Current Liabilities	<u>40,925.27</u>
Total Liabilities	40,925.27
Equity	
Retained Earnings	85,735.42
Net Income	-51,126.81
Total Equity	<u>34,608.61</u>
TOTAL LIABILITIES & EQUITY	<u><u>75,533.88</u></u>

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
 January through June 2017

	Jan - Jun 17	Budget	% of Budget
Ordinary Income/Expense			
Income			
All Hazards			
2015 SHSP	29,370.83	75,000.00	39.2%
2016 SHSP	65,309.16	134,283.00	48.6%
2017 SHSP	0.00	100,000.00	0.0%
Total All Hazards	94,679.99	309,283.00	30.6%
Broadband Infrastructure Grant	0.00	1,100,000.00	0.0%
CDOT Grants			
SWTPR Grant	4,635.31	22,100.00	21.0%
Transit Coord Grant	0.00	24,239.00	0.0%
Transit LCC Grant	0.00	0.00	0.0%
Total CDOT Grants	4,635.31	46,339.00	10.0%
DoLA Grants			
DoLA 8010	6,200.00		
DoLA 8011	9,046.85	100,000.00	9.0%
DoLA 8330	16,736.20	50,000.00	33.5%
DoLA 9038	36,560.04	25,000.00	146.2%
Total DoLA Grants	68,543.09	175,000.00	39.2%
Dues Revenue			
Admin Position	12,200.00	12,200.00	100.0%
COG Dues	114,000.00	114,000.00	100.0%
SWTPR Contributions	7,607.00	7,679.00	99.1%
Total Dues Revenue	133,807.00	133,879.00	99.9%
EPA Grant - 2017	0.00	50,000.00	0.0%
Grant Match			
COG Member Match	15,000.00	10,000.00	150.0%
Total Grant Match	15,000.00	10,000.00	150.0%
Misc. Income	2,893.44		
RREO Grant			
RREO 2016-2017	1,435.14	17,459.00	8.2%
Total RREO Grant	1,435.14	17,459.00	8.2%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
 January through June 2017

	Jan - Jun 17	Budget	% of Budget
SCAN Services			
Dark Fiber Leasing	13,398.00	36,276.00	36.9%
e-TICS	0.00	8,400.00	0.0%
Fiber Equipment Repair Fund	0.00		
Internet & Transport	4,140.00	10,000.00	41.4%
Total SCAN Services	17,538.00	54,676.00	32.1%
Total Income	338,531.97	1,896,636.00	17.8%
Gross Profit	338,531.97	1,896,636.00	17.8%
Expense			
Advertising and Promotion	78.72	600.00	13.1%
All Hazards Projects			
All Hazards 2015 SHSP			
Grant 2015 Project 1	691.82		
Grant 2015 Project 3	66,959.88		
Grant 2015 Project 4	8,692.28		
All Hazards 2015 SHSP - Other	-12,656.00	75,000.00	-16.9%
Total All Hazards 2015 SHSP	63,687.98	75,000.00	84.9%
All Hazards 2016 SHSP			
Grant 2016 Project 1	3,490.39		
Grant 2016 Project 2	19,942.50		
Grant 2016 Project 3	8,774.54		
Grant 2016 Project 4	23,661.83		
Grant 2016 Project 5	6,093.34		
Grant 2016 Project 6	23,879.11		
Grant 2016 Project 7	46,440.30		
All Hazards 2016 SHSP - Other	-23,879.11	127,569.00	-18.7%
Total All Hazards 2016 SHSP	108,402.90	127,569.00	85.0%
All Hazards 2017 SHSP	0.00	92,320.00	0.0%
Total All Hazards Projects	172,090.88	294,889.00	58.4%
AmeriCorp VISTA	8,000.00	8,000.00	100.0%
Bank Service Charge	0.00	225.00	0.0%
Broadband Expenses			
SCAN Dark Fiber Lease	0.00	9,069.00	0.0%
Total Broadband Expenses	0.00	9,069.00	0.0%
Conference Fee	199.00		
Consulting	60,208.93	1,248,035.00	4.8%
Employee/Board Appreciation	24.92	200.00	12.5%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
 January through June 2017

	Jan - Jun 17	Budget	% of Budget
Information Technology (IT)			
Internal IT Consulting	50.00		
Software	964.00	2,300.00	41.9%
Total Information Technology (IT)	1,014.00	2,300.00	44.1%
Insurance Expense			
General Liability	2,234.75	2,274.00	98.3%
Health	13,107.00	35,649.00	36.8%
HSA	0.00	6,000.00	0.0%
Worker's Compensation	1,668.00	1,808.00	92.3%
Total Insurance Expense	17,009.75	45,731.00	37.2%
Internet Connectivity			
Fast Track	6,300.00	10,000.00	63.0%
Internet Connection (AT&T)	194.09		
Total Internet Connectivity	6,494.09	10,000.00	64.9%
Meetings	378.62	7,000.00	5.4%
Memberships	5,673.00	3,200.00	177.3%
Misc. Expense	2,107.34		
Office Equipment	54.01	4,050.00	1.3%
Office Supplies	321.41	1,500.00	21.4%
Postage and Delivery	67.15	100.00	67.2%
Professional Development	1,701.51	4,000.00	42.5%
Professional Fees			
Accounting Software	0.00	14,000.00	0.0%
Audit	6,750.00	15,000.00	45.0%
Legal	2,102.40	3,000.00	70.1%
Misc.	331.41	1,000.00	33.1%
Total Professional Fees	9,183.81	33,000.00	27.8%
Rent	0.00	81.00	0.0%
Salary and Wages			
457 Retirement	3,207.79	8,161.00	39.3%
Car Allowance	1,800.00	3,600.00	50.0%
Cell Phone Allowance	1,625.00	3,120.00	52.1%
Housing Allowance	0.00	3,250.00	0.0%
Payroll Processing Fee	847.28	1,600.00	53.0%
Payroll Tax	5,669.98	13,955.00	40.6%
Salary and Wages - Other	65,706.06	163,219.00	40.3%
Total Salary and Wages	78,856.11	196,905.00	40.0%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
 January through June 2017

	Jan - Jun 17	Budget	% of Budget
Software Maintenance e-TICS	15,162.00	8,400.00	180.5%
Team Building	0.00	800.00	0.0%
Travel	11,033.53	16,620.00	66.4%
Total Expense	389,658.78	1,894,705.00	20.6%
Net Ordinary Income	-51,126.81	1,931.00	-2,647.7%
Other Income/Expense			
Other Income			
Interest Earned	0.00		
Total Other Income	0.00		
Net Other Income	0.00	0.00	0.0%
Net Income	-51,126.81	1,931.00	-2,647.7%

Reports

Director's Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 26 June 2017

Comments: I have been busy catching up from being on vacation, working on our existing projects, and hiring our 3rd year AmeriCorps VISTA, as Dennis is cycling out of VISTA and on to CU Denver for his MPA. The CCUA meeting on 7/21 was a success in bringing a few Front Ranger people down to the region. Finally, I will be on-call for District Court jury duty for most of August and early September.

Here are a few pictures from my Alaskan adventures.



Director's Report



Director's Report



Broadband Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 3 August 2017

Comments: It should come as no surprise, that broadband has continued to be one of the largest aspects of our work this month. This will likely be the case for quite some time as we gear up for regional infrastructure development and the 2018 legislative session.

USAC Rural Health Care Grant

We are working on creating a consortium for the application for federal funding. Additionally the Colorado Telehealth Network (CTN) is interested in engaging in the process. CTN usually has a fee of 5% for any application submitted through them. I have expressed the challenges of their 5% administrative fee. They are willing to negotiate, and reduce the rate. We working on setting up a time to have a more in-depth conversation about what this entails exactly. The Board may need to make a decision as how we want to apply for the USAC Rural Healthcare funding in the upcoming months.

Aggregation of Services

I am currently working with the local providers on quotes for aggregating connectivity for the COG members. Ideally, what we will do is purchase the total amount of connectivity (Gbps) through the COG, and invoice the communities for their share. Purchasing in aggregate will help reduce prices for the membership, and if low enough from the ISP, allow the SWCCOG to add a small mark up to cover our overhead, while providing a number of customers to a local ISP. This will create a win-win-win situation. We expect to have a solution by end of 3rd quarter 2017.

Transportation Report

To: SWCCOG Board of Directors
From: Jessica Laitsch
Date: 24 July, 2017

Comments: Transportation:

The next SWTPR meeting will be held at 9:00 a.m. Thursday, 3 August, 2017 at the Carnegie Building, 1188 E 2nd Ave., Durango.

Transit:

Staff is working with CDOT and other partner organizations on the Four Corners Coordinated Transit Plan funded through FTA section 5304 funds.

VISTA's Report

To: SWCCOG Board of Directors
From: VISTA
Date: 26 July 2017

Comments: **Recycling**

This current recycling project is approaching its completion. Over the past few weeks, we have purchased recycling incentives for schools. This includes recycle bins for classrooms that participate in our education campaign, as well as recycled pencils and reusable shopping bags. The pencils and grocery bags will also market our recycling website. I have also been working with a translator to develop Spanish versions of our brochures and website. I expect both of these projects to be completed shortly.

Next Steps

After careful consideration, I have decided to move to Denver and begin taking classes for a Master's in Public Administration. I thoroughly enjoyed this year in Southwest Colorado, and I really value my time working for the SWCCOG. It was incredibly beneficial to work in this diverse region and spend time interacting with the local governments. Up until I started last year I have only lived in metropolitan areas, and this time in the rural southwest has opened up my eyes to a new set of problems for an often forgotten demographic. I hope to work with the SWCCOG during my studies to continue developing my understanding of rural communities. Thank you for your support during this past year, I really do appreciate it.

Discussion Items

Decision Items

SWCCOG Executive Committee Minutes

To: SWCCOG Board of Directors

From: Sara Trujillo

Date: 3 August 2017

Comments: Executive Committee Minutes from June 26, 2017 for approval.

Legal Review: None

Fiscal Impact: None

Staff Recommendation: Executive Committee approve the attached minutes from June 26, 2017

**Southwest Colorado Council of Governments
Executive Committee Meeting
Monday, 26 June 2017, 11:30 a.m.**

In attendance:

John Egan – Town of Pagosa Springs

Chris La May – Town of Bayfield

Miriam Gillow-Wiles – Southwest Colorado Council of Governments

Sara Trujillo - Southwest Colorado Council of Governments

The meeting began at 11:42 a.m.

Miriam discussed the need for increased staffing and dues if FCC funding is received in 2018. The FCC funding refers to the federal Rural Healthcare Grant that the COG intends to apply for January 2018. The grant amount requested will be \$30-40 million, and with this drastic increase in budget, Miriam said she would need to increase staff from 4 to 6. Currently the COG employs Miriam and Sara full-time, Jessica part-time, and Dennis as a VISTA. A staff of 6 would be Miriam (Executive Director), Sara (finance), Jessica (program management), and Dennis (legislation and transportation) as full-time, a part-time admin position, and a new VISTA. All full-time staff would be benefitted.

John asked what other grant funds Miriam thinks the COG may receive in 2018. Miriam said there are 2 DoLA grants, 1 being a regular EIAF grant. Miriam would like to apply for the maximum amount of \$1 million as match for the FCC grant. This would need to be discussed with all COG members to prevent competition. The grant application would be due in December 2017. The second DoLA grant would be a technical assistance grant for approximately \$50,000. Miriam said she is unsure what amount of funding will be available. This grant would be due October 2017. If the FCC funding is approved, Miriam said she would not be interested in applying for many other grants as the FCC grant can take up to 50% of her time.

Miriam said the FCC grant will be a 3-year grant and that temporary bonuses would increase her and Sara's salaries. Once the grant is complete, salaries would be reassessed based on relevant revenues. Chris asked why the increase. Miriam said because with federal funding comes greater risk and more responsibility. Chris said Jessica would be doing the project management. Miriam confirmed yes, but ultimately the responsibility falls on her shoulders. Chris asked if FCC funding is denied, will all staffing and regular pay increases remain as is. Miriam confirmed yes.

Miriam said an increase in dues would be temporary as with the employee bonuses if FCC funding is awarded. Most members would see a slight increase from 2017 with La Plata County seeing the highest increase of \$4,500. This increase is due to population and size. In addition, La Plata County does have \$250,000 earmarked for broadband development and could pull from this fund to help manage dues. If FCC funding is not awarded, dues will still increase but with the removal of the fiber fund and e-TICS, all members will see a decrease from 2017.

John asked what it would mean to get the FCC grant. Miriam said it would provide funding to put in fiber optic infrastructure by partnering with CDOT and private companies to install fiber from the top of Wolf Creek to the Utah border, from Cortez to Telluride, and finish the fiber from Durango to Silverton that Eagle Net had started. CDOT is willing to partner and Miriam said she hopes CDOT would do the

construction management, construction, and manage any subcontracts. Chris asked about Ignacio. Miriam said that Ignacio does have a qualifying healthcare facility. Chris asked if fiber must be laid in federal right of ways. Miriam said no. However, the federal funding is not set up or meant to be for a collaborative process, which may create some challenges. John asked what the chances are of being awarded funding. Miriam said this grant is more of an application process versus a competitive grant. There is \$400 million earmarked for rural healthcare connectivity and E-Rate grants. The application process opens January 2017 and closes June 2017. All the paperwork must be reviewed by the FCC before RFPs can go out. John asked what the biggest downfall of this project would be. Miriam said the sheer amount of money will be challenging, federal rules, and there are sure to be strings attached. In addition, as the COG experienced with the SCAN grant, it can be challenging to do multijurisdictional funding. Miriam said the FCC funding would pay for 65%. There may be some overbuild of Century Link but not of CDOT. John said CDOT already has the trenching for fiber optics set up and the knowledge. John asked if the FCC funds would go to CDOT. Miriam said yes, but CDOT must respond to the RFP.

John asked when the COG would adopt the 2018 budget. Miriam said the budget cycle is the same as members; there would be a public hearing by October and final by December. However, staff needs direction/vote on 2018 dues so dues letters can go out in early July to help all members in their budget preparations.

Chris asked if Dennis comes on as staff in 2017, how that would affect the budget for the remainder of the year. Miriam said she is working on this now. If she is unable to find funding for a position, Dennis will most likely be off to grad school. Chris said there may be some pushback as to where a legislation liaison position plays into the broadband project. Miriam said a goal of the board was to become a stronger legislative leader in the region. In addition, legislation plays a large role in broadband. John asked Miriam to create a job description for what Dennis's position would be.

Chris said he has a concern about increasing staff because if FCC funding is not received, people will need to be let go. In addition, Chris said he would have concerns with the challenges the COG has faced with fund balance and asked if the 2016 dip in fund balance has been recovered. Miriam said no and that the 2017 budget is estimated at a -\$26,000 deficit that was discussed with the board at a previous meeting. The goal is to bring in more revenues for 2017 and get Dennis onboard. Sara suggested getting the highest dues scenario approved for the dues letters so everyone would budget high. The actual invoicing of dues could wait until funding is known from the FCC, hopefully towards the end of January or beginning of February 2017. This way staffing needs would be known and accurate dues invoices can be sent.

John asked what the next step is if the board does not approve the higher dues with FCC funding. Miriam said she will need direction of what the board wants to do. At the retreat, the board's main goal was broadband. The FCC funding puts the COG on the road towards this goal and higher dues are required to ensure the project is carried out and completed successfully.

Chris said certain folks are concerned that some members pay much higher dues than others without benefit. Miriam said every member had a positive return on investment in 2016, will in 2017, and with the broadband project, return on investment will be significant for all members. Miriam added that the COG was formed for the greater good and not for individual benefit. Members need to look at long-term versus short-term because a broadband project cannot be complete in 1 year but will take several. John recommended a quarterly and annual newsletter that members can take back to their respective

jurisdictions that will show the return on investment and provide a report of what the COG is doing and where the COG is going. Miriam agreed.

End 12:44pm

Other Items

Community Updates
