



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

Regular Meeting Agenda

Thursday, 2 February 2017, 1:30pm – 4:00pm

1188 E 2nd Ave., Durango CO

- I. Introductions
- II. Consent Agenda
 - a. 5 January 2017 SWCCOG Meeting Minutes
 - b. December 2016 Financials
- III. Reports (Staff will be available for questions on the written reports)
 - a. Director's Report
 - b. Broadband Report
 - c. Legislation Report
 - d. Transportation Report
 - e. VISTA Report
 - f. Community Updates
- IV. Discussion Items
 - a. Privatization of Federal Lands
- V. Decision Items
 - a. Executive Committee Members
 - b. Executive Committee Meeting Minutes
 - c. 2016 Final Budget Amendment
- VI. Other Items

Video/Phone Conference Info:

<https://zoom.us/j/501744447>

1-646-558-8656, Meeting ID: 501 744 447

Consent Agenda

**Southwest Colorado Council of Governments
January Board Meeting
Thursday, 5 January 2017, 1:30pm
1188 E. 2nd Ave., Carnegie Building, Durango, CO 81301**

In Attendance:

Julie Westendorff – La Plata County
John Egan – Town of Pagosa Springs (via video)
Andrea Phillips – Town of Mancos
Fred Brooks – Town of Mancos
Mark Garcia – Town of Ignacio
Dick White – City of Durango
William Tookey – San Juan County (via video)
Chris Tookey – Town of Silverton (via video)
Shane Hale – City of Cortez (via phone)
Ron LeBlanc – City of Durango
Michelle Yost – Town of Bayfield
Jim Ostrem – Town of Rico (via phone)

Staff in Attendance:

Miriam Gillow-Wiles – Southwest Colorado Council of Governments
Jessica Laitsch – Southwest Colorado Council of Governments
Dennis Wegienek – Southwest Colorado Council of Governments
Sara Trujillo – Southwest Colorado Council of Governments

Guests in Attendance:

John Whitney – Senator Bennet's Office
Lily Burdick – Marketing Concepts
Larry Gallegos – Town of Silverton (via video)

I. Introductions

The meeting was called to order at 1:36pm. Julie announced that a new COG member representative was present and asked Andrea to introduce. Andrea introduced Fred Brooks, Mayor Pro-Tem for Mancos, who will be the new Town of Mancos primary COG member representative with Queenie Barz, Mayor, as the alternate. Everyone introduced themselves.

II. Consent Agenda

Julie asked for a motion to approve the agenda.

Mark Garcia motioned to approve the agenda, Michelle Yost seconded, unanimously approved.

- a. 2 December 2016 SWCCOG Meeting Minutes
- b. November 2016 Financials

Julie asked for comments or changes to the December meeting minutes. Shane said on p. 4 in reference to the decision to nominate Chris La May as 2017 board Treasurer, the minutes notated that Shane made this recommendation when it should notate that on behalf of the nominating committee, Shane *and* Ron made this recommendation. Dick said he sent staff a few updates that included 1) under the CPACE discussion, a key point not recorded in the minutes is that the program requires official approval by any county that seeks to participate, and 2) at the top of p. 4, in Dick's remarks, he believes that he mentioned a possible "shortfall"

in projected sales taxes rather than an "increase." Julie asked for clarification to her remarks on p. 4 regarding Samson and tax revenues – La Plata County does not anticipate losing all tax revenues from Samson assets recently acquired by the Southern Ute Indian Tribe, but it will significantly diminish the tax contributions from those oil and gas assets. There were no other comments on the December meeting minutes. Julie suggested separating the minutes and financials and asked for a motion to approve the December minutes with member updates. **Dick White motioned to approve the amended December 2016 meeting minutes, John Egan seconded, unanimously approved.**

Julie asked for any comments or concerns on the November 2016 financials. Shane said that on the balance sheet Sara's credit card showed a balance of \$4,009.50, which seems quite high. Sara replied that Lucky Services, COG marketing consultant for transit and recycling, allows electronic payment of invoices to reduce printing, paper, and stamp costs. Invoices are sent to Miriam for review and approval then paid via credit card. Julie asked how Lucky Services bills. Miriam said on a monthly basis. Julie mentioned that Sara's memo noted November's net income being down and asked for explanation. Sara said with reimbursement grants, funds are spent in one month then requested in the next, so one month will be down and the next up when the reimbursement request has been processed and funds received. Dick asked if funds requested in 2016 but received in 2017 will be reflected in 2016. Sara confirmed yes, that she will do general journal entries to ensure all activity that actually happened in 2016 will reflect as so.

Mark Garcia motioned to approve the November 2016 financials, Michelle Yost seconded, unanimously approved.

III. Reports

Director's Report

Miriam reported that the DoLA 2017 Technical Assist grant was approved; however, DoLA reduced the funding amount from the requested \$65,000 to \$60,345. The \$4,655 reduction will impact transit projects but not broadband projects as the transit funds have some wiggle room and broadband efforts take priority. Miriam said staff is waiting for signed MOU documents for leasing of SCAN infrastructure from Durango, Silverton, Dolores County, and Ignacio. She requested that these documents be provided when available. All other communities have turned in their documents or have received approval. Dick asked for an update on the DoLA request for additional funding for staff time. Miriam said she has been in contact with Ken Charles for several months with no answer as of yet. DoLA guidelines do say that funding can be provided for existing staff. Julie asked what this waiting period means. Miriam said it delays the ability to spend down the grant as staff is unsure what we can spend the grant on at this time. Julie asked if work will continue on the project with the 2017 funding. Miriam said yes.

Broadband Report

Miriam reported that she received information that Farmers Telecommunications, Inc., who provides internet service to the Town of Rico, has been purchased by a new company and will no longer be providing services to Rico as of February 1, 2017. With Farmers being the only ISP in the Rico area, this is of major concern with many residents working from home, schools, and others that need internet service on a daily basis. Miriam is and will continue working with Rico to find a solution. Julie asked if Rico has any SCAN fiber. Miriam replied no.

Miriam reminded members that the broadband final report and presentation meeting will be held January 20, 2017 at the La Plata County Administration Building in the training room and a conference system will be set up for those who are unable to travel. Miriam sent out an email sharing a dropbox folder with the final report for member review prior to the meeting. Julie asked

if community IT staff should attend. Miriam said IT staff and policy makers should be invited to attend. If any member needs the dropbox shared with additional attendees, Miriam is happy to email the information and provide access. Jim said it would be helpful is there was an explanation of what is in the dropbox folder so folks know what they are looking at; with several folders in the dropbox, some may be confused on what content needs to be reviewed prior to the meeting. Miriam said she will address this issue.

Transportation Report

Jessica said there was a TPR meeting in December 2016 and a Transit Council meeting coming January 2017. Staff continues work with marketing, and the project should be wrapped up in the short term. Jessica is working with local agencies to input fixed route information into Google maps; this will roll out soon. Miriam said staff is moving forward with the 5304 funding for the Four Corners Transit Planning and are working to establish contact and communication with other COGs in the four corners region. Julie asked what resulted from Montezuma County's letter of reduced dues. Miriam said because the TPR is not allowed to charge dues, member annual funds are "contributions" where the member community can contribute any amount; therefore, Montezuma County will contribute the amount they wish and the issue is resolved. Julie asked for clarification that access to Google maps will now show local bus routes to and from specific locations. Jessica confirmed yes, it will show the closest stop and where routes go along with other information.

VISTA Report

Dennis said the recycling website is complete and upon request he will send out the link for members to share or for member staff to incorporate into their own website information. He is currently working on printable PDF forms. Julie said it would be helpful for members to view the website content.

Community Updates

This item was addressed at the end of the meeting.

IV. Discussion Items

None

V. Decision Items

a. Executive Committee Meeting Minutes

Julie said at the last board meeting clarification on the October 31, 2016 minutes was requested. After Julie's review, the minutes appeared to be updated and asked for confirmation that updates had been made. Miriam confirmed yes.

Andrea Phillips motioned to approve the amended October 31, 2016 Executive Committee meeting minutes, Julie Westendorff seconded, unanimously approved.

Julie asked for any comments or updates to the November 18, 2016 Executive Committee meeting minutes. None were made.

John Egan motioned to approve the November 18, 2016 Executive Committee meeting minutes, Andrea Phillips seconded, unanimously approved.

b. DoLA 2017 TA Grant Contract

Miriam recapped that the DoLA 2017 Technical Assistant grant was awarded with a funding reduction of \$4,655 that will come from transit planning. Although there is no contract as of yet,

Miriam said that Ken Charles advised a contract approval with signature authority so when the contract is received it can be signed right away to prevent delay. Mark asked if this is an EIAF grant. Miriam confirmed yes and that the contract will be the standard DoLA contract that we have seen in the past. Mark asked what the match requirements are. Miriam said \$10,000 will be in-kind and \$15,000 from the member communities. Julie asked if our obligatory match requirements remained the same even with DoLA approving a lower grant fund amount. Miriam said yes. Julie asked if all members were okay approving the contract without review. No comments were made. Julie asked if members had a preference of either the Chair or staff as signature authority. There was no preference.

Dick White motioned to approve the DoLA 2017 TA Grant contract under the terms outlined in the board packet memo with signature authority to the SWCCOG Executive Director, John Egan seconded, unanimously approved.

c. MidState Consulting (e-TICS) Contract

Miriam explained that the e-TICS is an asset management software system that allows an entity to update and/or map their broadband assets whether it be infrastructure buried, aerial or wireless. The COG contracted with MidState Consulting to manage this software since the inception of the SCAN grant. Durango, La Plata County, and Cortez have been using the service and paying a combined \$8,400 annually. However, the software has been underutilized and should benefit all members, so Miriam said she has renegotiated the previous contract that expired with MidState. Part of the renegotiations is to move everything to the cloud so jurisdictions do not have to maintain the software in-house and to allow all jurisdictions access to the software. A 2-year agreement costing \$14,928 will be covered by the DoLA shared services grant. Jim asked if existing maps could be used. Miriam said most maps are already there, but the software will allow for additional maps and new build information to be uploaded and give a holistic picture of the region. Miriam stated that this is not a mapping tool to create maps but to upload already created maps. Private company assets should not be uploaded to the software, only assets owned by the community, as some companies consider these assets proprietary information. Jim said not knowing where all assets are, regardless of owners, makes it difficult to know what Rico has access to. Ron said if those assets are in a public right-of-way, the information should be public information. Miriam will do some research on this issue and contact Ken Fellman who is the leading state communication law attorney. With the COG holding a membership with the Colorado Communities Utility Association or CCUA [Clerk note: the correct name is Colorado Communications Utility Alliance], Miriam said some hours (less than 5) of Ken Fellman's time comes with that membership. Andrea asked if non-SCAN assets can be uploaded to the e-TICS software and asked if all members will be able to see all assets. Miriam said yes that the software will be web-based so anyone that has changes can send that information to MidState for upload and integration, and all members will be able to see all maps. Julie asked for confirmation that COG members (Durango, Cortez, and La Plata County) do not have to pay for the annual \$8,400 e-TICS anymore. Miriam confirmed yes. Andrea commented if this item will be covered by the shared services grant, then there are other items that will not be covered. Miriam said the CDL program cost was intended to be covered by the DoLA shared services grant; however, Miriam has attempted to get in touch with the Community College over the last 4 months but has had no call back; therefore, this item has been scratched. In addition, with broadband being priority, the e-TICS seemed more important than the CDL. Mark asked if Durango, La Plata County, and Cortez currently use this asset management tool and if there are other management tools available. Ron said that Durango uses this tool, and it will be advantageous for all to use the same platform because a holistic map of the entire region is essential to making good decisions. Miriam said that Cortez uses the software as well but finds it difficult to make time and upload maps. Julie asked if staff would need to do the mapping

uploads. Miriam said no, that MidState would input all the information. Julie asked if all COG members and other broadband assets would be included. Miriam confirmed all COG and/or COG owned broadband assets. Mark asked what the benefit would be to map only COG or COG member assets when all assets would need to be known whether they are owed by FastTrack or another entity. Miriam said the COG does not have the funding to put the entire region's assets into a map and is not comfortable mapping other private company's assets. Dick asked with the DoLA shared services grant covering the MidState contract costs for 2017 and 2018, what is the plan to cover the costs for 2019 and beyond. Miriam said as the COG develops funding from middle mile broadband development work, future MidState contracts will be paid for from that funding source. Jim commented on section 7.2 of the contract, 1) the section references notice of suspected document defect but does not define what a "defect" is, and 2) the last sentence does not completely end, it appears the word "notice" may be missing. Miriam said the contract has run through COG legal, David Liberman, but she has not heard back from MidState. Miriam will expand what "defect" means and add "notice" to the end of the last sentence. In addition, Miriam will talk to David Liberman regarding the updates.

John Egan motioned to approve the MidState Consulting contract with signature authority to the SWCCOG Executive Director unless MidState makes changes to the contract, then it needs to come back to the board for review and approval, Michelle Yost seconded, unanimously approved.

VI. Other Items

With time available, Julie asked for community and guest updates.

Dick White, City of Durango

- The Durango City Council voted to approve a contract for recreation management at Lake Nighthorse. Although this is not the last step, it was a necessary step to complete before formal annexation. One of the most complicated aspects will be a memorandum of understanding with all partners over the management plan. The hope is for an opening in 2018.
- The Council gave conceptual approval to a new apartment complex that will hold 194 units between Walmart and Home Depot, one and two bedrooms, which will be great for the community. Ron said the developer will be building a road as well.
- In order to fill the transit funding gap, parking tickets will increase to \$25 per ticket starting January 1, 2017 with verbiage on the ticket as to why rates are increasing.

Andrea Phillip, Town of Mancos

- Mancos will hopefully be breaking ground on Highway 160 for a pedestrian crosswalk. This is an ongoing discussion with CDOT.
- Sales taxes are up and much higher than was budgeted partly from the marijuana stores in town and a few new businesses.
- Mancos is working on saving money for a main street bridge replacement project; construction would begin 2018 or early 2019 with 90% of the funding received from the CDOT Off-System Bridge funding.

Michelle Yost, Town of Bayfield

- The cost of the bridges project has increased over \$1 million. In addition, there are delays due to many endangered species in the area.
- A Dollar General may be coming next to the Family Dollar.

Mark Garcia, Town of Ignacio

- Ignacio will acquire a 20 acre piece of property with connectivity to Cedar Point.
- Sales taxes are up and higher than projected due to the new Family Dollar and Farmers Fresh.
- Ignacio will be starting their branding and marketing study in January 2017.
- A meeting was recently held to talk about the sales tax exemption issues with the Southern Ute Indian Tribe; Ignacio was encouraged to seek corrective legislation that is being considered. Ignacio intends to reach out for support on this matter from CML, La Plata County, and Durango.

Chris Tookey, Town of Silverton

- Silverton has a new town and county planner from Butte, Montana with 25 years of experience. In addition, there is a new events coordinator from Arizona.
- Sales taxes are up.

William Tookey, San Juan County

- The county will be starting meetings again with the EPA the 3rd week in January.

Jim Ostrem, Town of Rico

- The Town Council is reviewing applications for a new town manager.

John Egan, Town of Pagosa Springs

- The town decided to not go through with the 5th street bridge project leaving the developer with 27 acres open to develop property.
- Sales taxes are up.

Julie Westerndorff, La Plata County

- Julie has been presented with an opportunity and applied to join a state-wide commission as it relates to human services. Julie is unsure if she will be appointed, but if appointed, some meetings would conflict with the COG meetings and Julie would resign from her position as COG Chair. Gwen Lachelt would be available to take the COG Chair position, but this decision would certainly be up to the board to accept Gwen Lachelt as chair or assign a new chair for 2017. Julie would assist a new chair with transition.
- An email was received regarding legislation to repeal the work done on SB152 and to remove local control over telecommunication assets. Aside from removing all work done on SB152, this would also inhibit government to government services, including the COG invoicing member communities for telecom services or middle mile broadband. Senator Guzman is sponsoring this legislation. Shane asked if the COG still has a legislative committee. Miriam confirmed yes and that the COG would use the same folks appointed last year for this year unless anyone else would like to join the committee. Mark asked if this information had been sent to CML. Ron confirmed yes. Julie said the COG should keep an eye on this legislation and if action is requested through CCI, if members could share it around so all remain on the same page and can play defense. In addition, Julie has a meeting with Barbara McLachlan and offered to represent the COG members as opposed to this legislation. Julie asked if all members would be okay with this representation. All members responded yes.
- Julie asked if any member had successful solutions to issues or would like to see specific topics on future agendas to please get that information to Miriam.

Shane Hale, City of Cortez

- The move into the new city hall is projected to happen in the next month and a half.

Miriam Gillow-Wiles, SWCCOG

- To say thank you for the last year of service as COG Chair, Miriam presented a gift bag with regional goodies to Andrea. Andrea sincerely thanked all board and staff members and said it was a pleasure.

John Whitney, Senator Bennet's Office

- US Congress convened this week and will move into budget reconciliation procedures soon.
- US House changed its rules and will no longer consider a sell off of public lands to be something that has a budgetary cost to the United States.
- A new farm bill will be created. Oversight hearings will start this spring.
- The Senator's new state director is Julie Duvall based out of Denver; she comes with knowledge of rural issues.
- The senate is not ready to entertain an increase in a Passenger Facility Charge (PFC) as it pertains to airfare.
- La Plata and Montezuma County are the only two Colorado counties that do not get Denver Television. Satellite companies have worked with the FCC to allow counties to petition. La Plata County has petitioned but Montezuma has not. The FCC has 90 days to respond and will have public periods for comment.

Julie asked for a motion to adjourn the meeting.

Dick White motioned to adjourn, John Egan seconded, unanimously approved.

End 3:18pm

December 2016 Financials

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 2 February 2017

Comments: The following attachments include:

- December 2016 Balance Sheet
- December 2016 Profit & Loss
- January – December 2016 Profit & Loss Budget vs. Actual

Items to Note:

- Balance Sheet: The Accounts Receivable is high but includes mostly December 2016 final invoices that are within the 30-day window and not yet past due.
- Profit and Loss: Net Income is showing a deficit for several reasons:
 - The Fiber Equipment Repair Fund was separated from the General Fund causing \$9,745 of revenues to be removed from the General Fund revenues.
 - Due to prepayment of SWIMT expenses, a -\$15,850.89 is seen in December although the revenues were recorded in October. I am working with the auditors to learn best practices with prepaid items.
 - The Department of Local Affairs overpaid an October 2016 invoice for the DoLA 8011 downtown grant by \$8,572.49 creating a credit and unearned revenue that was recorded in 2017 for 2017 expenditures.
 - The remaining amount pertains to the 2016 budget deficit.
- Profit and Loss Budget vs. Actual: Net Income shows a 2016 budget deficit of -\$4,710.81, which matches the deficit on the 2016 budget amendment after all 2016 actuals have been recorded.

Going forward in 2017, you will no longer see the Profit and Loss monthly but a Profit and Loss YTD.

December 2016 Financials

Fiscal Impact: High, Budget changes throughout the year

Staff Recommendation: Approve the December 2016 Financials allowing staff to move forward with the 2016 budget amendment.

Legal Review: Not Applicable

Southwest Colorado Council of Governments

01/30/17

Balance Sheet

Accrual Basis

As of December 31, 2016

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
Alpine Bank	
Alpine Bank Account (UR)	51,298.47
Fiber Equip Fund - Restricted	9,754.57
Total Alpine Bank	61,053.04
Petty Cash	
AmeriCorps VISTA	362.60
Jessica Laitsch	331.05
Petty Cash - Other	29.07
Total Petty Cash	722.72
Total Checking/Savings	61,775.76
Accounts Receivable	
Accounts Receivable	47,631.55
Total Accounts Receivable	47,631.55
Total Current Assets	109,407.31
TOTAL ASSETS	109,407.31
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	3,351.13
Total Accounts Payable	3,351.13
Credit Cards	
Credit Cards	
Miriam	369.43
Sara	1,399.95
Total Credit Cards	1,769.38
Total Credit Cards	1,769.38
Other Current Liabilities	
Accrued Wages	5,550.96
Unearned Revenue	12,946.85
Total Other Current Liabilities	18,497.81
Total Current Liabilities	23,618.32
Total Liabilities	23,618.32
Equity	
Retained Earnings	90,499.80
Net Income	-4,710.81
Total Equity	85,788.99
TOTAL LIABILITIES & EQUITY	109,407.31

Profit & Loss

December 2016

	Dec 16
Ordinary Income/Expense	
Income	
All Hazards	
2015 SHSP	2,794.78
2016 SHSP	1,607.94
Total All Hazards	4,402.72
CDOT Grants	
SWTPR Grant	3,882.41
Transit LCC Grant	3,203.00
Total CDOT Grants	7,085.41
DoLA Grants	
DoLA 8011	-4,241.22
DoLA 9038	35,244.13
Total DoLA Grants	31,002.91
Misc. Income	1,161.47
RREO Grant	
RREO 2016-2017	176.81
Total RREO Grant	176.81
SCAN Services	
Dark Fiber Leasing	0.00
Fiber Equipment Repair Fund	-9,754.00
Total SCAN Services	-9,754.00
Total Income	34,075.32
Gross Profit	34,075.32
Expense	
All Hazards Projects	
All Hazards 2015 SHSP	
Grant 2015 Project 1	3,324.88
Total All Hazards 2015 SHSP	3,324.88
Total All Hazards Projects	3,324.88
Broadband Expenses	
SCAN Dark Fiber Lease	12,660.00
Total Broadband Expenses	12,660.00
Consulting	1,360.68
Information Technology (IT)	
Software	11,999.00
Total Information Technology (IT)	11,999.00
Insurance Expense	
Health	-186.00
Total Insurance Expense	-186.00
Internet Connectivity	
Fast Track	900.00
Internet Connection (AT&T)	32.17
Total Internet Connectivity	932.17
Meetings	28.72
Misc. Expense	15,850.89
Office Equipment	364.43
Postage and Delivery	10.55
Professional Fees	
Legal	676.80
Total Professional Fees	676.80

Southwest Colorado Council of Governments

Profit & Loss

December 2016

	<u>Dec 16</u>
Salary and Wages	
457 Retirement	270.38
Car Allowance	300.00
Cell Phone Allowance	195.00
Payroll Processing Fee	146.10
Payroll Tax	835.83
Salary and Wages - Other	16,250.01
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Total Salary and Wages	17,997.32
Software Maintenance e-TICS	1,400.00
Travel	971.19
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Total Expense	67,390.63
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Net Ordinary Income	-33,315.31
Other Income/Expense	
Other Income	
Interest Earned	0.16
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Total Other Income	0.16
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Net Other Income	0.16
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Net Income	<u><u>-33,315.15</u></u>

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
 January through December 2016

	Jan - Dec 16	Budget
Ordinary Income/Expense		
Income		
All Hazards		
2014 SHSP	23,733.66	
2015 SHSP	73,362.49	
2016 SHSP	1,607.94	
All Hazards - Other	0.00	203,803.00
Total All Hazards	98,704.09	203,803.00
CDOT Grants		
SWTPR Grant	21,293.31	21,100.00
Transit LCC Grant	19,999.02	20,000.00
Total CDOT Grants	41,292.33	41,100.00
DoLA Grants		
DoLA 7645	40,747.05	
DoLA 8010	71,801.91	
DoLA 8011	33,230.60	
DoLA 9038	55,045.46	
DoLA Grants - Other	0.00	350,000.00
Total DoLA Grants	200,825.02	350,000.00
Dues Revenue		
Admin Position	12,347.00	12,200.00
COG Dues	115,363.00	114,000.00
SWTPR Contributions	7,679.00	7,679.00
Total Dues Revenue	135,389.00	133,879.00
Grant Match		
COG Member Match	6,836.42	0.00
Non-COG Member Match	12,223.00	
Total Grant Match	19,059.42	0.00
Misc. Income	13,498.79	
RREO Grant		
RREO 2016-2017	6,756.40	
RREO Grant - Other	0.00	36,200.00
Total RREO Grant	6,756.40	36,200.00
SCAN Services		
Dark Fiber Leasing	20,256.00	20,560.00
e-TICS	8,400.00	8,400.00
Fiber Equipment Repair Fund	0.00	15,000.00
Internet & Transport	8,280.00	8,280.00
Total SCAN Services	36,936.00	52,240.00
SJB AAA	3,375.50	4,500.00
Total Income	555,836.55	821,722.00
Gross Profit	555,836.55	821,722.00
Expense		
Advertising and Promotion	419.54	400.00
All Hazards Projects		
All Hazards 2014 SHSP		
Grant 2014 Project 1	1,081.00	
Grant 2014 Project 2	5,411.61	
Grant 2014 Project 5	495.00	
Grant 2014 Project 7	663.01	
Grant 2014 Project 8	8,528.69	
Grant 2014 Project 9	1,157.00	
Total All Hazards 2014 SHSP	17,336.31	

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
January through December 2016

	Jan - Dec 16	Budget
All Hazards 2015 SHSP		
Grant 2015 Project 1	11,277.65	
Grant 2015 Project 2	40,400.00	
Grant 2015 Project 4	14,300.00	
Total All Hazards 2015 SHSP	65,977.65	
All Hazards Projects - Other	0.00	194,607.00
Total All Hazards Projects	83,313.96	194,607.00
AmeriCorp VISTA	8,000.00	11,700.00
Bank Service Charge	73.00	100.00
Broadband Expenses		
Fiber Equip Repair - RESTRICTED	0.00	15,000.00
SCAN Dark Fiber Lease	12,660.00	15,420.00
Total Broadband Expenses	12,660.00	30,420.00
Consulting	172,053.41	271,000.00
Employee/Board Appreciation	360.68	
Information Technology (IT)		
Software	13,262.06	2,811.00
Total Information Technology (IT)	13,262.06	2,811.00
Insurance Expense		
General Liability	2,212.75	2,102.00
Health	19,922.00	25,516.00
HSA	4,000.00	0.00
Worker's Compensation	1,674.00	1,674.00
Total Insurance Expense	27,808.75	29,292.00
Internet Connectivity		
Fast Track	10,800.00	10,800.00
Internet Connection (AT&T)	385.63	384.00
Total Internet Connectivity	11,185.63	11,184.00
Match Refund	1,634.25	6,000.00
Meetings	2,737.95	2,325.00
Memberships	17,253.50	2,300.00
Misc. Expense	0.00	
Office Equipment	3,970.62	22,000.00
Office Supplies	741.40	1,300.00
Postage and Delivery	65.02	125.00
Professional Development	430.40	
Professional Fees		
Accounting Software	0.00	150.00
Audit	6,500.00	6,438.00
Legal	5,248.46	3,000.00
Misc.	1,329.75	250.00
Total Professional Fees	13,078.21	9,838.00
Rent	87.00	81.00
Salary and Wages		
457 Retirement	3,514.94	3,487.00
Car Allowance	3,600.00	3,600.00
Cell Phone Allowance	2,665.00	1,560.00
Housing Allowance	2,700.00	
Payroll Processing Fee	1,568.68	1,550.00
Payroll Tax	11,011.93	12,956.00
Salary and Wages - Other	139,494.85	151,541.00
Total Salary and Wages	164,555.40	174,694.00

Southwest Colorado Council of Governments

Profit & Loss Budget vs. Actual

January through December 2016

01/30/17

Accrual Basis

	Jan - Dec 16	Budget
Software Maintenance e-TICS	10,292.19	8,400.00
Team Building	320.00	
Travel	16,244.96	17,000.00
Total Expense	560,547.93	795,577.00
Net Ordinary Income	-4,711.38	26,145.00
Other Income/Expense		
Other Income		
Interest Earned	0.57	
Total Other Income	0.57	
Net Other Income	0.57	0.00
Net Income	-4,710.81	26,145.00

Reports

Director's Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 2 February 2017

Comments: Holy smokes, January has FLOWN by. We have been busy with broadband, legislation, retreat planning, and a litany of other items.

Dark Fiber Lease

Once again, I need to request the communities who have not yet approved the Dark Fiber Lease from August 2016 to please do so. The following Communities/Counties have executed the MOU. There are still five communities/counties that need to approve the MOU (Rico is exempt, since there is no SCAN infrastructure in Rico). As a reminder, I am available to come out and talk with elected boards regarding this item.

- Approved
 - Archuleta, Bayfield, Cortez, Ignacio La Plata, Mancos, Pagosa Springs, Silverton, and San Juan County.
- Not Yet Approved:
 - Durango
 - Dolores County
 - Town of Dolores

Legislation

It is the beginning of legislative session and the Legislative Committee (John, Michael, Ron, Shane) will likely be busy this year. Already three items of interest have been introduced at the state level (with more to come!) and two items at the federal level of importance to the region. Please see the Legislation Report for more detail.

Colorado Association of Regional Organizations (CARO)

In August I updated the Board about being selected as the Vice Chair for CARO (what happens when you cannot attend meetings) and Rob MacDonald from Pikes Peak COG would maintain the Chair position. Rob was let go in early January, and the Board selected me as the Chair and a member from Denver Regional COG as the Vice Chair. This is not a time consuming position, but will help influence the other COGs and create a statewide group to support state wide initiatives.

Shared Services Update

We are working on finishing up the shared services grant funding. To date we have purchased several shared software licenses and membership for the region. I am working on trying to coordinate VOIP for a number of jurisdictions. Like many things, if we can purchase in aggregate, we can reduce all of our costs.

- Grant Tracker/Grant Finder - paid for through mid-2019

Director's Report

- ETics Broadband Asset Management Software – paid for through 2019
- Zoom Video Conferencing Software – paid through mid 2020
- CCUA Membership (allows for a certain number of hours per month free consulting with Ken Fellman) – paid for 2017
- Club20 Membership, to help coordination of broadband and advocate more for SW Region – paid for 2017

We will coordinate with the Member staff for trainings on all of the software.

Club20

I will be attending and presenting on Easement Perfection issues (see Broadband Report) at the Club20 meeting on February 23rd in Grand Junction.

Broadband Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 2 February 2017

Comments: Lots of updates on a variety of fronts for Broadband this month!

The Regional Broadband Plan was presented to the Board on January 20th. The Plan and the five page summary are posted to the SWCCOG's website under Projects – Telecom. I will be presenting an overview of the Regional Plan at the La Plata County Commissioners Work Session on Wednesday, February 1st, and am happy to travel to any other jurisdiction to provide the same overview for staff, and/or elected officials.

Media Related to Regional Plan

- The Durango Herald interviewed me and published an article on Friday, January 27th about the Regional Plan.
- The Pagosa Sun is working on an article, but is not planning on interviewing me at this time. Publication to be determined.

State Broadband Legislation

- SB17-042 will repeal SB152. This may not seem important for the COG members, as we have all opted out, but it is important for special districts as they are also subject to SB152.
- SB17-081 will fix some of the issues of the Broadband High Cost Fund (created in 2014, sued by Century Link in 2015, and granted money in 2016 – see attached press release from OIT)

Easement Perfection Letter to Federal Delegation

One of the challenges facing the development of middle mile infrastructure is easement perfection. This occurs when existing broadband infrastructure is used for utility use (such as TriState or Empire Electric fiber), and there is a desire to allow the existing infrastructure to be used for commercial use. To change from utility to commercial use, the ISP/government/other agency must renegotiate with the land owners to allow for commercial data to be carried across existing infrastructure. This can be costly, time consuming, and create obstacles to broadband deployment. Senator Bennet's office asked for a letter from the SWCCOG regarding ways to solve easement perfection issues. I worked with Ken Fellman to draft the attached letter. I have also sent this off to all the other COGs in the state for their use, as it is not only a SWCCOG issue, it is a national issue.

Broadband Report

Other Broadband Information

- NeoConnect and the SWCCOG are working on a contract for 2017, which should be ready for the March 2017 Board Meeting.
- Rico will continue to have DSL service as Direct Communications (parent company of Rico Telephone) and Farmer's Telecom have come to an agreement.

Attached Documents:

- Press Release from Colorado Office of Information Technology regarding grants from Broadband High Cost Fund
- Letter to Federal Delegation regarding Easement Perfection

Overview an Plan Link:

<http://www.swccog.org/projects/telecom/>

Durango Herald Article:

<https://durangoherald.com/articles/132268-southwest-colorado-needs-fiber-optic-lines-for-faster-internet-speeds>

NEWS RELEASE

For Immediate Release: January 10, 2017



State awards \$2.1 million in grants to bring broadband to rural Colorado communities

DENVER - The Broadband Deployment Board within the Department of Regulatory Agencies (DORA) announced that it has awarded \$2.1 million in grants in an effort to close the broadband internet service gap between rural and urban Colorado communities.

Seven recipients were awarded grant funding for eight infrastructure projects that will be completed over the next two years. As a result, over 4,700 households and 175 businesses in Eagle, Cheyenne, Kiowa, Lake, Mesa, Montrose, Ouray, Prowers, Sedgwick and Weld counties will benefit from Broadband Internet access.

This is the first award cycle of the fund, which was created in 2014 and received its first in a series of grant award money last year.

Grants provided by the Broadband Deployment Board are a key component of the State's strategic effort to bring broadband access to every Colorado resident.

"Broadband access is a critical service for Colorado communities, especially in supporting economic development," said Gov. Hickenlooper. "These grants will bring more than broadband services to many unserved communities; they will also grow opportunity for their local businesses and residents."

The grant program is competitive, and funding is considered for projects that are cost-effective and provide substantial benefits to currently unserved communities. Recipients of these awards will provide broadband service, defined as least 25-megabits download and 3-megabits upload, at a reasonable cost to the consumer.

According to the 2015 Federal Communications Commission report Broadband Availability in America, 71 percent of Coloradans living in rural areas lack access to broadband internet compared to just 10 percent in urban areas.

"Access to broadband internet service is vital to rural communities," said DORA Executive Director Joe Neguse. "Broadband provided through the Board's grant

awards will expand access to much needed services, such as healthcare through telehealth initiatives and education curriculum and support for students in rural communities. The grant funds also support economic development, as many communities have businesses that increasingly rely on broadband access for selling products and accessing cloud-based business services.”

The Board awarded the following grants.

Nucla-Naturita Telephone Company (awarded \$43,334)

The project will upgrade wireless network equipment supplying Digital Subscriber Line (DSL) customers with broadband access in the Nucla area.

NE Colorado Cellular, Inc. dba Viaero Wireless (awarded \$395,492)

Construction of two new towers and installation of equipment to provide wireless broadband access within a 334 square mile coverage area in Kiowa, Prowers, and Cheyenne Counties.

Chaffee County Telecom LLC, dba Colorado Central Telecom (awarded \$288,338)

The project will provide last-mile service to approximately 425 households in Twin Lakes and unincorporated areas of southern Lake County. The expansion consists of wireless service utilizing a proposed new tower and two other sites.

CenturyLink Inc. (\$841,200 grant)

The project will upgrade DSL equipment and associated fiber optic cable to provide Broadband service to the Town of Ridgway serving approximately 1,000 customers.

CenturyLink Inc. (\$299,156 grant)

The project will upgrade DSL equipment and associated fiber optic cable to provide Broadband service to approximately 1,000 locations in and near Hudson and Keenesburg in Weld County.

PC Telcorp, Inc., dba PC Telcom (awarded \$55,400)

The project will upgrade existing wireless equipment at two locations providing broadband access to approximately 392 households in Sedgwick County.

Optimus Communications LLC (awarded \$112,500)

The project will use existing cable infrastructure to provide broadband in Collbran and Molina. Wireless service will be provided to customers in the surrounding areas that aren't accessible by the cable system. The system will support approximately 1,500 broadband customers over cable and 400 broadband customers over wireless.

Futurum Communications Corporation, dba Forethought.net, Brainstorm Internet (awarded \$70,103)

The project will construct middle-mile infrastructure to an existing tower and

provide last-mile wireless service to approximately 109 households in the Town of Red Cliff.

Additional information on the Broadband Fund grant program is available at dora.colorado.gov/broadband-fund.

###

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission. Visit www.dora.colorado.gov for more information or call [303-894-7855](tel:303-894-7855)/toll free [1-800-886-7675](tel:1-800-886-7675).

Media Contact:

Jordan Beezley
P [303-894-7752](tel:303-894-7752) C [303-229-7876](tel:303-229-7876)
jordan.beezley@state.co.us



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

19 January 2017

Senator Michael Bennet
261 Russell Senate Office Building
Washington, DC 20510
202-224-5852

RE: Utility Easements for Broadband Facilities

Dear Senator Bennet,

The Southwest Colorado Council of Governments (SWCCOG) urges you to support legislation that will create a fair, easier and more reasonable path for entities seeking to perfect existing easements in order to use existing utility easements for broadband facilities.

Many utility entities hold easements that permit them to locate utility infrastructure on private property. As technology has developed, utilities have installed fiber optic for their own internal purposes, but also have excess capacity with unused dark fiber, that can be used for improving broadband availability – especially in rural areas. Private investor owned utilities, electric cooperatives, and even municipal utilities have this ability to assist in broadband deployment, without any additional encroachment or physical impact on their easements, but can be thwarted by small numbers of property owners who see a way to hold such use hostage until they are paid unreasonably large sums of money.

We see two possible avenues for legislation to address this problem. Congress can adopt legislation determining that when a pre-existing easement for utility use can be expanded for broadband use with no more than a *de minimis* impact on the landowner's property, the expanded use should be required and the landowner can be compensated by a tax credit. As we are not experts in federal tax laws, we leave it to you and your staff to recommend what kind of tax credits are most appropriate. We would suggest that the size of the tax credit can be tied to the length of the easement.

A second option would be to legislate a fixed payment amount for expanding the use of these easements. Again, if a pre-existing easement for utility use can be expanded for broadband use with no more than a *de minimis* impact on the landowner's property, Congress can legislate a specific amount of compensation, such as \$___ per mile of facilities. In both of these options, property owners are compensated and benefit financially from the expanded use, even without any additional physical impact on the easement property.

The SWCCOG stands ready to work with you and your staff to develop more detail and strategize about the most viable proposal. Further, we have no doubt other divisions of local government across Colorado would support this proposal as well. We would appreciate your feedback and suggestions. Most of all, we appreciate your willingness to work with us to standardize the cost of perfecting these easements for broadband use in order to avoid roadblocks in promote broadband in rural Colorado and throughout the nation.

Sincerely,

Miriam C. Gillow-Wiles
Executive Director
Southwest Colorado Council of Governments
director@swccog.org
970-779-592

Legislative Update

To: SWCCOG Board of Directors
From: Jessica Laitsch
Date: 2 February 2017

Comments: Attached is a summary of bills that have been introduced in the Colorado General Assembly and the US Congress.

Staff plans to testify in February on SB 17-042, Repeal Local Government Internet Service Voter Approval.

SWCCOG 2017 Legislative Summary - State

Bill No	Short Title	Subject	Summary	Sponsors	Recent Action	Action Date	Position	Staff Comments
HB 17-1031	Hearings On Transportation Commission Districts	Transportation	Requirement that the transportation legislation review committee conduct hearings throughout the state	Carver, Bush, Todd, Cooke	Refer unamended to Committee on Appropriations	25-Jan-2017	Monitor	RE: study required by HB 16-1031
SB 17-042	Repeal Local Government Internet Service Voter Approval	Broadband	Repeal of existing restrictions on the ability of a local government to provide certain electronic communications services	Donovan, Guzman	Scheduled hearing Business, Labor, & Technology	13-Feb-2017	Monitor	
SB 17-081	Rural Broadband Deployment	Broadband	Use of high cost support mechanism funds for rural broadband deployment	Donovan, Becker, Arndt	Scheduled hearing Business, Labor, & Technology	13-Feb-2017	Monitor	

SWCCOG 2017 Legislative Summary - Federal

Bill No	Short Title	Summary	Sponsors	Recent Action	Action Date	Position	Staff Comments
HR 621	<u>To sell certain federal lands</u>	To direct the Secretary of the Interior to sell certain Federal lands in Arizona, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Utah, and Wyoming, previously identified as suitable for disposal, and for other purposes	Chaffetz	Referred to the House Committee on Natural Resources	24-Jan-2017	Monitor	General benefits of federal public lands: \$16.9 billion for local communities for all public lands and more than \$600 billion in the outdoor recreation industry according to the Department of Interior study from 2016
HR 622	<u>Terminate law enforcement functions of FS and BLM</u>	To terminate the law enforcement functions of the Forest Service and the Bureau of Land Management and to provide block grants to States for the enforcement of Federal law on Federal land under the jurisdiction of these agencies	Chaffetz, Stewart, Love, LaMalfa, Amodei, McClintock, Gosar	Referred to the Committee on Natural Resources and the Committee on Agriculture	24-Jan-2017	Monitor	

Transportation Report

To: SWCCOG Board of Directors
From: Jessica Laitsch
Date: 30 December, 2016

Comments: Transportation:

The SWTPR met on 2 December, 2016. Highlights of the meeting included:

- Election of officers for 2017
- Updated Agreement with SWCCOG for management services

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

Transit:

Staff is working with the marketing consultant to assist local transit agencies in develop marketing strategies. Marketing work will be completed early in 2017.

Staff has been working to compile fixed-route transit information for input into Google Transit. The data feeds for SUCAP and Mountain Express Transit have been completed and will be uploaded after review by the agencies. Staff is working with Durango Transit to compile their data feed.

Staff is working ... Four Corners Coordinated Transit Planning funded through FTA section 5304 funds.

VISTA's Report

To: SWCCOG Board of Directors
From: VISTA
Date: 23 January 2016

Comments: **Recycling**

Over the last few weeks we received some input from member communities, and we have updated some information on the website for the new year. I have heard from Joey Medina that the Dr.Pepper-Snapple recycle bins are going to be placed around Durango in time for Snowdown. I am working with the marketing consultant to complete the brochures and pamphlets before I send them out to members for additional input, and this step should be completed shortly. Lastly, I am starting to develop the curriculum for the elementary school education program.

Discussion Items

Privatization of Federal Lands

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 2 February 2016

Comments: On January 25th two pieces of legislation were introduced into the Federal House of Representatives Natural Resource Committee. There is no text at this time to these bills, but they are potentially concerning for the region.

HR621:

To direct the secretary of the Interior to sell certain Federal lands in Arizona, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Utah, and Wyoming previously identified as suitable for disposal and for other purposes.

HR622:

To terminate the law enforcement functions of the Forest Service and Bureau of Land Management and to provide block grants to States for the enforcement of Federal law on Federal land under the jurisdiction of the these agencies, and for other purposes.

More information:

- In early January the House voted on a new rule codifying that any legislation to dispose of federal lands would cost the tax payers \$0. The House is required to account for any cost to the tax payers of any legislation.
- The four counties are 66% public lands on average, with San Juan County the highest, and Dolores County the lowest.
- Economic drivers in the region are related to access to public lands (We are working on finding specific figures).
- Colorado has almost \$5 billion in value added by Department of Interior activities. ¹
- Colorado also has almost 65,000 additional jobs between DOI employment and recreation employment. ²
- Forage and Grazing created \$2.3 billion dollars in economic impact across the country
- Archuleta, La Plata, and San Juan Counties have passed resolutions against the privatization of federal lands.
- Congressman Tipton is a member of the Natural Resources Committee

¹ http://www.law.indiana.edu/publicland/files/doi_econ_report_fy2015_2016-06-17.pdf Page 28

² http://www.law.indiana.edu/publicland/files/doi_econ_report_fy2015_2016-06-17.pdf Page 32

Privatization of Federal Lands

Legal Review: N/A

Fiscal Impact: Potential for economic impact of entire region.

Staff Recommendation: Provide Staff direction as to support/monitor/oppose this legislation.

Decision Items

Executive Committee Members

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 2 February 2017

Comments: Recently, SWCCOG Chair, Commissioner Julie Westendorff was appointed to the State Human Services Board. This Board meets the first Thursday of the month, in a variety of locations. As a result, Commissioner Westendorff is unable to chair the SWCCOG for 2017. This has happened previously in 2012(ish) when Greg Schulte left the position of the Archuleta County Manager, Commissioner Michael Whiting was appointed for Greg on the Executive Committee.

The Bylaws state:

Article III, Section 4

Any Officer elected by the Board may be removed at any time by the Board by a two-thirds vote. Any Officer may resign at any time by giving written notice of the officer's resignation to the Chair or the Secretary-Treasurer, and acceptance of such resignation shall not be necessary to make it effective unless the notice so provides. Any vacancy occurring in any Officer position, the election to which is made by the Board, shall be filled by the Board for the unexpired portion of the term.

La Plata County has updated their primary SWCCOG attendee to Commissioner Gwen Lachelt and alternate will stay as the County Manager, Joe Kerby. La Plata County has expressed a willingness in Commissioner Lachelt taking over Commissioner Westendorff's position as SWCCOG Board Chair.

Legal Review: N/A

Fiscal Impact: None

Staff Recommendation: Appoint a Board Chair for 2017

SWCCOG Executive Committee Minutes

To: SWCCOG Board of Directors

From: Sara Trujillo

Date: 2 February 2017

Comments: Executive Committee Minutes from December 19, 2016 for approval.

Legal Review: None

Fiscal Impact: None

Staff Recommendation: Executive Committee approve the attached minutes from December 19, 2016

**Southwest Colorado Council of Governments
Executive Committee Meeting
Monday, 19 December 2016, 2:00 p.m.**

In attendance:

Andrea Phillips – Town of Mancos (via phone)
Julie Westendorff – La Plata County (via phone)
John Egan – Town of Pagosa Springs (via video)
Chris La May – Town of Bayfield (via phone)
Miriam Gillow-Wiles – Southwest Colorado Council of Governments
Sara Trujillo - Southwest Colorado Council of Governments

The meeting began at 2:07 p.m.

Miriam reminded all present that the broadband meeting with final report presentation will be January 20, 2017. Upon receiving the final report, Miriam will forward the document to the Executive Committee for review.

Miriam suggested adding a “Grants Update” report to the January and future agendas that can be housed under the Director’s Report or can be a stand-alone report. John asked if the grant report would be lengthy. Miriam said no, it would just give a summarization of current grants and progress made. Julie said this would be useful and asked for the report to also include a brief description of the grant.

Andrea asked to add an update on how many members have signed the fiber lease agreement. Miriam said this will be added and reported that she recently received Cortez’s signed agreement. Chris said Bayfield will be reviewing the agreement at their first meeting of the year. Julie said La Plata County just signed their agreement; she will ensure Miriam receives a copy. John said Pagosa Springs has signed. Miriam confirmed Archuleta County has signed as well but she has not heard from Durango.

Julie asked if a formal letter from Ken Charles denying additional broadband 8010 grant funding has been received. Miriam said no because a formal request was not submitted until a final number that would be approved was determined. Most of the communication happened verbally with Ken Charles leading up to the recent amendment that was submitted.

Miriam stated that no discussion items are on the agenda at this time, but this could change over the next week.

In regards to decision items, Miriam said a contract for the new DoLA 2017 TA grant will be presented for review and approval. Miriam is currently working with MidState Consultant to reduce the e-TICS cost, which is the broadband asset management software that has been used since the inception of the SCAN. Upon reviewing the old contract, the software was over-purchased and is being under-utilized. Miriam is negotiating a lower rate and ensuring the software is more usable. A new contract, as the old has expired, may be available by the January meeting. If not, it will be presented at the February meeting.

Chris asked if staff will be looking to do the board retreat a bit earlier in the year for 2017. Miriam said past retreats have been held in or around May but can be moved up. Miriam said to change things up and keep a fresh perspective that she will be looking to hire a new facilitator as Marsha Porter-Norton’s

services have been acquired several times. Miriam suggested Paul Rothmyer as she has heard good things. Julie inquired as to the opinion of retreat effectiveness. Chris said he thinks the retreats are worthwhile and a good time to revisit where the COG has been and where it is heading. The retreat format could be a bit lighter. Andrea said the retreats are beneficial for her; however, taking a full day makes for a long meeting. Holding the retreat before the 2018 budget begins to form is good to ensure the budget reflects COG goals. Julie said if Paul Rothmyer is recommended that is fine but the COG does need to be cost conscious. John said in the past, the retreats are a long process where good information is discussed but then nothing seems to happen from there. Next steps and results need to be determined and seen. Julie also mentioned keeping goals clear and consistent. Julie announced that she will be absent March 10-18. Chris gave a spring break reminder when looking for dates in March. Julie suggested trying to schedule the retreat on the same day as the regularly scheduled board meeting.

Chris said he will be absent for the January 5 board meeting but will send an alternate.

The meeting was adjourned at 2:45 p.m.

Budget Amendment FY2016

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 2 February 2017

Comments: Please review the following 2016 budget amendment. The attached include:

- A summary letter to the board with 2016 ending net income information and explanation
- 2016 revenues summary
- 2016 expenditures summary
- 2016 fund balance update

The current financial structure of the SWCCOG is comprised of 20% stable revenues from member dues and 80% variable grant revenues. The highly fluctuating 2016 budget along with a significant reduction in grant admin funds left staff scrambling to find approximately \$90,000 to cover simple operations and cutting costs throughout the year. This financial structure creates an unstable organization where a strategic financial structure for the future needs to be developed.

The unaudited 2016 budget ended with a budget deficit of -\$4713.00. The causes included:

- An unstable financial structure
- Slow progression with many grants
- A highly complex grant using more resources than anticipated
- The AAA contract falling short of the contractual payment.

Please review the attached documents that pertain to the budget amendment for FY2016.

Fiscal Impact: High, final 2016 budget amendment ending in a budget deficit

Staff Recommendation: Approve the Budget Amendment for FY2016 allowing staff to move forward in the 2017 budget and creating a 2017 amendment.

Legal Review: Not Applicable



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

To: SWCCOG Board of Directors
From: Sara Trujillo, Accountant
Subject: Final Amendment FY2016 General Fund Budget
Date: 2 February 2017

Please find attached the final amendment to the FY2016 General Fund budget and summary below.

General Fund FY2016	Approved	Actual (UNAUDITED)
Revenues	\$821,722	\$555,836
Expenditures	\$795,577	\$560,549
Net Income	\$26,145	-\$4,713

FY2016 Net Income Actual (unaudited) is at a deficit. Contributing factors include:

- Stable revenues into the General Fund are comprised of SWCCOG Dues and Administrative Position Dues totaling \$127,710. With operating costs totaling \$216,895, COG staff adjusted accounts throughout the year, cut spending in the General Class, and struggled to find approximately \$90,000 as all other revenues are derived from grant administration funds, member/non-member match, SWTPR Contributions, and Misc. Income (administration fees) that may fluctuate throughout the year.
- With high complexity of the DoLA 8010 Broadband Planning Grant, COG staff were involved in more project work than originally anticipated leading to an over expenditure in staff budgeted resources of approximately \$8,500.
- FY2016 wrapped up AAA bookkeeping contract. With staff time spent on this contract being reduced by the AAA Executive Director, the contracted amount and revenues budgeted for were reduced by \$1,876 reducing the FY2016 approved revenues by this amount.
- Many grants had much slower movement than anticipated including:
 - DoLA 8010 Broadband Planning Grant: This grant was expected to be complete by 2016 end but will close in 2017.
 - DoLA 8011 Downtown Grant: Slower movement than anticipated due to participating community obstacles.
 - DoLA 9038 Shared Services Grant: This grant was expected to be complete by 2016 end but will close in 2017.
 - RREO Grant: The initial contractor estimates were higher than the lowest qualified bidder and COG staff was able to do more with matching funds from the DoLA 9038 Shared Services Grant resulting in less use of RREO grant funds. COG staff is currently working with RREO grantor personnel to adjust the RREO grant budget accordingly as a grant extension is not possible.

All designated funds went to projects expected to move the SWCCOG forward in accomplishing the approved focus goals in the areas of broadband, transportation, shared services, and recycling.

Funds were collected from members and outside agencies for grant-funded projects including the DoLA 7645 IT/Shared Services Grant and DoLA 8010 Broadband Planning Grant.

The SWCCOG's budget supported 2 full-time staff, one part-time staff, one AmeriCorps VISTA, and 9 contractors.

Attached include the following:

- Revenues Summary: General Fund, with 3 Year's Comparison
 - Please note that 2014 and the first quarter of 2015 included the finalization of the SCAN grant.
- Expenditures Summary: General Fund, with 3 Year's Comparison
- Fund Balance Summary for FY2016

Revenues Summary: General Fund

	2014 Actual (AUDITED)	2015 Actual (AUDITED)	2016 Approved	2016 Actual (UNAUDITED)
3500 · WLC Revenue	\$ -	\$ 3,964.00	\$ -	\$ -
3501 · Admin Position	\$ -	\$ -	\$ 12,200.00	\$ 12,347.00
3502 · Restricted Account Grant Match	\$ -	\$ -	\$ -	\$ -
4001 · Fiber Equipment Replace Fund	\$ -	\$ -	\$ 15,000.00	
4004 · SWIMT Rev	\$ 42,143.00	\$ 551.00	\$ -	\$ -
4005 · E-tics	\$ 7,530.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00
4006 · Dues Revenue	\$ 118,712.00	\$ 114,712.00	\$ 114,000.00	\$ 115,363.00
4008 · Telecom Services Revenue	\$ 12,420.00	\$ 8,280.00	\$ 8,280.00	\$ 8,280.00
4009 · Fiber Lease Revenue	\$ 2,182.00	\$ 17,275.00	\$ 20,560.00	\$ 20,256.00
4010 · Grant-DoLA Admin	\$ 53,938.00	\$ -	\$ -	\$ -
4011 · AAA Revenue	\$ -	\$ 2,698.00	\$ 4,500.00	\$ 3,376.00
4012 · TPR Dues revenue	\$ -	\$ 7,679.00	\$ 7,679.00	\$ 7,679.00
4020 · Grant DoLA-Construction	\$ 287,821.00	\$ -	\$ -	\$ -
4030 · TPR - CDOT Funding	\$ 10,267.00	\$ 20,366.00	\$ 21,100.00	\$ 21,293.00
4040 · Grant-Transit	\$ 7,847.00	\$ 24,800.00	\$ 20,000.00	\$ 19,999.00
4041 · All Hazards Grant	\$ 170,751.00	\$ 218,050.00	\$ 203,803.00	\$ 98,704.00
4042 · Grant-Fort Lyons	\$ 8,830.00	\$ -	\$ -	\$ -
4043 · DoLA Grants	\$ -	\$ 68,351.00	\$ 350,000.00	\$ 200,825.00
4950 · Match-GOV Admin	\$ 27,748.00	\$ 20,977.00	\$ -	\$ -
4951 · Match-GOV Construction	\$ 108.00	\$ -	\$ -	\$ -
4952 · Region 9-Matching Funds	\$ 2,035.00	\$ -	\$ -	\$ -
4955 · In Kind Project match-Construc	\$ 95,399.00	\$ -	\$ -	\$ -
4956 · In Kind Project match-Admin	\$ 1,847.00	\$ -	\$ -	\$ -
4957 · RREO Grant	\$ 28,008.00	\$ 21,204.00	\$ 36,200.00	\$ 6,756.00
Grant Match:COG Member Match	\$ -	\$ -	\$ -	\$ 6,836.00
Grant Match:Non-COG Member Match	\$ -	\$ -	\$ -	\$ 12,223.00
Misc. Income	\$ -	\$ 29.00	\$ -	\$ 13,499.00
Adjustment	\$ -	\$ (1,684.00)	\$ -	\$ -
TOTAL REVENUES	\$ 877,586.00	\$ 535,652.00	\$ 821,722.00	\$ 555,836.00

Expenditures Summary: General Fund

	2014 Actual (AUDITED)	2015 Actual (AUDITED)	2016 Approved	2016 Actual (UNAUDITED)
5009 · Bookkeeper	\$ 65.00	\$ 425.00	\$ 150.00	\$ -
5200 · All Hazard Project	\$ 159,820.00	\$ 211,155.00	\$ 194,607.00	\$ 83,314.00
5401 · Software Maintenance (E-Tic)	\$ 7,700.00	\$ 9,100.00	\$ 8,400.00	\$ 10,292.00
5403 · Fiber Leasing Expe.	\$ 9,405.00	\$ 13,046.00	\$ 15,420.00	\$ 12,660.00
5410 · Rent	\$ 40.00	\$ 83.00	\$ 81.00	\$ 87.00
5500 · Transfer of Net Assets	\$ -	\$ 20,976.00	\$ -	\$ -
5505 · Bank Fees	\$ 6.00	\$ 326.00	\$ 100.00	\$ 73.00
5510 · Travel Exp	\$ 11,321.00	\$ 20,147.00	\$ 17,000.00	\$ 16,245.00
5512 · Meeting Exp	\$ 2,449.00	\$ 5,290.00	\$ 2,325.00	\$ 2,738.00
5514 · Professional Fees.	\$ 80.00	\$ 407.00	\$ 50.00	\$ -
5515 · Legal Fees	\$ 8,441.00	\$ 3,561.00	\$ 3,000.00	\$ 5,248.00
5517 · Data Back Up Exp	\$ -	\$ 750.00	\$ 750.00	\$ -
5520 · Advertising	\$ 125.00	\$ 466.00	\$ 400.00	\$ 420.00
5521 · Telephone/Website/Internet	\$ 3,269.00	\$ 2,910.00	\$ 384.00	\$ 386.00
5523 · Payroll Processing Fees	\$ 1,374.00	\$ 1,499.00	\$ 1,550.00	\$ 1,569.00
5525 · Audit	\$ 7,500.00	\$ 6,250.00	\$ 6,438.00	\$ 6,500.00
5526 · Internet Connectivity (100 Mb)	\$ 14,733.00	\$ 10,800.00	\$ 10,800.00	\$ 10,800.00
5527 · Internet & software	\$ 5.00	\$ 917.00	\$ 2,061.00	\$ 13,262.00
5530 · Fiber Equipment Replace Fund	\$ -	\$ -	\$ 15,000.00	\$ -
5532 · Postage	\$ 170.00	\$ 134.00	\$ 125.00	\$ 65.00
5535 · Printing/Reproduction	\$ 121.00	\$ 1,004.00	\$ 200.00	\$ 1,330.00
5540 · Membership/Sub	\$ 625.00	\$ 825.00	\$ 2,300.00	\$ 17,254.00
5545 · Office Equipment/Computers	\$ (2,388.00)	\$ 10,708.00	\$ 2,000.00	\$ 3,971.00
5546 · Equipment Expense	\$ -	\$ -	\$ 20,000.00	\$ -
5550 · Supplies	\$ 3,334.00	\$ 3,450.00	\$ 1,300.00	\$ 741.00
5555 · Liability Insurance	\$ 2,212.00	\$ 2,083.00	\$ 2,102.00	\$ 2,213.00
5558 · Insurance- Health	\$ 8,546.00	\$ 28,337.00	\$ 25,516.00	\$ 19,922.00
5566 · SWIMT Contract Reimb Exp	\$ 38,813.00	\$ -	\$ -	\$ -
5570 · Car Allowance/Mileage	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00
5570 · Housing Allowance	\$ -	\$ 3,218.00	\$ -	\$ 2,700.00
5585 · Payroll Tax Expense	\$ 4,388.00	\$ 9,291.00	\$ 12,956.00	\$ 11,012.00
5586 · Retirement Expense	\$ -	\$ 3,250.00	\$ 3,487.00	\$ 3,515.00
5580 · Salary & Wages - Other	\$ 80,684.00	\$ 120,927.00	\$ 151,541.00	\$ 139,495.00
5587 · Worker's Compensation	\$ 1,450.00	\$ 1,597.00	\$ 1,674.00	\$ 1,674.00
5591 · COG Member Grant Match	\$ -	\$ -	\$ 6,000.00	\$ -
5636 · Admin Project Expense	\$ 5,542.00	\$ -	\$ -	\$ -
5637 · SCAN GM	\$ 5,359.00	\$ -	\$ -	\$ -
5638 · Region 9 EDD	\$ 10,440.00	\$ -	\$ -	\$ -
5639 · Infor Services-Project Mgmt	\$ 4,940.00	\$ -	\$ -	\$ -
5640 · Consulting	\$ 14,867.00	\$ 34,024.00	\$ 271,000.00	\$ 172,053.00
5638 · Regional Project Mgmt	\$ 7,477.00	\$ -	\$ -	\$ -
5642 · Project Engineering & Mgmt	\$ 2,164.00	\$ -	\$ -	\$ -
5643 · Transit	\$ 7,850.00	\$ 2,000.00	\$ -	\$ -
5644 · AmeriCorps Member	\$ -	\$ 8,000.00	\$ 11,700.00	\$ 8,000.00
5645 · Project Construction	\$ 286,198.00	\$ -	\$ -	\$ -
5647 · FLC Interns	\$ 5,500.00	\$ -	\$ -	\$ -
5650 · Conference/Seminars/Training	\$ 225.00	\$ -	\$ -	\$ -
5660 · Contract Services	\$ 22,752.00	\$ -	\$ -	\$ -
5955 · In Kind Project Expense-Constru	\$ 95,399.00	\$ -	\$ -	\$ -
5956 · In Kind Project Exp-Admin	\$ 1,847.00	\$ -	\$ -	\$ -
5961 · Employee/Board Appreciation	\$ -	\$ 414.00	\$ -	\$ 361.00
Insurance Expense-H.S.A.	\$ -	\$ -	\$ -	\$ 4,000.00
Match Refund	\$ -	\$ -	\$ -	\$ 1,634.00
Professional Development	\$ -	\$ -	\$ -	\$ 430.00
Salary and Wages:Cell Phone Allowance	\$ -	\$ -	\$ 1,560.00	\$ 2,665.00
Team Building	\$ -	\$ -	\$ -	\$ 320.00
TOTAL EXPENDITURES	\$ 838,448.00	\$ 540,970.00	\$ 795,577.00	\$ 560,549.00

Fund Balance: General Fund

Fund Balance Information	
General Fund – FY2016	
Beginning Fund Balance ^a	\$90,500
Ending Fund Balance ^e	\$85,787
Operating Costs	\$216,895
Reserve Requirement	\$72,298

Notes:

SWCCOG Fund Balance Policy states:

It is the goal of the SWCCOG to maintain an unassigned fund balance equal to four months of operating expenditures.

^a indicates audited information

^e indicates unaudited information

Fund Balance = Assets minus liabilities