



# SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

## Regular Meeting Agenda

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

1188 E 2<sup>nd</sup> Ave., Durango CO

- I. Introductions
- II. Consent Agenda
  - a. 2 February 2017 SWCCOG Meeting Minutes
  - b. January 2017 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
- IV. Discussion Items
  - a. Letter of Support – Durango-La Plata County Airport Passenger Facility Charges
  - b. 2017 Budget Update
- V. Decision Items
  - a. Executive Committee Meeting Minutes
  - b. Auditor Selection
  - c. Selection of 2017 Board Treasurer
- VI. Other Items
  - a. CIRSA Liability Training for Elected and Appointed Officials (18 minute video)
- VII. Community Updates

# Consent Agenda

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

In Attendance:

John Egan – Town of Pagosa Springs  
Fred Brooks – Town of Mancos  
Mark Garcia – Town of Ignacio  
Dick White – City of Durango  
Shane Hale – City of Cortez  
Karen Sheek – City of Cortez  
Lana Hancock – Town of Dolores  
Joe Kerby – La Plata County  
Jim Ostrem – Town of Rico (via phone)  
Chis La May – Town of Bayfield (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:

Floyd Cook – Dolores County  
Steve Garchar – Dolores County  
John Whitney – Senator Bennet's Office

**I. Introductions**

The meeting was called to order by John Egan, Vice Chair, at 1:34 pm who announced he would be filling in for Chair Julie Westendorff. Everyone introduced themselves.

**II. Consent Agenda**

- a. 5 January 2017 SWCCOG Meeting Minutes
- b. December 2016 Financials

John asked for questions or updates to the consent agenda items. Dick White commented that Julie Westendorff's last name was misspelled on page 6 of the meeting minutes. Miriam said this will be corrected.

**Dick White motioned to approve the consent agenda, Karen Sheek seconded, unanimously approved.**

**III. Reports**

Director's Report

Miriam reported that there is a lot of legislation happening with both the state and federal governments. Staff has been working with the COG Legislative Committee, Ron LeBlanc, Shane Hale, and Michael Whiting. The COG has joined Club 20 specifically for broadband. The COG annual board retreat is scheduled for April 6 and will be an all-day event. John encouraged all to make retreat attendance as the meeting will present an opportunity to outline what will happen in 2017 and provide a time for members to voice their concerns and what direction the COG should be taking.

## Broadband Report

Miriam reported that the broadband plan is complete. There is a bill out to repeal the SB152 in legislation. This may not affect those who have opted out but will affect special districts. There will be a hearing February 13, 2017, 2pm, at Fort Lewis College where anyone can testify for or against this piece of legislation. Dick asked Miriam to clarify exactly what this legislation would do. Miriam said a large benefit for our region and the deployment of broadband is to put in infrastructure and lease it to private companies. A repeal of SB152 would prevent this from being possible. Karen asked if it would be beneficial for individual cities to write a letter on their stance. Miriam said yes and that she will send out the link for the remote testimony for those who would like to participate.

Miriam said 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. John Whitney said a federal tax credit as an incentive has been considered; however, making the tax code more simple and standardized would be a more feasible plan.

John Egan asked John Whitney if he could provide an update from Senator Bennet's office. Mr. Whitney said there would be a vote to repeal the methane rule that requires methane be captured to prevent compromise of the ozone and climate change. There is a national rule in place now, but if Congress were to overturn the methane rule that would mean the Executive Branch could not do a similar rule on the same topic according to statute. If Colorado were to keep this law at the state level but Utah does not, emissions blowing in from Utah could put Colorado into non-attainment/compliance. This would be the same with New Mexico, if there is no national rule that applies, emission from New Mexico could make Colorado non-compliant. Mr. Whitney said the methane rule is a good rule and there is a new industry being created to capture leaking methane. Another issue Mr. Whitney commented on was the public lands bill that will sell off public land in most counties on the western slope. Shane asked if there were any updates to healthcare. Mr. Whitney said the concern with healthcare is that if the ACA is repealed, there is no replacement plan at this time. They are waiting to see if a replacement plan is put on the table.

## Legislation Report

Miriam said a legislation summary was provided in the board packet. There is a lot happening at the federal level. HR621 has been withdrawn. Shane asked if a weekly meeting for the Legislative Committee would be appropriate, perhaps just a 30-60 minute conference call. Miriam said yes and that she will work on a day of the week for these meetings. Joe said with La Plata County's financial situation, they have cancelled their CCI (Colorado Counties Inc.) membership that communicated updates in legislation. Joe requested that the COG track and communicate legislation information to La Plata County by sending information to Joe and carbon copy Sarah Jacobson. Miriam said she will ensure legislation information is passed along and asked if it would be beneficial for someone at La Plata County to sit on the COG Legislative Committee. Joe said Susan Hakanson may be available to sit on the committee but Joe will confirm with Miriam at a later time.

## Transportation Report

Jessica said the next meeting of the SWTPR will be February 3, 2017. COG staff is working with transit providers and the marketing consultant to finish up the DoLA grant. Fixed route information has been added to Google Transit, which will roll out soon. Staff is also working on the transit 5304 funding that was awarded to do a Four Corners Regional transit plan. The scope of work should be complete shortly.

#### VISTA Report

Dennis said he is wrapping up recycling website changes as new information is consistently coming in. Staff is working with marketing to design and create downloadable brochures and pamphlets. Dennis is currently crafting a curriculum for the school education program.

#### Community Updates

Karen Sheek, City of Cortez:

- Cortez will be taking possession of the new city hall on February 17 across from the recreation center.
- Median plans and pedestrian improvements are in the works.
- There is a street and water project lining up for the year.
- The land use code is almost complete
- A meeting was held to talk about a walk/bike/hike path to Mesa Verde. The trail will be 16-26 miles long and connect the fairgrounds, community college, Phil's World, the state park, national park, and head into Mancos.
- The old high school will be demolished.

Fred Brooks, Town of Mancos:

- There has been much pushback from local horse people regarding the trail to Mesa Verde. An over build or share of the trail to accommodate equestrians is being considered.
- Mancos received a DoLA grant to construct a pedestrian crossing on highway 160; construction is to begin in 2018.

Dick White, City of Durango:

- Durango completed a land use development code 2 years ago, but this item is back on the table and may require some adjustment as it pertain to marijuana regulations.
- There was a recent public hearing about the adoption of an ordinance or ballot measure to prohibit fluoride being added to the water supply.
- City Council elections will be held April 2017 and will result in 2 new council members.

Joe Kerby, La Plata County:

- Joe reported that the county's financial situation has grown more dire over the last 6 months largely due to natural gas reduction in production and lower prices. The county does have the 2017 budget in place and are beginning the 2018 budget process. There is a \$7.2 million gap between revenues and expenses. To fill this gap open positions will remain open, the county will be taking voluntary furloughs, voluntary early retirement, and reduce services. A downsize of the budget by 10% will be felt by the community and employees. If the gap were resolved in layoffs, that would mean 90 positions and 25% of the workforce would be eliminated, which is not what the county wants to do. Sara asked what reduction in services the community would see. Joe said a reduction in sheriff deputies on the road, reduction in law enforcement response time, longer wait times at the motor vehicle office for tags, and a general reduction in services across the board.
- There is a retreat on February 23.

- The county has been working with Durango on the homelessness issues and making progress.
- The land use code update has been launched.
- The county is meeting with Durango February 14, 2017 to continue discussion about what to do with the airport terminal expansion process and governance.
- There is currently no excise tax on marijuana; this is a revenue source the county is looking into that will go to the voters.

Chris La May, Town of Bayfield:

- There was a bid opening for the bridge replacement project. The town had 7 bidders and bids came in \$350,000 less than anticipated. This project will move forward.
- The town has adopted fire and building codes.

#### **IV. Discussion Items**

##### **a. Privatization of Federal Lands**

Miriam reported that HR621 to sell federal lands previously identified as suitable for disposal and for other purposes has been pulled. HR622 would terminate law enforcement function in the BLM. Grants would pass through to local law enforcement to patrol those areas and could impact communities that may already be at law enforcement staff capacity. Miriam asked what the board would like to do with this federal legislation in regards to contacting local legislators or simply watching where this legislation goes and keeping COG members aware. John said COG members would need to leave political opinions on the wayside and consider what is best for the region and all COG members. Shane said if the COG sees federal legislation that impacts the region, the COG should be proactive and get involved. Members need to ensure their elected officials understand the COG's position. Joe asked Miriam how other COGs address federal legislation. Miriam said most other COGs do not get involved with legislation and those that do typically do only in the realm of transit or aging. A COG cannot lobby without a C6 or C4 tax designation. Mark said if this item becomes contentious with division on the board, the legislation stance should be done away with and the COG take a neutral stance; if all members are in agreement to a specific stance, a letter should be warranted. Miriam asked if the board would like to take a position or have staff monitor the bill's movement. Joe asked what the pros and cons are of this legislation. Miriam said the benefit would be local control and the con would be lack of funding. John said monitoring and receiving reports seem to be enough at this point until more is known. Chris commented that he would like to know the county sheriff's position on this issue as they are the ones who would be providing the service. Joe said he would talk to the county sheriff. Miriam said another issue is local law enforcement enforcing federal laws.

#### **V. Decision Items**

##### **a. Executive Committee Members**

Miriam reported that Julie Westendorff was appointed to the state human services board that holds meetings the same day as the COG; therefore, Julie is unable to chair the COG in 2017 unless the COG changes the monthly meeting dates. If the board chooses to keep the meeting dates the same, La Plata County Commissioner, Gwen Lachelt, is willing to step in for Julie. Miriam asked for suggestions on an Executive Committee shift for 2017. Shane suggested current vice chair and treasurer move up a position and the COG ask Gwen if she would be interested in the treasurer position. Joe said Gwen would be attending the March board meeting. Dick suggested that the nominating committee talk to Gwen in the meantime.

**Shane Hale motioned to appoint John Egan as Chairman and Chris La May as Vice Chair with the treasurer position to remain vacant until the March board meeting to solicit input, Mark Garcia seconded, unanimously approved.**

b. Executive Committee Meeting Minutes

**Chris La May motioned to approve the December 29, 2016 Executive Committee meeting minutes, John Egan seconded, unanimously approved.**

c. 2016 Final Budget Amendment

Miriam said the 2016 budget deficit ranged from \$5,000 - \$17,000 dependent upon DoLA grant funding for existing staff. DoLA recently informed Miriam of the approval for existing staff funds, which resulted in the deficit being -\$4,700. This amount will come out of the fund balance. Some of the deficit is due to the AAA contract being shorted \$1,800 and other reasons notated in the budget amendment packet. Mark asked what the fund balance is. Sara said the audited fund balance going into 2016 was \$90,500 and the unaudited fund balance closing out the 2016 budget year with the deficit is \$85,643. Shane asked how different the amendment might be from the audited financial statements. Sara said she worked diligently to ensure all journal entries were complete for year 2016 but there is always a chance that the auditor may find an adjusting entry. Sara said if the auditor gives any adjusting entries, she anticipates the change to be minimal on the 2016 budget.

**Mark Garcia motioned to approve the 2016 budget amendment, Dick White seconded, unanimously approved.**

Dick said he is not concerned about clearing up the 2016 budget deficit as the hit on the fund balance is quite minimal; however, Dick said he is concerned about moving forward in the 2017 budget and asked how much grant spill over in 2016 will affect 2017 grant backfill. Miriam said the COG is funded like a non-profit but operates like a government. This is not sustainable and a solution needs to be found going forward. The fiscal management of the COG will be a large topic at the upcoming retreat and how to make the COG a self-sustaining organization. Dick said the broadband grant consumed a lot more staff time than anticipated in 2016. Looking forward, Dick asked if staff is at capacity for 2017. Miriam said staff is at capacity with 2.5 FTE and as the board wants to do bigger things with broadband, it will become more challenging with current staff. John said broadband presents a possibility to make the COG financially sustainable. Shane asked if the board could have a meeting about next steps with broadband separate from the retreat. Miriam will work on scheduling.

**End 3:08 pm**

# January 2017 Financials

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

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Comments: The following attachments include:

- January 2017 Balance Sheet
- January 2017 Profit & Loss Budget vs. Actual

Items to Note:

- Balance Sheet: Accounts Receivable is showing a high balance of \$182,239 due mostly to beginning of year invoicing. I recently did a routine follow-up for any invoices that are 30+ days outstanding with quick response from customers that payment is on the way.
- Profit and Loss Budget vs. Actual: The negative numbers in both revenues and expenses are due to entries made in the accounting system to ensure items related to the 2016 budget are accounted for in 2016 and not 2017.

***Fiscal Impact: High, Budget changes throughout the year***

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

***Legal Review: Not Applicable***

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**Balance Sheet**

As of January 31, 2017

	<u>Jan 31, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Alpine Bank	
Alpine Bank Account (UR)	46,242.68
Total Alpine Bank	46,242.68
<b>Petty Cash</b>	
AmeriCorps VISTA	362.60
Jessica Laitsch	306.13
Petty Cash - Other	29.07
Total Petty Cash	697.80
Total Checking/Savings	46,940.48
<b>Accounts Receivable</b>	
Accounts Receivable	182,239.30
Total Accounts Receivable	182,239.30
Total Current Assets	229,179.78
<b>TOTAL ASSETS</b>	<b>229,179.78</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Credit Cards	
Miriam	-5.00
Sara	225.51
Total Credit Cards	220.51
Total Credit Cards	220.51
<b>Other Current Liabilities</b>	
Accrued Wages	5,550.96
Total Other Current Liabilities	5,550.96
Total Current Liabilities	5,771.47
Total Liabilities	5,771.47
<b>Equity</b>	
Retained Earnings	85,788.33
Net Income	137,619.98
Total Equity	223,408.31
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>229,179.78</b>

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

02/14/17

Accrual Basis

	Jan 17	Budget
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>All Hazards</b>		
2015 SHSP	12,656.00	75,000.00
2016 SHSP	43,821.61	134,283.00
2017 SHSP	0.00	100,000.00
<b>Total All Hazards</b>	56,477.61	309,283.00
<b>Broadband Infrastructure Grant</b>	0.00	1,100,000.00
<b>CDOT Grants</b>		
SWTPR Grant	0.00	22,100.00
Transit Coord Grant	0.00	24,239.00
Transit LCC Grant	0.00	0.00
<b>Total CDOT Grants</b>	0.00	46,339.00
<b>DoLA Grants</b>		
DoLA 8011	6,406.85	100,000.00
DoLA 8330	0.00	50,000.00
DoLA 9038	-13,075.25	25,000.00
<b>Total DoLA Grants</b>	-6,668.40	175,000.00
<b>Dues Revenue</b>		
Admin Position	0.00	12,200.00
COG Dues	126,200.00	114,000.00
SWTPR Contributions	7,607.00	7,679.00
<b>Total Dues Revenue</b>	133,807.00	133,879.00
<b>EPA Grant - 2017</b>	0.00	50,000.00
<b>Grant Match</b>		
COG Member Match	15,000.00	10,000.00
<b>Total Grant Match</b>	15,000.00	10,000.00
<b>Misc. Income</b>	2,500.00	
<b>RREO Grant</b>		
RREO 2016-2017	-176.81	17,459.00
<b>Total RREO Grant</b>	-176.81	17,459.00
<b>SCAN Services</b>		
Dark Fiber Leasing	9,969.00	36,276.00
e-TICS	0.00	8,400.00
Fiber Equipment Repair Fund	9,740.00	
Internet & Transport	0.00	10,000.00
<b>Total SCAN Services</b>	19,709.00	54,676.00
<b>Total Income</b>	220,648.40	1,896,636.00
<b>Gross Profit</b>	220,648.40	1,896,636.00
<b>Expense</b>		
<b>Advertising and Promotion</b>	78.72	600.00
<b>All Hazards Projects</b>		
<b>All Hazards 2015 SHSP</b>		
Grant 2015 Project 1	-339.89	
Grant 2015 Project 3	12,656.00	
All Hazards 2015 SHSP - Other	0.00	75,000.00
<b>Total All Hazards 2015 SHSP</b>	12,316.11	75,000.00
<b>All Hazards 2016 SHSP</b>		
Grant 2016 Project 2	6,317.50	
Grant 2016 Project 6	23,879.11	
All Hazards 2016 SHSP - Other	0.00	127,569.00
<b>Total All Hazards 2016 SHSP</b>	30,196.61	127,569.00

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

02/14/17

Accrual Basis

	Jan 17	Budget
All Hazards 2017 SHSP	0.00	92,320.00
<b>Total All Hazards Projects</b>	<b>42,512.72</b>	<b>294,889.00</b>
AmeriCorp VISTA	0.00	8,000.00
Bank Service Charge	0.00	225.00
Broadband Expenses		
SCAN Dark Fiber Lease	0.00	9,069.00
<b>Total Broadband Expenses</b>	<b>0.00</b>	<b>9,069.00</b>
Consulting	0.00	1,248,035.00
Employee/Board Appreciation	24.92	200.00
Information Technology (IT)		
Software	0.00	2,300.00
<b>Total Information Technology (IT)</b>	<b>0.00</b>	<b>2,300.00</b>
Insurance Expense		
General Liability	2,203.75	2,274.00
Health	2,184.50	35,649.00
HSA	0.00	6,000.00
Worker's Compensation	1,668.00	1,808.00
<b>Total Insurance Expense</b>	<b>6,056.25</b>	<b>45,731.00</b>
Internet Connectivity		
Fast Track	900.00	10,000.00
Internet Connection (AT&T)	32.17	
<b>Total Internet Connectivity</b>	<b>932.17</b>	<b>10,000.00</b>
Meetings	0.00	7,000.00
Memberships	3,600.00	3,200.00
Office Equipment	0.00	4,050.00
Office Supplies	142.35	1,500.00
Postage and Delivery	4.44	100.00
Professional Development	0.00	4,000.00
Professional Fees		
Accounting Software	0.00	14,000.00
Audit	0.00	15,000.00
Legal	446.40	3,000.00
Misc.	31.41	1,000.00
<b>Total Professional Fees</b>	<b>477.81</b>	<b>33,000.00</b>
Rent	0.00	81.00
Salary and Wages		
457 Retirement	391.24	8,161.00
Car Allowance	300.00	3,600.00
Cell Phone Allowance	650.00	3,120.00
Housing Allowance	0.00	3,250.00
Payroll Processing Fee	195.57	1,600.00
Payroll Tax	909.24	13,955.00
Salary and Wages - Other	10,861.01	163,219.00
<b>Total Salary and Wages</b>	<b>13,307.06</b>	<b>196,905.00</b>
Software Maintenance e-TICS	15,162.00	8,400.00
Team Building	0.00	800.00
Travel	730.07	16,620.00
<b>Total Expense</b>	<b>83,028.51</b>	<b>1,894,705.00</b>
<b>Net Ordinary Income</b>	<b>137,619.89</b>	<b>1,931.00</b>

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

	Jan 17	Budget
<b>Other Income/Expense</b>		
<b>Other Income</b>		
Interest Earned	0.09	
<b>Total Other Income</b>	0.09	
<b>Net Other Income</b>	0.09	0.00
<b>Net Income</b>	<b>137,619.98</b>	<b>1,931.00</b>

# Reports

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# Director's Report

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

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Comments: February was meetings meetings meetings! I think we got a lot accomplished in spite of (what feels like) constant meeting and emails. I am looking forward to the Broadband meeting next week so we can get cracking on broadband development; planning for planning's sake does not sit well with me, I want to take our plan into implementation and move the ball forward for broadband.

## **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. Also, if it has been approved, please send a copy so we can fully execute the contract.

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

## **Community Visits**

In an effort to better engage and serve the SWCCOG jurisdictions I will be making a concerted effort to visit the membership throughout the year. Ideally this will inform the SWCCOG goals by creating a more holistic understanding of the Region's needs and how they fit together. This will also help inform the SWCCOG's resource and advocacy for the Region. Further, I will be holding office hours in Cortez at least once a month, thanks to Cortez making space available in their new City Hall. Finally, I met with the following jurisdictions this last month:

- City of Cortez
- Dolores County
- Town of Dolores
- La Plata County

## **RHA Update**

Karen Iverson (RHA Executive Director) and I will be getting together this week to work through the first draft of an agreement between the SWCCOG and The

# Director's Report

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Regional Housing Alliance of La Plata County. Ideally we'll have a final draft at the April Board Meeting.

## **SWCCOG Retreat**

A quick reminder that the annual SWCCOG Board Retreat will be Thursday, April 6<sup>th</sup> 9-4pm. I will send out a reminder email as well this week. Participation is very important at this retreat, as the direction and future of the SWCCOG are pivotal this year.

## **PTO**

I will be taking a few days off to visit my family and celebrate my Grandmother's 88<sup>th</sup> birthday at the end of March.

# Broadband Report

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

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Comments: As a reminder there will be a meeting on Tuesday, March 7<sup>th</sup> at 2pm to discuss, make decisions, and give direction to staff for the next phase of broadband. The meeting packet will come out on Friday, March 3<sup>rd</sup>. Items to be discussed and decided upon are (in no specific order):

- Aggregation of connectivity and approval of contracts
- NEOConnect Contract for 2017
- Tax Status of SWCCOG for broadband infrastructure development
- Revolving Infrastructure Fund
- Broadband Committee



**Broadband Planning Presentation and Discussion**  
**January 20, 2017**  
**La Plata County Administration Building, 1101 E. Second Ave, Durango, CO**

In attendance:

Ron LeBlanc – City of Durango  
Dick White – City of Durango  
Julie Westendorff – La Plata County  
Shane Hale – City of Cortez  
Chris La May – Town of Bayfield  
Willy Tookey – San Juan County (phone)  
Andrea Phillips – Town of Mancos (phone)  
Michael Whiting – La Plata County (phone)  
John Egan – Town of Pagosa Springs (phone)  
Greg Schulte – Town of Pagosa Springs (phone)  
Mark Garcia – Town of Ignacio (phone)  
Lana Hancock – Town of Dolores (phone)  
Jim Ostrem – Town of Rico (phone)  
Fred Brooks – Town of Mancos (phone)  
Heather Alvarez – Town of Mancos (phone)

Others in attendance:

Phillip Pappas – Town of Bayfield  
Rick Smith – City of Cortez  
Charlie Powell – City of Durango  
Kelly Hebbard – Fast Track Communications  
Wesley White – OBJ Group  
Mike Sawyer – La Plata County  
Ann McCoy Harold – Sen. Corey Gardner’s Office  
Darlene Marcus – Congressman Tipton’s Office  
Gwen Lachelt – La Plata County  
John Whitney – Sen. Michael Bennet’s Office  
Roger Zalneraitis – La Plata Economic Development Alliance  
Ken Charles – DOLA  
Dave Bygel – La Plata County  
Koert Council – Kosh Solutions  
Ryan Furce – Kosh Solutions  
Jason Cox – Pagosa Springs Community Development Corporation  
Jeff Gavliniski – Pagosa Springs Community Development Corporation  
Michelle Haynes – Region 10 League for Economic Assistance & Planning (phone)  
Beth Smith – Town of Rico (phone)

The meeting began at 1:05pm

This is a presentation of the SWCCOG Regional Broadband Plan. The presenter is Diane Kruse from NeoConnect, the consultant that developed the broadband plan.

Julie welcomed everyone to the meeting. She highlighted the origin of the funding for this project and mentioned some of the key contributors.

Everyone introduced themselves, and a roll call was taken.

The presentation began with Diane explaining the goals of the plan. The primary objective was to put together a short term plan that would allow for the SCAN network to be financially feasible. The goal is to establish a self-sustaining revenue model that would enable communities to be involved without having to contribute financially every year. The secondary objective was to develop a potential long term plan to improve broadband services throughout the region. This broadband plan presents several options to accomplish those objectives.

Next, there was a short explanation about the SCAN (Southwest Colorado Access Network); which is the proposed fiber-optic infrastructure that will be owned by the SWCCOG after the completion of this project.

Diane resumed the presentation by highlighting other outcomes from the development of the broadband plan. NeoConnect spent time identifying existing assets in the region, and this includes what municipalities, counties, and private service providers each own. This allowed them to identify potential partners in the development of SCAN. NeoConnect also came up with several strategies and cost estimates for implementing those strategies.

NeoConnect also completed a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis of the SCAN Network. Some strengths of the current network are existing connections and infrastructure, as well as the individual expansions of the network that communities have already completed. Some weaknesses of the existing network are the high prices, lack of reliable connection in many communities, and the lack of profitability in existing markets. Opportunities within the existing network include reducing costs by better aggregation strategies, working with service providers and collaborating to solve regional broadband challenges. Diane concluded the SWOT analysis by saying that the only threat is a lack of action.

During this portion of the presentation, there was a question about the difference between dark fiber and lit fiber. Dark fiber is existing fiber infrastructure that doesn't have equipment on both ends. Lit fiber is fiber infrastructure that has equipment on both ends.

Diane added that there are several grant opportunities and ways to leverage grant funds into the development of the SCAN network.

Diane then transitioned to her recommendations for short term strategies. One recommendation is to increase pricing for dark fiber leases. This improves SCAN's revenues and improves the sustainability of the model. There was a question about who would be impacted by the increased price, and the answer was that the current dark fiber leases are a "steal" of a deal for the ISPs and the ISPs would have to pay more to continue leasing the fiber.

The presentation continued with an explanation of another short-term option. This option is to acquire an IRU (Indefeasible Right of Use) between Cortez and Durango. Right now, there is a data center in both Cortez and Durango and the original plan was to connect those two. By acquiring an IRU, Durango

and Cortez could increase connectivity between the two regions and create a redundant data center with unlimited capacity for backing up, gathering and sharing data.

There was then a question about who would acquire the IRU, and the answer was the SWCCOG. Diane then clarified that this whole plan is presented as actions the SWCCOG could take. She continued to highlight that these proposed short-term options would immediately benefit the SWCCOG and the communities involved. It would cut costs for Community Anchor Institutions (CAI) and generate revenue for the SCAN Network. Community Anchor Institutions are nonprofit organizations in communities such as library, schools, fire department and police department. Diane explained that IRU is an exclusive right of use for fiber.

There was a question about the benefit of acquiring this IRU to other communities. There is no immediate benefit to other communities but it will be a first step towards connecting all of the communities in the region. By utilizing additional dark fiber leases or IRUs, the other communities in Southwest Colorado could get connected. By following these strategies, and increasing connections between communities, the SCAN Network will continue to generate revenue leading to a sustainable SCAN Network.

There was a reference to CDOT's plans to build fiber from Durango to Mancos to Cortez, and a question whether it is worth spending money on an IRU. The benefits of an IRU are that it increases broadband connectivity and bandwidth while also giving local governments control of the rights to use the fiber. Working closely with CDOT during this process could help minimize the capital costs.

There was then a question about CDOT's long term plan for broadband in the region. CDOT deploys sensory equipment along highways to monitor road conditions, their vehicles locations etc. As a result, they are trying to install fiber along the highways to connect their sensors and develop other technologies for road safety.

There was then a discussion about the upcoming federal infrastructure bill. During this discussion, staffers for the local federal elected officials stated that they are working to include broadband infrastructure in that bill.

There was a question about the ability to have CAIs help fund this project; this is possible because CAIs will benefit from this project, but there is not a lot of evidence of CAIs contributing to similar projects in the past. The benefit of approaching CAIs is that they all have their own grant funding sources that could be used for this project. Currently, similar projects around the state are asking their CAIs to contribute, and the CAIs are receptive to the idea.

The conversation then shifted back to the concerns of relying on a federal infrastructure bill, especially when a lot of that funding perpetuates a corporate welfare system that doesn't benefit small communities and companies. Municipalities, counties, and smaller internet providers will need to be eligible for federal funds. Collaboration between communities, ISPs, CAIs, non-profits and grant funders will be crucial to the success of the SCAN Network.

There was a question about how wireless internet will be developed in the community. ISPs have been consulted about how the SCAN Network can be developed to improve wireless connectivity in the communities, and that is going to be a focus of the SCAN Network.

There was a question about how local communities should proceed to develop broadband infrastructure in their community. The SCAN Network will be a middle mile project, and communities will need to determine how they want to develop last mile strategies. It is up to member communities to decide how they want to do the last mile piece, but there are companies that want to do public-private partnerships to complete last mile infrastructure. Counties will not have much interest in last mile infrastructure, but municipalities will want to develop their own last mile strategies. The broadband plan does reference some existing strategies for last mile development.

There was some doubt expressed about the economic feasibility of last mile development. NeoConnect has run financial models of fiber to the premise projects in small rural towns, and the models show that last mile development is financially feasible, but large ISPs tend to focus their efforts on larger markets. Some concern was expressed with the long-term outcomes of the open access and public-private partnership models. NeoConnect has examined similar broadband development projects, and has developed “best practices” that will help the project succeed in Southwest Colorado.

There are several opportunities to develop shared services amongst the 310 CAIs in the region. By creating this robust network, there are opportunities for communities to save money by sharing IT support, help desks, GIS functions, data centers and storage etc.

There was a question about Ignacio not being included in the existing CDOT priority map. The Bayfield to Ignacio corridor is not on CDOT’s priority list, but it is included in the SWCCOG’s broadband plan. There are other opportunities to leverage rural health care facilities like the clinic in Ignacio to acquire rural health funding for this project.

The presentation then transitioned into the next steps for 2017. The next steps are dependent on financing, and the most important next step is establishing financial sustainability for the SCAN Network. The most logical next step is to connect Cortez and Durango, and provide lit fiber services to the CAIs in those two communities. In addition the SWCCOG needs to start working with CDOT, DOLA and other funding sources to start generating funding for the expansion of the SCAN Network.

Cortez’s CAIs are already on the city’s network and they may not want to shift to a different network. Durango already has existing shared services and questions whether certain communities would even benefit from the aggregation of shared services in the region. Durango doesn’t need any help with shared services because Durango already has an online help desk, video arraignment, and other potential shared services. It was pointed out that while Durango already has a lot of those technologies developed, sharing those services with other communities will reduce the overall cost of those services for Durango.

The SCAN Network will go over Wolf Creek Pass, and it will create a redundancy in broadband for the region. There is also a path of redundancy to Grand Junction in the SCAN Network.

There was a question about the possibility of incentivizing investment by ISPs in smaller communities, and those are questions that individual communities and the SWCCOG will have to answer as this project continues to develop.

The SWCCOG board members were asked how they wanted to proceed. The most immediate concern for the SWCCOG is establishing financial stability. The second largest concern is ensuring each community benefits from this project.

There was a question about the success of similar projects around the state. However, this is the first project involving a public-private partnership on the western slope. There was then an explanation about how to acquire rural health grants, as well as the preliminary cost estimates for the SCAN Network.

Next, there was a discussion about strategies for developing last mile infrastructure in rural communities. This plan proposes working with CDOT on this project. CDOT would agree to fund a significant portion along with the grant funds acquired. The idea is to build out middle mile infrastructure without relying on each community to contribute significant funds. As a result, there will be a significant benefit for each community without a lot of financial investment. By leveraging as much grant money as possible, this could be accomplished.

There was a second roll call for people that arrived late to the meeting.

There was then a brief discussion about things to consider for the next broadband planning meeting.

The meeting ended at 2:57

# Legislative Update

To: SWCCOG Board of Directors

From: Jessica Laitsch

Date: 2 March 2017

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

## SWCCOG 2017 Legislative Summary - State

Bill No	Short Title	Subject	Summary	Sponsors	Recent Action	Action Date	Position	Staff Comments
HB 17-1031	<a href="#">Hearings On Transportation Commission Districts</a>	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, CCI supports
HB 17-1152	<a href="#">Federal Mineral Lease District Investment Authority</a>	Government Finance	Authority of a federal mineral lease district to manage a portion of the direct distribution of money from the local government mineral impact fund to counties for the benefit of impacted areas	Bush, Willett	Scheduled House Floor	22-Feb-2017	Monitor	CCI and Club 20 support
HB 17-1171	<a href="#">New Transportation Revenue Anticipation Notes</a>	Transportation	Submit ballot question for November 2017 statewide election to authorize the state to issue additional transportation revenue anticipation notes for the purpose of addressing critical priority transportation needs	Carver, Buck	Scheduled Hearing State, Veterans, & Military Affairs	29-Mar-2017	Monitor	

## SWCCOG 2017 Legislative Summary - State

HB 17-1174	<a href="#">Exempt Rural Telecommunications Local Improvement District Requirements</a>	Broadband	<p>Exception for rural counties from the requirement that a county must first contract with a telecommunications service provider before establishing a local improvement district to fund the construction of a telecommunications service improvement</p>	Wilson	<p>Scheduled Hearing Business Affairs and Labor</p>	23-Feb-2017	Monitor	CCI supports
HB 17-1193	<a href="#">Small Cell Facilities Permitting And Installation</a>	Broadband	<p>Concerning the installation of small wireless service infrastructure within a local government's jurisdiction, and clarifying that an expedited permitting process applies to small cell facilities and small cell networks and that the rights-of-way access afforded telecommunications providers extends to broadband providers and to small cell facilities and small cell networks</p>	<p>Kraft-Tharp, Becker, Kerr, Tate</p>	<p>Assigned to Business Affairs and Labor</p>	21-Feb-2017	Monitor	



## SWCCOG 2017 Legislative Summary - State

HB 17-1203	<a href="#">Local Government Special Sales Tax On Retail Marijuana</a>	Government Finance	Concerning the authority of certain local governments to levy a special sales tax on retail marijuana in certain circumstances subject to voter approval by the eligible electors of the local government	Lebsock	Scheduled Hearing Local Government	1-Mar-2017	Monitor	
SB 17-027	<a href="#">Increase Penalty Texting While Driving</a>	Transportation	Increase in the penalty for text messaging while operating a motor vehicle	Court, Melton	Refer unamended to Committee on Appropriations	16-Feb-2017	Monitor	
SB 17-040	<a href="#">Public Access to Gov't Files</a>	Government	Concerning public access to files maintained by governmental bodies	Kefalas, Pabon	Assigned to State, Veterans, & Military Affairs	11-Jan-2017	Monitor	CCI and Club 20 oppose
SB 17-057	<a href="#">Healthcare Affordability &amp; Sustainability Enterprise</a>	Healthcare	Concerning the creation of an enterprise that is exempt from the requirements of section 20 of article X of the state constitution and related statutory provisions to administer a fee-based healthcare affordability and sustainability program for hospitals	Guzman	Assigned to Finance	13-Jan-2017	Monitor	

## SWCCOG 2017 Legislative Summary - State

SB 17-171	<a href="#">Supplemental Appropriations Dept Transportation</a>	Government Finance	Concerning a supplemental appropriation to the department of transportation	Lambert, Hamner	Passed House and Senate	16-Feb-2017	Monitor	
HB 17-1124	<a href="#">Local Government Liabile Fracking Ban</a>	Natural Resources	Requirement that a local government that interferes with oil and gas operations compensate persons damaged by the interference	Buck, Neville	Postpone Indefinitely	22-Feb-2017	Failed	CML opposes
SJM 17-001	<a href="#">Congress Fund Wildfire Response</a>	Natural Resources	Concerning the need for Congress to fund catastrophic wildfire response costs outside of federal forest management agencies' normal budgets	Merrifield, Jones, Thurlow, Hamner	Signed	14-Feb-2017	Passed	

## SWCCOG 2017 Legislative Summary - State

SB 17-022	<a href="#">Rural Economic Advancement Of Colorado Towns</a>	Economic Development	Concerning the coordination of economic assistance for rural communities experiencing certain significant economic events, authorizing the department of local affairs to coordinate nonmonetary assistance and award grant money to assist rural communities with job creation or retention.	Donovan	Postpone Indefinitely	14-Feb-2017	Failed	
SB 17-042	<a href="#">Repeal Local Government Internet Service Voter Approval</a>	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	Failed	
SB 17-079	<a href="#">Limit Amendments To Initiated Statutory Laws</a>	Government	Concerning the general assembly's intent to limit amendments to initiated statutory laws	Court	Postpone Indefinitely	1-Feb-2017	Failed	
SB 17-081	<a href="#">Rural Broadband Deployment</a>	Broadband	Use of high cost support mechanism funds for rural broadband deployment	Donovan, Becker, Arndt	Postpone Indefinitely	22-Feb-2017	Failed	CCI supports

## SWCCOG 2017 Legislative Summary - Federal

Bill No	Short Title	Summary	Sponsors	Recent Action	Action Date	Position	Staff Comments
HR 622	<a href="#">Terminate law enforcement functions of FS and BLM</a>	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 Subcommittees, Referred to the Committee on Natural Resources and the Committee on Agriculture	13-Feb-2017	Monitor	
HJ Res 46	<a href="#">Congressional disapproval of National Park Service rule relating to Non-Federal Oil and Gas Rights</a>	Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the final rule of the National Park Service relating to "General Provisions and Non-Federal Oil and Gas Rights".	Gosar, Biggs, Black, Radewagen, Newhouse, Gohmert, Cramer	Referred to the House Committee on Natural Resources	30-Jan-2017	Monitor	
HR 861	<a href="#">Eliminate the EPA</a>	To terminate the Environmental Protection Agency	Massie, Palazzo, Loudermilk	Referred to the Committee on Energy and Commerce, and in addition to the Committees on Agriculture, Transportation and Infrastructure, and Science, Space, and Technology	3-Feb-2017	Monitor	

## SWCCOG 2017 Legislative Summary - Federal

HR 621	<a href="#">To sell certain federal lands</a>	<p>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</p>	Chaffetz	Withdrawn	2-Feb-2017	Wthdrwn	<p>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</p>
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# Transportation Report

To: SWCCOG Board of Directors  
From: Jessica Laitsch  
Date: 23 February, 2017

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Comments: Transportation:

The SWTPR met on 2 February, 2017. Highlights of the meeting included:

- Approval of TPR by-laws
- Meeting schedule set for the first Thursday of every other month
- Approval of a change of scope for phase one of the City of Durango's Roosa Avenue TAP project
- Updates from CDOT on wildlife collision mitigation projects and the Freight Advisory Committee
- Demonstration of CDOT's Online Transportation Information System (OTIS) at <http://dtdapps.coloradodot.info/otis>

The next SWTPR meeting will be held at 9:00 a.m. Thursday, 6 April, 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 is working with CDOT and other partner organizations on the Four Corners Coordinated Transit Plan funded through FTA section 5304 funds.

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# VISTA's Report

To: SWCCOG Board of Directors  
From: VISTA  
Date: 22 February 2017

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Comments: **Recycling**

I am currently working with our marketing consultant to develop printable materials for each community. This includes a tri-fold brochure and a flyer. I am also working with teachers in the region to create the curriculum from our recycling program. I have sorted through the state education requirements, and we are developing a curriculum that fits into existing education requirements for elementary school students.

## Discussion Items

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# Airport Passenger Facility Charges

## Letter of Support

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

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Comments: The Southwest Colorado Council of Governments has been asked to take a position in support of an increase to the federal cap on local Airport Passenger Facility Charges (PFC). PFC's are a funding mechanism set by local airports, collected by airlines as a component of ticket prices, and subsequently remitted back to airports to pay for improvements like new runways and expanded terminals at airports of all sizes all around the country.

A letter to Senators Bennet and Gardner and Congressman Tipton fits in the SWCCOG's letter of support policy as follows:

- 1) The request is from one or more member of the SWCCOG
- 2) The request does have regional impact, as there are two airports in the region
- 3) This proposal supports the SWCCOG's goals related to transportation and tourism
- 4) Other considerations:
  - If the proposal succeeds, this could increase the existing funding available for the region's airports
  - There is no direct fiscal impact to the SWCCOG. There is the potential for a positive fiscal impact for multiple SWCCOG members
  - This letter supports activities being undertaken by at least two SWCCOG members



# SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

2 March, 2017

Elected Officials

Address Line 1

Address Line 1

City, State, Zip

email

Dear Elected Official,

The Southwest Colorado Council of Governments (SWCCOG) is located in the southwest corner of the state of Colorado. The mission of the SWCCOG is to provide regional leadership on behalf of governments throughout Southwest Colorado by defining regional issues, advocating for mutual goals, and administering regional programs. The region includes the counties of Archuleta, Dolores La Plata, Montezuma, and San Juan, the municipalities of the Cities of Cortez and Durango, and the Towns of Bayfield, Dolores, Dove Creek, Ignacio, Mancos, Pagosa Springs, Rico, and Silverton, as well as the two Native American Tribes of the Southern Ute and the Ute Mountain Ute. Of great concern to the region is the strength of the transportation network.

The nation's aviation infrastructure is struggling to keep pace with rising demand, and many airports around the country are outdated and overcrowded. As an example of some of the challenges facing airports, in November 2016 voters in Southwest Colorado rejected a property tax measure to support a new airport terminal for the Durango-La Plata Airport. During the public education campaign leading up to the election, many residents expressed the feeling that those who use the airport should pay for needed improvements. Increasing the federal cap on local airport Passenger Facility Charges (PFC) from \$4.50 to at least \$9.00 would address these concerns while allowing for necessary improvements to our nation's critical aviation infrastructure.

PFC's are a funding mechanism set by local airports, collected by airlines as a component of ticket prices, and subsequently remitted back to airports to pay for improvements like new runways and expanded terminals at airports of all sizes all around the country. The outdated federal cap on local PFC's hampers an airport's ability to plan for future growth and artificially limits airline competition. As rising construction costs and inflation have sent the cost of capital projects soaring, airport funding sources have not been able to keep pace. The PFC cap, last adjusted in 2000, has seen its purchasing power eroded by 50 percent, and federal airport grants have been stagnant in recent years. Eliminating the federal cap on the PFC would restore the PFC's lost purchasing power and provide airports with the ability to set their own user fees based on locally-determined needs to ensure the continued safety, security, and improvement of their facilities.

PFC's are not taxes, they are local user fees that are determined locally and used locally to re-build infrastructure, improve the passenger experience, and spur airline competition. Not one dollar of PFC revenue flows to the federal treasury. Instead, PFC's directly fund local airport projects approved by the Federal Aviation Administration with input from airlines and local communities. Addressing the federal cap on local PFC's can allow airports to immediately become more financially self-sufficient.

Considering the direct and positive impact this change could make for airport infrastructure, the Southwest Colorado Council of Governments whole-heartedly supports increasing the federal cap on local airport Passenger Facility Charges.

Sincerely,

John Egan  
Chair  
Southwest Colorado Council of Governments

# 2017 Budget Update

To: SWCCOG Board of Directors  
From: Miriam Gillow-Wiles and Sara Trujillo  
Date: 2 March 2017

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Comments: The 2017 final budget was presented and approved in August 2016. Between now and then, several changes have impacted the 2017 Budget. As a result, Staff wanted to inform the Board how these changes have impacted the budget early in year. We are not asking for an amendment at this time, as it is still early in the year, and these numbers are given to fluctuation, depending on a number of situations.

The Regional Broadband Plan - Next Steps meeting on March 7<sup>th</sup> and the April Board Retreat decisions will have an impact on the 2017 budget, including the attached documents. These meetings will be critical to the SWCCOG and our finances. As it stands today, the SWCCOG is looking at a large budget deficit. This will change based on the outcomes from the previously mentioned meetings.

SWCCOG Staff have gone through and reduced some expenditures, while leaving some at similar or the same levels from the approved budget. We did so on a case by case basis, as some line items, without fixed costs, are easier to aim for a reduction of spending, for example travel. While other line items that are fixed costs, are easier to reduce immediately, such as IT Equipment (computers and other hardware).

Attached documents include:

- Summary of the 2017 budget projection and ending deficit
  - 2017 revenues and expenditures with a 3 year comparison
  - 2017 fund balance with a 3 year comparison
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# SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

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**To:** SWCCOG Board of Directors  
**From:** Sara Trujillo, Accountant  
**Subject:** FY2017 General Fund Budget Update  
**Date:** 2 March 2017

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Please find attached the current update to the FY2017 General Fund budget and summary below.

<b>General Fund FY2017</b>	<b>Approved</b>	<b>Projection</b>
Revenues	\$1,896,636	\$641,461
Expenditures	\$1,894,705	\$667,613
<b>Net Income</b>	<b>\$1,931</b>	<b>-\$26,152</b>

FY2017 Net Income update (unaudited) is at a deficit. Contributing factors include:

## Revenues

- The DOLA Broadband Infrastructure Grant estimated at \$1.1 million and the EPA grant estimated at \$50,000 were removed from the 2017 budget as staff is unsure if these two grants are available for 2017. If an infrastructure grant does get awarded in 2017, it will not go into effect until near the end of the year. Both grants had operation costs involved, removing these two grants decreased revenues for operating costs by \$35,000.
- Stable revenues into the General Fund are comprised of SWCCOG Dues totaling \$126,200. With operating costs estimated at \$241,115, COG staff has adjusted accounts and cut spending in the projected budget attached. This gap between stable revenues and operation expenses is approximately \$115,000. Additionally, other revenues, derived from grant administration funds, member/non-member match, SWTPR Contributions, and Misc. Income (administration fees) may fluctuate throughout the year.

With a budget deficit, staff has been looking for solutions with many expenditures projected to be reduced or removed entirely from the 2017 budget. Some of these include:

- Staff requested, and was recently granted, that the next AmeriCorps VISTA expense of \$8,000 be covered under the current RREO grant.
- Significant decreases in the salary and wage accounts as well as healthcare insurance are seen because Jessica's position was assumed to be full time and with full benefits; however, 2017 did not present this opportunity.
- \$14,000 was budgeted for new accounting software; this expense was reduced and staff will continue using QuickBooks.

- \$15,000 was budgeted for audit costs in case a single audit was required; a single audit will not be required, so this expense was reduced.
- Two new computers and other computer hardware were budgeted for at \$4,050. This expense has been significantly reduced as staff opted to upgrade (RAM and harddrive) one computer versus purchasing a whole new computer, and will not purchase additional computer hardware.
- The MidState e-TICS software contract was renegotiated by Miriam and access for all members paid for through the DoLA 9038 shared services grant which allowed staff to remove this expense from the Software Maintenance e-TICS account.
- Employee/Board Appreciation and Team Building expenditures were removed.
- Staff expects the COG travel budget to be less than budgeted (TPR travel will remain the same); however, staff prefer to reduce expenses throughout the year versus reducing the budget to ensure enough funds are budgeted and not exceeded.
- SCAN is going to impact the budget greatly. Solving the connectivity issues and aggregating demand has a potential of significantly and positively affecting the 2017 budget bottom line. Decisions at the March 7, 2017 Broadband Next Steps meeting will impact the budget. If we continue to operate SCAN as is, the budget will continue to have a deficit.

Attached include the following:

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

## 2017 BUDGET UPDATE

	2015 Actual Budget (audited)	2016 Actual Budget (unaudited)	2017 Approved Budget	2017 Budget Update
<b>BEGINNING BALANCE</b>	<b>\$ 95,817.00</b>	<b>\$ 90,500.00</b>	<b>\$ 87,787.00</b>	<b>\$ 87,787.00</b>
<b>REVENUES</b>				
All Hazards	\$ 218,050.00	\$ 98,704.00	\$ 309,283.00	\$ 126,172.00
Broadband Infrastructure Grant	\$ -	\$ -	\$ 1,100,000.00	\$ -
<b>CDOT Grants</b>				
CDOT Grants:SWTPR Grant	\$ 20,366.00	\$ 21,293.00	\$ 22,100.00	\$ 22,100.00
CDOT Grants: LCC Transit Grant	\$ 24,800.00	\$ 19,999.00		
CDOT Grants:5304 Transit Planning	\$ -	\$ -	\$ 24,239.00	\$ 40,000.00
<b>DoLA Grants</b>	<b>\$ 68,351.00</b>	<b>\$ 200,825.00</b>	<b>\$ 175,000.00</b>	<b>\$ 198,694.00</b>
DoLA Grants:DoLA 8010 Broadband	\$ -	\$ -	\$ -	\$ 6,200.00
DoLA Grants:DoLA 8011 Downtown	\$ -	\$ -	\$ 100,000.00	\$ 87,238.00
DoLA Grants:DoLA 9038 Shared Services	\$ -	\$ -	\$ 25,000.00	\$ 44,911.00
DoLA Grants:DoLA 08330 2017 TA	\$ -	\$ -	\$ 50,000.00	\$ 60,345.00
<b>Dues Revenue</b>				
Dues Revenue:Admin Position	\$ -	\$ 12,347.00	\$ 12,200.00	\$ 12,200.00
Dues Revenue:COG Dues	\$ 114,712.00	\$ 115,363.00	\$ 114,000.00	\$ 114,000.00
Dues Revenue:SWTPR Dues	\$ 7,679.00	\$ 7,679.00	\$ 7,679.00	\$ 7,607.00
EPA Grant	\$ -	\$ -	\$ 50,000.00	\$ -
<b>Grant Match</b>				
Grant Match:COG Member Match	\$ -	\$ 6,836.00	\$ 10,000.00	\$ 15,000.00
Grant Match:Non-COG Member Match	\$ -	\$ 12,223.00	\$ -	\$ 20,000.00
<b>Misc Income (Administration)</b>	<b>\$ 551.00</b>	<b>\$ 13,499.00</b>	<b>\$ -</b>	<b>\$ 11,250.00</b>
<b>RREO Grant</b>				
RREO Grant:RREO 2015-2016	\$ 21,204.00	\$ 6,756.00	\$ -	\$ -
RREO Grant:RREO 2016-2017	\$ -	\$ -	\$ 17,459.00	\$ 28,162.00
<b>SCAN Services</b>				
SCAN Services:Dark Fiber Leasing	\$ 17,275.00	\$ 20,256.00	\$ 36,276.00	\$ 36,276.00
SCAN Services:e-TICS	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ -
SCAN Services:Internet & Transport	\$ 8,280.00	\$ 8,280.00	\$ 10,000.00	\$ 10,000.00
<b>AAA Revenue</b>	<b>\$ 2,698.00</b>	<b>\$ 3,376.00</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SCAN Grant</b>	<b>\$ 20,977.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>WLC Grant</b>	<b>\$ 3,964.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other</b>	<b>\$ (1,655.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL REVENUES</b>	<b>\$ 535,652.00</b>	<b>\$ 555,836.00</b>	<b>\$ 1,896,636.00</b>	<b>\$ 641,461.00</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 631,469.00</b>	<b>\$ 646,336.00</b>	<b>\$ 1,984,423.00</b>	<b>\$ 729,248.00</b>
<b>EXPENDITURES</b>				
Advertising and Promotion	\$ 466.00	\$ 420.00	\$ 600.00	\$ 240.00
All Hazards Projects	\$ 211,155.00	\$ 83,314.00	\$ 294,889.00	\$ 121,172.00
AmeriCorp VISTA	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ -
Bank Service Charge	\$ 326.00	\$ 73.00	\$ 225.00	\$ 200.00
<b>Broadband Expense</b>				
Broadband Expenses:SCAN Dark Fiber Lease	\$ 13,046.00	\$ 12,660.00	\$ 9,069.00	\$ 9,069.00
Consulting	\$ 34,024.00	\$ 172,053.00	\$ 1,248,035.00	\$ 271,632.00
Employee/Board Appreciation	\$ 414.00	\$ 361.00	\$ 200.00	\$ -
<b>Information Technology (IT)</b>				
Hardware	\$ -	\$ -	\$ -	\$ -
Internal IT Consulting	\$ -	\$ -	\$ -	\$ -
Software	\$ 1,667.00	\$ 13,262.00	\$ 2,300.00	\$ 994.00
<b>Insurance Expense</b>				
Insurance Expense:General Liability	\$ 2,083.00	\$ 2,213.00	\$ 2,274.00	\$ 2,204.00
Insurance Expense:Health	\$ 28,337.00	\$ 19,922.00	\$ 35,649.00	\$ 26,214.00

Insurance Expense:HSA	\$ -	\$ 4,000.00	\$ 6,000.00	\$ -
Insurance Expense:Worker's Compensation	\$ 1,597.00	\$ 1,674.00	\$ 1,808.00	\$ 1,668.00
<b>Internet Connectivity</b>				
Internet Connectivity:Fast Track	\$ 10,800.00	\$ 10,800.00	\$ 10,000.00	\$ 10,000.00
Internet Connectivity:Internet Connection (AT&T)	\$ 2,910.00	\$ 386.00	\$ -	\$ 386.00
Meetings	\$ 5,290.00	\$ 2,738.00	\$ 7,000.00	\$ 2,500.00
Memberships	\$ 825.00	\$ 17,254.00	\$ 3,200.00	\$ 5,975.00
Office Equipment	\$ 10,708.00	\$ 3,971.00	\$ 4,050.00	\$ 1,350.00
Office Supplies	\$ 3,450.00	\$ 741.00	\$ 1,500.00	\$ 750.00
Office Telephone	\$ -	\$ -	\$ -	\$ 240.00
Postage and Delivery	\$ 134.00	\$ 65.00	\$ 100.00	\$ 65.00
Professional Development	\$ -	\$ 430.00	\$ 4,000.00	\$ 4,000.00
<b>Professional Fees</b>				
Professional Fees:Accounting Software	\$ 425.00	\$ -	\$ 14,000.00	\$ 200.00
Professional Fees:Audit	\$ 6,250.00	\$ 6,500.00	\$ 15,000.00	\$ 6,750.00
Professional Fees:Legal	\$ 3,561.00	\$ 5,248.00	\$ 3,000.00	\$ 2,000.00
Professional Fees:Misc.	\$ 1,411.00	\$ 1,330.00	\$ 1,000.00	\$ 2,700.00
Rent	\$ 83.00	\$ 87.00	\$ 81.00	\$ 87.00
Salary and Wages	\$ 120,927.00	\$ 139,495.00	\$ 163,219.00	\$ 150,995.00
Salary and Wages:457 Retirement	\$ 3,250.00	\$ 3,515.00	\$ 8,161.00	\$ 6,657.00
Salary and Wages:Car Allowance	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00
Salary and Wages:Cell Phone Allowance	\$ -	\$ 2,665.00	\$ 3,120.00	\$ 1,755.00
Salary and Wages:Housing Allowance	\$ 3,218.00	\$ 2,700.00	\$ 3,250.00	\$ 2,700.00
Salary and Wages:Payroll Processing Fee	\$ 1,499.00	\$ 1,569.00	\$ 1,600.00	\$ 1,600.00
Salary and Wages:Payroll Tax	\$ 9,291.00	\$ 11,012.00	\$ 13,955.00	\$ 12,910.00
Software Maintenance e-TICS	\$ 9,100.00	\$ 10,292.00	\$ 8,400.00	\$ -
Team Building	\$ -	\$ 320.00	\$ 800.00	\$ -
Travel	\$ 20,147.00	\$ 16,245.00	\$ 16,620.00	\$ 17,000.00
Other	\$ 22,976.00	\$ 1,634.00	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 540,970.00</b>	<b>\$ 560,549.00</b>	<b>\$ 1,894,705.00</b>	<b>\$ 667,613.00</b>
<b>ENDING BALANCE</b>	<b>\$ 90,499.00</b>	<b>\$ 85,787.00</b>	<b>\$ 89,718.00</b>	<b>\$ 61,635.00</b>
<b>Profit/Loss</b>	<b>\$ (5,318.00)</b>	<b>\$ (4,713.00)</b>	<b>\$ 1,931.00</b>	<b>\$ (26,152.00)</b>



## Fund Balance: General Fund

Fund Balance Information	
<b>General Fund – FY2015</b>	
Beginning Fund Balance <sup>a</sup>	\$95,817
Ending Fund Balance <sup>a</sup>	\$90,500
Operating Costs	\$209,222
Reserve Requirement	\$69,741
<b>General Fund – FY2016</b>	
Beginning Fund Balance <sup>a</sup>	\$90,500
Ending Fund Balance <sup>e</sup>	\$87,787
Operating Costs	\$216,895
Reserve Requirement	\$72,298
<b>General Fund – FY2017</b>	
Beginning Fund Balance <sup>e</sup>	\$87,787
Ending Fund Balance <sup>e</sup>	\$61,635
Operating Costs	\$241,115
Reserve Requirement	**\$80,372**

### Notes:

An increase of approximately \$10,000 in operating costs between years is expected. A greater increase between 2016 and 2017 is seen mostly due to 4 accounts:

- *Professional Development*: 2016 incurred \$430 in expenses while \$4,000 is budgeted for 2017
- *457 Retirement*: This expense nearly doubled with Sara participating in 2017
- *Travel*: The travel budget was increased for 2017 with the assumption of increased grant travel
- *Salary and Wages*: Payroll increases are seen for salary, payroll tax, and processing fees

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.

<sup>a</sup> indicates audited information

<sup>e</sup> indicates unaudited information

Fund Balance = Assets minus liabilities

# Decision Items

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# SWCCOG Executive Committee Minutes

To: SWCCOG Board of Directors

From: Sara Trujillo

Date: 2 March 2017

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Comments: Executive Committee Minutes from January 19, 2017 for approval.

**Legal Review:** None

**Fiscal Impact:** None

**Staff Recommendation:** Executive Committee approve the attached minutes from January 19, 2017

**Southwest Colorado Council of Governments  
Executive Committee Meeting  
Thursday, 19 January 2017, 1:30 p.m.**

In attendance:

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

The meeting began at 1:34 p.m.

Miriam explained that there are not many discussion items. She summarized that she is looking at April to hold the board retreat, likely extending the regular board meeting to be a full day. Chris asked if this will be facilitated. Miriam replied that a facilitator will be necessary.

Miriam summarized that the budget deficit is approximately \$17,900, a major factor in this is the lack of administrative support through grants, and dues do not cover the overhead for the organization. Grants have previously supplemented this, however they no longer do. The three possible options are eliminating the organization, reducing staff, and look at other options for sustainability recognizing that increased dues are not an option. She explained that Region 9 and the COG have a number of similarities and one solution may be to create a stronger organization by combining with Region 9. She explained that this may offer opportunities for stable funding sources and she has discussed the idea with Region 9 and they are willing to continue this discussion. Chris asked if this discussion is for the next meeting or the board retreat. Julie asked if it would be worthwhile to mention this at the February meeting. Miriam replied that the implications would need to be discussed in detail at the retreat since the COG is not currently sustainable. Julie asked why the organizations weren't combined in the beginning. Chris replied that the COG was formed in order to receive the broadband planning grant. Miriam added that there was some frustration and personality conflicts that pushed the organization to become independent from Region 9. Chris replied that there was agreement that a COG could be good for the region that several members have had experience with strong COG organizations. Miriam added that the COG is 80% grant funded, and as a result ended up acting largely like a non-profit. Chris asked if this means eliminating some of the goals of the COG. Miriam replied that this would need to be addressed in the discussion. Chris added that streamlining the number of meetings was part of the intended benefit. Chris asked how much discussion she wants to have now. Miriam replied that she wants to have input and some direction before spending too much effort on this path, ultimately the discussion about what to do next needs to be held in earnest. There was discussion that grants are increasingly not including administrative support which leaves the COG with funding for projects, but not the overhead to run the projects. Miriam added that Laura is open to this, keeping in mind that the purposes of the two organizations are very different, but there are options for combining the organizations that would maintain the strengths of each, which would need to be discussed in depth. She added that developing a stronger regional organization would open up opportunities to bring on other organizations and become even more stable moving forward. Chris asked if this is the first time the discussion has happened. Miriam replied that she had spoken with Julie, and she spoke with Michael to ensure this idea is not out of line. She has been working more closely with Laura in the past year. Chris suggested that there may be other possible options. Julie suggested having a short discussion in

February simply in preparation for the discussion at the retreat, and asked what the appropriate level of discussion would be. John suggested further discussion with Region 9 to go over the potential details about what this would look like. Chris suggested developing a memo to assist the discussion. Miriam added that this would help as members think about the issue between February and April. She added that the organization ultimately should be a COG. Julie mentioned that there is lack of clarity about what a COG should look like and what benefits should be seen. There was discussion about identifying the value of COGs and the various benefits in different regions. There also needs to be discussion about what the desired benefits are as this could influence the overarching goals of the organization. John suggested setting aside specific time to discuss this and perhaps working with Laura to develop a proposal. Julie mentioned that it is important to ensure the COG members discuss what they want to get out of the organization, perhaps having the facilitator contact the members to discuss needs prior to the retreat. Chris cautioned that leaving it open-ended is risky and agreed that Miriam and Laura should try to start working on a proposal. Miriam agreed that having the facilitator engage with the members prior to the retreat may help keep the discussion better on track.

Miriam reported that Region 9 and the COG are members of the Colorado Association of Regional Organizations (CARO) and she has been serving as vice-chair. The chair used a part-time administrative assistant person to manage administration of the CARO. The chair was laid off and Miriam is now chair. This position will not be time consuming, but there will be a need for administrative help, either in-house or requesting DRCOG to take on this role. Julie asked how much revenue this would bring in. Miriam replied that the revenue would help offset the cost of a staff position, but there needs to be more discussion such as how the administration should be handled and if there should be a contract with the entity that is managing the administration. Julie replied that with the status of the COG it may be best to let DRCOG subsidize it, unless there is a profit possibility. Chris is cautious about taking on more when there is the possibility of downsizing. John asked what would be in it for us. Miriam will ask the CARO board about the possibility of the COG receiving revenue. Julie replied that she would still not be ok with this, Chris and John agreed.

Miriam reported that she is renegotiating the connectivity and transport costs with FastTrack which should help bring down connectivity costs.

The meeting ended at 2:31 p.m.

# Auditor Selection Memo

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

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Comments: The SWCCOG issued an RFP for Professional Audit Services January 2017 as it is good practice to switch auditors every 3 years, and 2016 will be the third year with the current auditors, Hinton Burdick. Three proposals were received, all of the companies to respond are from the Front Range. Staff created the attached matrix, please review.

**The Respondents:**

*Hamblin & Associates* – located in Evergreen

*Haynie and Company* – located in Littleton, with additional offices in Utah and California.

*RubinBrown* – located in Denver

**Additional Information:**

SWCCOG purchasing policy states that bids should be awarded to the lowest qualified and responsive bidder.

*Hamblin & Associates*

Previously provided auditing services to Denver Regional Council of Governments (DRCOG) giving this firm good experience and understanding of Councils of Governments' functions and structure. Hamblin & Associates currently provides services to western slope clients Town of Rico and Town of Silverton. Audit prices are capped for 2017, 2018, and 2019 at the same price.

*Haynie and Company*

Previously provided audit services to the Regional Housing Alliance of La Plata (RHA) giving them an understanding of another small local government, and is currently providing services to San Juan Basin Health (SJBH).

*RubinBrown*

Came recommended by Sidney Zink of FrederickZink and Associates CPAs. Current clients include the Colorado Municipal League (CML) and Bayfield School District.

**Legal Review:** Not applicable until contract negotiation

**Fiscal Impact:** None for 2017. Will impact 2018, 2019, and 2020 budgets.

**Staff Recommendation:** Per SWCCOG Purchasing policies, award Haynie and Company the contract for services for fiscal years 2017, 2018, and 2019.

### Professional Audit Services Proposal Comparison, FY2017, 2018, and 2019

	HintonBurdick*	Haynie & Company	Hamblin and Associates	RubinBrown
<b>Meets RFP requirements</b>	X	X	X	X
<b>Government entity audit experience</b>	X	X	X	X
<b>Current local contracts</b>	X	X	X	X
<b>Reference checks</b>	X	X	X	X
<b>No cost yearly general accounting and audit inquiries</b>	X	X	X	X
<b>Projected Hours</b>				
Regular Audit	60	43	105	120
Single Audit	N/A		105	85
<b>Price Quote, regular audit</b>				
2017 (2014*)	\$ 6,250	\$ 5,900	\$ 6,949	\$ 12,000
2018 (2015*)	\$ 6,500	\$ 6,100	\$ 6,949	\$ 12,350
2019 (2016*)	\$ 6,750	\$ 6,300	\$ 6,949	\$ 12,600
<b>Price Quote, single audit</b>				
2017	N/A		\$ 7,949	\$ 9,000
2018	N/A		\$ 7,949	\$ 9,250
2019	N/A		\$ 7,949	\$ 9,500
<b>Special Notes</b>	N/A	RHA, SJBH	DRCOG, Rico, Silverton	CML, Bayfield School District

# 2017 SWCCOG Treasurer

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

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**Comments:** At the February 2017 Board Meeting, we discussed Commissioner Westendorff's appointment to the State Human Services Board, which meets at the same time as the SWCCOG Board. During that meeting, the Board voted to move the Vice Chair and Treasurer into the Chair and Vice Chair positions, respectively. At that discussion, it was discussed that La Plata County Commissioner Gwen Lachelt, was interested in the Treasurer position. However, Commissioner Lachelt was unable to attend the SWCCOG Board Meeting. Since that meeting, I have met with Commissioner Lachelt to discuss the Executive Committee roles, Board roles and responsibilities, as well as the projects and programs of the SWCCOG. She has maintained her interest as Treasurer for 2017.

***Legal Review:*** N/A

***Fiscal Impact:*** None

***Staff Recommendation:*** Appoint Commissioner Gwen Lachelt as Treasurer for 2017