



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

Regular Meeting Agenda

Friday, 2 September 2016, 1:30pm – 4:00pm

1188 E 2nd Ave., Durango CO

- I. Introductions
- II. Broadband Update (30 minutes)
- III. Consent Agenda
 - a. 5 August 2016 SWCCOG Meeting Minutes
 - b. 5 August 2016 Broadband Meeting Minutes
 - c. July 2016 Financials
- IV. Reports
 - a. Director's Report
 - b. 4CORE Report
 - c. Transportation Report
 - d. VISTA Report
 - e. Community Updates
- V. Discussion Items
 - a. Meeting Location Discussion
 - b. Fund Balance Policy update with TABOR
- VI. Decision Items
 - a. July 2016 SWCCOG Executive Committee Minutes
 - b. Transit Planning Grant
 - c. DOLA 2017 Technical Assistance Grant
 - d. Contract for Marketing with Marketing Concepts Squared
 - e. New policy and policy updates
 - (i) Capitalization Policy
 - (ii) Purchasing Policy
 1. Credit Card
 2. Business Preference
 - (iii) Personnel Handbook updates
 1. Fraud Prevention
 2. Time Sheet
- VII. Other Items

Video/Phone Conference Info:

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

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

PO Box 963, Durango, CO 81301

970.779.4592

www.swccog.org

Broadband Update

The following will be addressed during the broadband update:

1. CDOT Meeting on August 29th update
2. FTTP estimated cost projections for unincorporated areas of the County
3. Preliminary cost projections to add on the additional anchor institutions
4. Adding on Montezuma County and Ute Mountain Ute to the deliverables
5. Timeline for final deliverables

Consent Agenda

**Southwest Colorado Council of Governments
August Board Meeting
Friday, 5 August 2016, 1:30pm
1188 E. 2nd Ave., Carnegie Building, Durango, CO 81301**

In Attendance:

Ron LeBlanc – City of Durango
Chris La May – Town of Bayfield
Michelle Nelson – Town of Bayfield
John Egan – Town of Pagosa Springs
Andrea Phillips – Town of Mancos
Lana Hancock – Town of Dolores
Shane Hale – City of Cortez
Rick Smith – City of Cortez
Julie Westendorff – La Plata County
Joe Kerby – La Plata County

Staff in Attendance:

Miriam Gillow-Wiles – Southwest Colorado Council of Governments
Jessica Laitsch – Southwest Colorado Council of Governments
Shannon Cramer – Southwest Colorado Council of Governments
Sara Trujillo – Southwest Colorado Council of Governments

Guests in Attendance:

Ken Charles – Colorado Department of Local Affairs
Kevin Capp - Centric

I. Introductions

The meeting was called to order at 2:02 p.m.

II. Consent Agenda

- a. 3 June 2016 SWCCOG Meeting Minutes

Shane Hale has previously requested the June minutes be amended to better reflect his commentary during the meeting. He said the amended minutes looks good.

- b. 8 July 2016 SWCCOG Meeting Minutes

- c. June 2016 Financials

Julie Westendorff asked where the funds come from for accounts that are over budget. Sara Trujillo explained that at the end-of-year amendment account balances that are under budget get transferred to the over budget accounts. Ron LeBlanc stated that COG budgeting works a bit different than county or city budgeting. There were no other questions.

John Egan motioned to approve the consent agenda items, Shane Hale seconded, unanimously approved.

III. Reports

- a. Director's Report

Miriam Gillow-Wiles reported that the Ute Mountain Ute Tribe wants to partner with the SWCCOG on the broadband planning process, so there will be an addendum to the current broadband plan with UMU's plan inputted as an appendix. The Tribe is also interested in transit

and recycling. Montezuma County may be participating in the broadband infrastructure project that will be discussed in detail later in the meeting.

Shannon Cramer's time with the SWCCOG is coming to an end in August 2016. Dennis Wegienek will take her place as the new AmeriCorps VISTA to continue work on recycling and has a degree in sustainability. Shannon Cramer reported that she will be employed by the Conservation Legacy that supports work with AmeriCorps members and thanked the board for their support and respect over the last year.

Miriam reported that the September board meeting will be moved to September 2nd versus the 9th due to a personal leave of absence during the 9th. Michelle Nelson asked if the meeting date change needed to be approved by the board or publically noticed. Miriam responded that the meeting date was not a board approved item, and therefore does not require an amended decision. In addition, all board meeting dates are noticed on the SWCCOG website as well as the front door as this location is the official notice site. Andrea Phillips asked if members were okay with the September meeting date change. All agreed.

b. 4CORE Report

Miriam reported that she had a meeting with 4CORE on July 20 and the summarization of the meeting is that 4CORE wants to maintain complete autonomy under the COG, which does not meet the COG's objectives of absorbing the 4CORE organization. Julie said she met with Laurie Dickson with 4CORE and received a similar message. La Plata County is not prepared to absorb 4CORE as an independent organization, and as a principle funder alongside the City of Durango, Julie would like to have a conversation with the City to discuss their position and opinion. As of now, Julie does not feel there is anything to act on with the COG/4CORE merger. Shane asked if COG staff gave 4CORE the terms, would this be helpful. Miriam stated that she has had the same conversation with 4CORE multiple times regarding the list of "to-dos" and a fee for service model to get the merger in process; however, there seems to be vacillation on 4CORE's part. Joe Kerby said the possibility of 4CORE coming under the COG has been encouraging and he was surprised with the turn of events at a prior meeting but still feels 4CORE coming under the COG would be beneficial. Julie agreed that 4CORE provides valuable service to the whole region and 4CORE grants have regional components. Shane mentioned the NWCOG implementing a weatherization program. He sees the fit with 4CORE but not with 4CORE as an independent organization under the COG. Andrea said the conversation between La Plata County and Durango needs to happen then the outcome of that discussion can be brought back to the COG. Joe mentioned a 4CORE board meeting will be happening later in August and asked if this topic was on their agenda. Miriam was not sure as she has not received an invite to attend or been notified that the COG would be on the agenda.

c. Broadband Report

Miriam reported that a lot of work has been done on the broadband plan and reviewing the RFI. A meeting was held with the Montezuma County Planning Group to discuss details of the COG's plan and how it meets up with Montezuma's Fiber to the Premise Project regarding middle mile and redundancy.

d. Transportation Report

Jessica Laitsch did not have anything to add to the report provided in the board packet. There were not questions.

e. VISTA Report (Includes Shared Services and Recycling)

Shannon reported that work continues with the community college for CDL training. Training cost does include test price. The college is flexible with how often the training will be provided and is willing to travel to administer the training. Shannon also reported that with the success of the Snapple Grant, the Town of Rico and City of Durango will be receiving new recycle bins in September.

f. Community Updates

Due to the meeting's late start, Shane suggested moving this item to the end of the meeting if time permits. All agreed.

IV. Discussion Items

a. DOLA Infrastructure Funding and Montezuma County

Andrea said that the UMU Tribe is planning to participate in the broadband planning process but will not be a COG member and asked if the Tribe would be assessed a 10% administration fee. Miriam said yes, Diane Kruse with NEO Connect estimated the UMU Tribe plan cost would be \$7,500; therefore, their fee would be \$750 for administration, DoLA will cover 65% and the Tribe the remainder. Andrea asked how the board members feel about UMU Tribe and Montezuma County participating in the broadband project without being COG members. Shane said a 10% administration fee seems largely undercharging and asked if the UMU Tribe coming onboard is official. Miriam said no and that the partnership is just for the planning process. She had asked Montezuma if they wanted to partner on the planning process as well and the County had said no. Miriam said that for a Tribe to become a COG member is quite different and more complex than a County. Andrea asked how. Ron said a tribe, as a sovereign nation, would be similar to a Canadian organization becoming a COG member. Joe said if the COG allows other entities to participate in projects and services of their choosing that they should be required to pay a premium and agreed with Shane that 10% is not nearly enough. Julie said the UMU Tribe has expressed interested in joining the COG and if trying, should not be penalized. Shane said with his community being a part of Montezuma County allowing the County's participation would be beneficial; however, not being a COG member but receiving benefit is not acceptable. Shane said he will need to abstain from a vote on this item due to these circumstances. Ron said that he is not interested in partnering with Montezuma County due to past relations. John Egan said he is in favor of a premium and would like to see Montezuma County participate on some level. He recommended that staff discuss an appropriate premium and present at the next board meeting for a vote. Ken Charles stated DoLA's position is that everyone should be included and COG members should consider the benefits of including Montezuma. Rick Smith said including Montezuma will make the infrastructure design more all-encompassing and connecting the 3 hubs, which also plays into CDOT's plans. This will bring much capacity, shared design and cost. Andrea had concern for charging a premium to the County for work that has already been done. Miriam said there will be some similarities and overlap but have to ensure both plans will

merge smoothly if working together on infrastructure. Chris La May said he did not recall Montezuma County being included in Diane Kruse's presentation just prior to the COG board meeting and that he was expecting an operational plan. Miriam said the capital infrastructure planning and direction were needed prior to putting an entire operational plan in place and that an operational plan will be part of the deliverable. Miriam will connect Diane and Chris for specific questions Chris may have. Andrea asked Ken how it would affect the COG members if Montezuma County was not part of the infrastructure project. Ken said he was not sure but recommended the board make a decision now as time is at a critical point. Joe asked for a reconfirmation that the COG would not be penalized for not accepting Montezuma County into the project. Ken said no, that the state understands the argument. Andrea suggested charging a minimum of 6 months annual dues with the year being half over; they must join the COG as a member.

John Egan motioned to allow Montezuma County to participate in the COG's future broadband infrastructure grant only if they become a member of the COG, Ron LeBlanc seconded, all in favor with the exception of the abstained votes: Shane Hale, Andrea Phillips, and Lana Hancock.

V. Decision Items

- a. 20 June 2016 SWCCOG Executive Committee Minutes

John Egan motioned to approve the 20 June 2016 SWCCOG Executive Committee Minutes, Julie Westendorff seconded, unanimously approved.

- b. 2017 Final Budget

Andrea asked what changes were made between the 2017 preliminary budget previously presented versus the 2017 final budget presented now. Sara said the dark fiber leasing revenues and expenses were previously presented with all community participation for the entire year of 2017 were reduced to all community participation for just ¼ of 2017, 4CORE revenues and expenses were removed from the 2017 final budget, and a team building account was added. Julie asked where the additional funds for the team building account came from. Sara said the funds come from member dues. Profit in the preliminary budget was approximately \$13,000; however, with the changes, profit in the final budget is approximately \$1300. Andrea asked about member cash match and what grants those funds would be used for. Sara replied \$25,000 for member match will be broken down per member and be held in member budgets the same as 2016. Although no cash match was invoiced in 2016, Sara does anticipate invoicing for at least \$10,000 of the match in 2017 for grants. Miriam said with the size of an infrastructure grant, additional match would be required for that specific grant. Michelle Nelson inquired as to the large increase in the retirement benefit expense. Sara said that currently Miriam is the only employee taking advantage of the retirement benefit. However, in 2017, Sara and Jessica may participate; therefore, the additional participation of 2 employees had to be budgeted for. Sara will send out letters to all members with a breakdown and explanation of all requested funds.

Shane Hale motioned to approve the presented 2017 final budget, Michelle Nelson seconded, unanimously approved.

- c. MOU for Broadband Planning for Ute Mountain Ute Tribe

Andrea said this MOU is a draft resolution between the COG and UMU Tribe to participate in the regional broadband process. The UMU Tribe is to come up with \$2,063 (10% admin fee included) and DoLA will be picking up the rest and including an addendum.

Shane Hale motioned to approve the contract and added addendum for the DoLA broadband planning with signature authority to the chair, John Egan seconded, unanimously approved.

d. SCAN Revenue Share Decision

Andrea asked that a final decision be made on this item. With the collection of the previous straw poll information, a draft contract was written and presented. Miriam added that there is approximately \$27,000 in the 2017 COG budget from dark fiber leasing revenues. This is minimal funds but is not the only planned revenue source for broadband infrastructure support and development. The COG needs to ensure SCAN is stable and funded now. Julie recapped the last meeting that included a change in the agreement to say any jurisdiction may opt to do in-house billing but that the 75/25 COG/member split would remain. Julie pointed out an error in the spelling of "SWCCOG". Andrea commented on Exhibit A, the 3rd bullet point, requesting clarification regarding the verbiage indicating that a community could exclude some links that were part of the SCAN. Shane explained that bullet point indicates excluding what they bill for. Miriam said she will update the language to make the meaning more clear. Shane mentioned a section of the lease that states any community with non-SCAN fiber needs to lease that fiber at the same rate to be non-competitive. This provision is a bit problematic and overreaching because it removes the home-rule authority for communities to create their own tier structure and negotiate dark fiber leases. Shane asked that the contract make sure policy and rates not paid for by the state are not addressed by the COG because it is not COG fiber and the COG does not have authority to create rules around that fiber or pricing. Ron said the contract pertains to just SCAN infrastructure. Miriam confirmed that the contract does only apply to SCAN fiber and she will make appropriate changes to ensure direction for non-SCAN fiber is not being given in the contract. Andrea asked if the contract is updated to read, "SCAN fiber" throughout versus fiber, if that would take out the perception that the contract is dictating what communities can do with non-SCAN fiber. Shane said yes. Andrea said under Exhibit A, 3rd bold bullet point, states \$110/mile but should read \$110/strand/mile. Also, in the last sentence on the same bullet point, Andrea asked what is meant by the verbiage, "This amount may change by mutual agreement of SWCCOG and Local Government." Miriam said she will update the verbiage to say "by action of the SWCCOG" versus "Local Government". Michelle asked that bullet point #4 better define what is being "excluded". Julie asked if the contract had been reviewed by legal. Miriam confirmed yes. After the requested updates, Miriam will send it back to legal for review. Julie asked for the bullet points to be numbered for ease of reading and discussing. In addition, Julie asked that the amended contract be sent to COG members for approval with a deadline for responses.

Julie Westendorff motioned to approve the Memorandum of Agreement Between the Southwest Colorado Council of Governments and _____ (blank) Regarding Leasing for SCAN Infrastructure as it was presented here today with a couple of modifications in that SWCCOG be spelled correctly and with some minor adjustments consistent with the

conversation related to Exhibit A bullet points 3 and 4, pending review by legal, with signature authority to the Chair, Ron LeBlanc seconded, unanimously approved.

e. Civil Rights Act, Title VI Policy – CDOT Transit Requirement

Jessica reported that having a Title VI Policy is a requirement for receiving transit money from the state. The policy is to ensure non-discrimination. The policy was drafted on a template provided by CDOT. Julie asked how Jessica adopted CDOT's template to COG needs. Jessica said she did not change any verbiage as the CDOT template was a fill-in-the-blank; examples from different Title VI plans were used. Julie asked if the template was reviewed by legal. Jessica said no. Andrea said because the CDOT template was used, she is okay with this document not going through legal. John said Pagosa Springs just went through the same process and template.

John Egan motioned to approve the Title VI Policy, Ron LeBlanc seconded, unanimously approved.

VI. Other Items

Ron said he was asked by Region 9 to announce a training coming to Durango for a Brownfields Program and passed around handouts regarding the training.

Julie said the La Plata County Commissioners voted for a November ballot measure regarding the \$40 million airport project and property tax increase to pay for it.

End 3:30pm

Broadband Planning Work Session
5 August 2016
Carnegie Building, 1188 East Second Ave., Durango, CO

In attendance:

Ron LeBlanc – City of Durango
Chris La May – Town of Bayfield
Shane Hale – City of Cortez
Rick Smith – City of Cortez
Lana Hancock – Town of Dolores
Joe Kerby – La Plata County
Julie Westendorff – La Plata County
Andrea Phillips – Town of Mancos
Michael Whiting – Archuleta County (by phone)

Others in attendance:

Diane Kruse – NEO Connect
Ken Charles – Colorado Department of Local Affairs
James Torres – La Plata County
Roger Zalneraitis – La Plata Economic Development Alliance
Darlene Marcus – Representative Tipton's Office
Ann McCoy-Harold – Senator Gardner's Office
Mike McVaugh – Colorado Department of Transportation
Kevin Capp – Centric Broadband
Miriam Gillow-Wiles – Southwest Colorado Council of Governments
Sara Trujillo - Southwest Colorado Council of Governments
Shannon Cramer - Southwest Colorado Council of Governments
Jessica Laitsch - Southwest Colorado Council of Governments

The meeting began at 12:13pm

Diane Kruse explained that the purpose of the discussion is to look at middle mile, connectivity between communities and anchor institutions, as well as last mile strategies for improving broadband. Currently the SCAN network has anchor institutions that are connected, but none of the communities are connected. The intent is to put together a comprehensive plan that connects all communities and anchor institutions and provides strategies for last mile while including a lot of flexibility for communities to address last mile. The purpose of middle mile is it allows for true aggregation of demand, dramatically reduced cost, redundancies, and opportunities for shared services. She described the accomplishments achieved in the broadband planning process and the resulting benefits.

Julie Westendorff asked what CDOT communities are. Mike McVaugh replied these are patrol facilities and other assets, such as variable message boards and tunnels, which need connectivity. Diane added that there are routes between the communities that CDOT would like access to. Mike added that having connections into the communities would help CDOT provide better information, ultimately they want to provide for communication between the infrastructure, drivers and the public at large. Diane added that they have been looking into grant programs and working with CDOT and other state agencies to try to get the middle mile fiber put in at as low a cost as possible. Shane Hale asked for clarification that the cost to the communities would only be for their fiber. Diane replied that CDOT is planning to lay fiber anyway, grants would

reduce cost. She added that separation of the fiber would be a requirement of receiving grant funds. She described other options including a public/private partnership.

Chris La May asked if they have spoken with FirstNet. Diane replied that the State OIT Department is running the FirstNet process, a wireless first responder's network, but it is too early to know what will happen.

Diane presented a map of the existing fiber as well as CDOT's planned fiber line builds between and within the communities in the region. She provided an overview of the capital costs based on CDOT's highest priorities using four construction methodologies. In summary, the range for construction cost is \$25-40 million, with roughly \$17-26 million that could be covered by a Rural Healthcare Grant, the remaining would still need to be financed. There was discussion about the relative risks/costs and benefits between underground fiber versus aerial connections; there is less chance of service disruption with underground, but aerial is less expensive. Diane explained that the costs were derived by overlaying the various needs between carrier neutral locations, CDOT facilities, and healthcare and other anchor institutions, this design allows for dividing up costs for the various needs. Chris asked what entity would get the Rural Healthcare Grant. Diane replied that each hospital would need to apply, although the SWCCOG could get letters of authorization from each medical facility which would allow for the submission of one grant for the region. Ken Charles asked if this grant is through the USDA. Diane replied this is through the universal service fund. Shane asked if funding would be available through energy impact funds. Ken replied that would be possible since it is middle mile. Diane summarized the fiber cost between the communities is estimated between \$27-40 million, a Rural Healthcare Grant would reduce that to roughly \$10-15 million, hopefully paid by CDOT, and that the fiber from the carrier neutral locations to rural healthcare locations should cost \$2.7 million with the cost outlay slightly under \$1 million, and fiber from carrier neutral locations to CDOT locations approximately \$800,000.

Julie asked about the fiber to the Southern Ute Indian Tribe. Miriam replied that they lease fiber. Diane added that there may be opportunities for an IRU or fiber swap. Ken asked what the benefits would be from the middle mile. Diane replied this created aggregation of demand, allows for allocation of demand, and dramatically reduces cost. Shane asked about dedicated fiber and whether it would be acceptable to share the switch, for healthcare for example. Diane replied yes. Diane added that there would be opportunities for shared services between communities, reduced cost for backhaul and transport costs for all service providers. Chris asked if this would be a fee for service. Diane replied the intent is for a fee for service to make the SWCCOG self-sustaining. Shane asked if excess capacity would be leased. Diane replied yes, and this would dramatically reduce the costs for providers to provide services since the expensive part would be taken care of. Joe Kerby asked if there is anything in the grants that would prevent the SWCCOG from profiting from the fiber. Diane replied there are limitations for capital built by the Rural Healthcare Grant, one approach would be to designate a specific number of fibers for each entity, for example the SWCCOG or CDOT, then there is flexibility with the remaining fiber; revenues provided back to the rural healthcare program have to cover their match and operating expenses. Chris asked for clarification whether this would create redundancy. Diane replied this would create another network in addition to the existing lines. Shane asked this would still be on the Tri-State line. Diane replied this would be a new line. Mike elaborated that the intent is to create additional connections through and between regions 9 and 10. Chris asked if the communities would need to contract to provide their own redundancies. Diane replied that communities could work with other providers not on the SCAN network for backup.

Diane summarized the responses received with respect to public private partnerships for last mile. She described various potential models for public private partnerships, as well as which existing models are most similar to various RFI responses, and the benefits and drawbacks of each model. Her recommendation is to leverage the entire network of infrastructure while allowing flexibility for entities with implementation and operations for last mile.

Julie asked about Montezuma County's bond measure question. Shane replied they will be looking into this in 2017, the question will be a sales tax revenue bond with O&M paid by customers. Diane mentioned that local governments often do not want to become an ISP; undertaking a public private partnership allows each the public and private organizations to do the work they are each best suited for. Andrea Phillips mentioned that Cortez is an ISP. Shane clarified that Cortez provides their own service, but do not provide private service. There was discussion about ensuring connectivity for residents outside the municipalities.

Diane asked for feedback on the responses to the RFI and the possible models that could be explored. Roger Zalneraitis pointed out that the communities will have a significantly varied ability to pay their portion and how to ensure smaller communities are not left behind. Diane agreed that this will need to be addressed and suggested negotiating something like that the providers absorb a higher amount in the smaller communities. Ken asked what motivation they would have to do that. Diane replied the motivation might be to get some specific number of units under contract. Julie mentioned that this is for last mile and may need to be addressed differently for different communities. There was discussion about the possibility of using wireless connections. Joe stated that La Plata County's priority is to ensure all areas in unincorporated are covered. Diane replied that they will look into the unincorporated areas of the member counties that are participating in this planning effort and will look into options for wireless.

Andrea asked what feedback Diane needs. She summarized that they want to look into unincorporated areas and asked if she need specific feedback on the types of models. Roger suggested getting better costs for last mile. Ron LeBlanc pointed out that the models described were all a single communities and asked whether there are examples of multi-jurisdiction models. Diane replied there are examples of this and she will look into these. Ken asked how near they are to completion. Diane replied they are working with Montezuma County and the Ute Mountain Ute Tribe and estimated they are 80% complete. Ken asked what she needs from the group. Diane replied that she needs feedback and direction, such as pursuing partnerships for middle mile including further discussions with CDOT. She added that she will provide estimates for the unincorporated areas and information on multi-jurisdiction models. She added that she would like direction on the RFI responses. Andrea asked what next steps would be on that. Diane replied that they would have to know what direction they would like to go before there can be negotiations. Julie stated that the last mile will likely look very different in different places and would be premature to try to negotiate with a respondent. Andrea responded that it may be worthwhile to begin negotiations. There was discussion about the ability to negotiate, what leverage there is, and whether that would be wise at this point versus looking at alternative options. The consensus was that it would be worthwhile to have the discussions to get feedback. There was discussion about the SWCCOG needing technical staff to manage the process. Diane suggested doing the financial model for the middle mile while acknowledging that larger discussions will need to happen with respect to last mile. Ron expressed concern about the process taking too long, along with related concerns about using technical staff from larger communities and slowing the process while smaller communities decide what to do. Andrea replied that it will be important to have discussions with the ISPs to ensure smaller communities are not left behind, but agreed this needs to happen soon. Diane stated that she could share best practices for use during negotiations, and suggested that the negotiations

Cortez and Durango undertake could be used as leverage for negotiations for the smaller communities and unincorporated areas in the future. Julie stated that the middle mile plan looks good, and more information is needed for the last mile piece, particularly with respect to unincorporated areas. Andrea asked about the timeline to have information on the unincorporated areas. Diane replied that she could have this within a couple weeks.

The meeting ended at 1:47 p.m.

June 2016 Financials

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 2 September 2016

Comments: The following attachments include:

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

I am currently working on a 2016 budget projection to be presented at the October meeting in preparation for the 2016 budget amendment in December.

Fiscal Impact: High, Budget changes throughout the year

Staff Recommendation: Approve the July 2016 Financials

Balance Sheet

As of July 31, 2016

	<u>Jul 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
Alpine Bank	
Alpine Bank Account (UR)	62,177.24
Fiber Equip Fund - Restricted	<u>9,754.17</u>
Total Alpine Bank	71,931.41
Petty Cash	
AmeriCorps VISTA	362.60
Jessica Laitsch	372.00
Petty Cash - Other	<u>10.07</u>
Total Petty Cash	744.67
Total Checking/Savings	72,676.08
Accounts Receivable	
Accounts Receivable	<u>78,009.89</u>
Total Accounts Receivable	78,009.89
Total Current Assets	<u>150,685.97</u>
TOTAL ASSETS	<u>150,685.97</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Credit Cards	
Miriam	901.27
Sara	<u>20.80</u>
Total Credit Cards	922.07
Total Credit Cards	922.07
Total Current Liabilities	922.07
Total Liabilities	922.07
Equity	
Opening Balance Equity	43,045.49
Net Income	<u>106,718.41</u>
Total Equity	149,763.90
TOTAL LIABILITIES & EQUITY	<u>150,685.97</u>

Southwest Colorado Council of Governments

Profit & Loss

08/17/16

July 2016

Accrual Basis

	<u>Jul 16</u>
Ordinary Income/Expense	
Income	
All Hazards	
2015 SHSP	18,692.08
Total All Hazards	18,692.08
CDOT Grants	
Transit LCC Grant	3,671.83
Total CDOT Grants	3,671.83
DoLA Grants	
DoLA 7645	30,336.82
DoLA 8010	12,973.10
DoLA 8011	14,451.92
DoLA 9038	784.14
Total DoLA Grants	58,545.98
SCAN Services	
Dark Fiber Leasing	5,064.00
Internet & Transport	2,070.00
Total SCAN Services	7,134.00
SJB AAA	161.25
Total Income	88,205.14
Gross Profit	88,205.14
Expense	
Advertising and Promotion	81.46
All Hazards Projects	
All Hazards 2015 SHSP	632.04
Total All Hazards Projects	632.04
Consulting	15,551.25
Insurance Expense	
Health	1,828.00
Total Insurance Expense	1,828.00
Internet Connectivity	
Fast Track	900.00
Internet Connection (AT&T)	32.17
Software	5.00
Total Internet Connectivity	937.17
Meetings	32.69
Office Equipment	2,035.78
Office Supplies	71.94
Postage and Delivery	20.80
Professional Development	447.70
Professional Fees	
Legal	523.90
Total Professional Fees	523.90
Salary and Wages	
457 Retirement	270.38
Car Allowance	300.00
Cell Phone Allowance	195.00
Payroll Processing Fee	128.67
Payroll Tax	839.91
Salary and Wages - Other	10,691.55
Total Salary and Wages	12,425.51

Profit & Loss

July 2016

	<u>Jul 16</u>
Software Maintenance e-TICS	2,400.00
Travel	478.74
Total Expense	<u>37,466.98</u>
Net Ordinary Income	50,738.16
Other Income/Expense	
Other Income	
Interest Earned	0.09
Total Other Income	<u>0.09</u>
Net Other Income	0.09
Net Income	<u><u>50,738.25</u></u>

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

	Jan - Jul 16	Budget	% of Budget
Ordinary Income/Expense			
Income			
All Hazards			
2014 SHSP	33,853.13		
2015 SHSP	64,405.65		
All Hazards - Other	0.00	203,803.00	0.0%
Total All Hazards	98,258.78	203,803.00	48.2%
CDOT Grants			
SWTPR Grant	22,100.00	21,100.00	104.7%
Transit LCC Grant	26,989.73	20,000.00	134.9%
Total CDOT Grants	49,089.73	41,100.00	119.4%
DoLA Grants			
DoLA 7645	57,159.92		
DoLA 8010	62,689.88		
DoLA 8011	23,024.41		
DoLA 9038	4,934.14		
DoLA Grants - Other	0.00	350,000.00	0.0%
Total DoLA Grants	147,808.35	350,000.00	42.2%
Dues Revenue			
Admin Position	12,201.00	12,200.00	100.0%
COG Dues	114,001.00	114,000.00	100.0%
SWTPR Dues	7,679.00	7,679.00	100.0%
Total Dues Revenue	133,881.00	133,879.00	100.0%
Grant Match			
COG Member Match	6,836.42	6,000.00	113.9%
Non-COG Member Match	10,000.00		
Total Grant Match	16,836.42	6,000.00	280.6%
RREO Grant	0.00	36,200.00	0.0%
SCAN Services			
Dark Fiber Leasing	15,192.00	20,560.00	73.9%
e-TICS	8,400.00	8,400.00	100.0%
Fiber Equipment Repair Fund	9,754.00	15,000.00	65.0%
Internet & Transport	6,210.00	8,280.00	75.0%
Total SCAN Services	39,556.00	52,240.00	75.7%
SJB AAA	5,342.75	4,500.00	118.7%
Total Income	490,773.03	827,722.00	59.3%
Gross Profit	490,773.03	827,722.00	59.3%
Expense			
Advertising and Promotion	399.26	400.00	99.8%
All Hazards Projects			
All Hazards 2014 SHSP	17,336.31		
All Hazards 2015 SHSP	58,782.57		
All Hazards Projects - Other	0.00	194,607.00	0.0%
Total All Hazards Projects	76,118.88	194,607.00	39.1%
AmeriCorp VISTA	0.00	11,700.00	0.0%
Bank Service Charge	88.00	100.00	88.0%
Consulting	141,207.96	271,000.00	52.1%
Employee/Board Appreciation	185.61		
Insurance Expense			
General Liability	2,212.75	2,102.00	105.3%
Health	12,796.00	21,516.00	59.5%
HSA	4,000.00	4,000.00	100.0%
Worker's Compensation	1,674.00	1,674.00	100.0%
Total Insurance Expense	20,682.75	29,292.00	70.6%

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

08/17/16

Accrual Basis

	Jan - Jul 16	Budget	% of Budget
Internet Connectivity			
Fast Track	7,200.00	10,800.00	66.7%
Internet Connection (AT&T)	224.78	660.00	34.1%
Software	1,243.06	1,755.00	70.8%
Total Internet Connectivity	8,667.84	13,215.00	65.6%
Match Refund	1,634.25		
Meetings	2,230.71	2,325.00	95.9%
Memberships	6,453.50	2,300.00	280.6%
Office Equipment	3,606.19	2,000.00	180.3%
Office Supplies	4,127.20	1,300.00	317.5%
Postage and Delivery	54.47	125.00	43.6%
Professional Development	828.10		
Professional Fees			
Accounting Software	0.00	150.00	0.0%
Audit	6,500.00	6,438.00	101.0%
Legal	1,864.46	3,000.00	62.1%
Misc.	908.55	250.00	363.4%
Total Professional Fees	9,273.01	9,838.00	94.3%
Rent	0.00	81.00	0.0%
Salary and Wages			
457 Retirement	2,027.85	3,487.00	58.2%
Car Allowance	2,100.00	3,600.00	58.3%
Cell Phone Allowance	1,365.00	2,340.00	58.3%
Payroll Processing Fee	954.89	1,550.00	61.6%
Payroll Tax	6,348.40	12,956.00	49.0%
Salary and Wages - Other	79,849.75	151,541.00	52.7%
Total Salary and Wages	92,645.89	175,474.00	52.8%
SCAN Services Expense			
Dark Fiber Lease	0.00	15,420.00	0.0%
Fiber Equip Repair - RESTRICTED	0.00	15,000.00	0.0%
Total SCAN Services Expense	0.00	30,420.00	0.0%
Software Maintenance e-TICS	6,750.00	8,400.00	80.4%
Team Building	160.00		
Travel	8,941.17	17,000.00	52.6%
Total Expense	384,054.79	769,577.00	49.9%
Net Ordinary Income	106,718.24	58,145.00	183.5%
Other Income/Expense			
Other Income			
Interest Earned	0.17		
Total Other Income	0.17		
Net Other Income	0.17	0.00	100.0%
Net Income	106,718.41	58,145.00	183.5%

Reports

Director's Report

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

Comments: August and summer have flown by! I have been busy with Broadband, 4CORE, Transit Grant, Policy revisions, onboarding an employee, and generally trying not to get rained on too much.

Rico

Dennis and I braved flood warnings to head to Rico to talk to them about a number of things, including generally how the COG operates, what projects we are working on, and of course, broadband. They are currently without a Town Manager and are interested in reengaging with other organizations, such as the COG and Region 9. They have also budgeted for COG dues for 2017.

Policy Updates

Sara and I have gone through and up dated a variety of policies, some of which were tabled from previous meetings, one was a recommendation from the auditors, and another was needed to comply with federal funding. These have been reviewed by legal.

GrantFinder/GrantTracker

Last week I sent out an email to the COG Managers about an application the COG is interested in using. Because we are a Council of Governments and a member of NARC, we would get a sizeable discount on logins for the Grant Finder application. Knowing that sometimes the hardest part of grants is the management, I am working on also obtaining logins for the grant management for the Membership as well. GrantFinder and GrantTracker will be compatible with Munis shortly. This would be purchased through a DOLA grant and would be available for three years for all users. Please email, call, or talk to me after the meeting for more detail.

PTO

As a reminder, I will be using PTO Sept 7-9th and will be out of service that time.

4CORE Report

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

Comments: Not much has happened over the last month with regards to 4CORE. 4CORE had a board meeting on August 18th, where the partnership with the COG was discussed. I attended to answer questions and provide information. The discussion that ensued was framed with much of the same information from the June 3rd COG board meeting. They have hired an attorney to look into the legality of 4CORE coming under the COG. I did not attend this meeting.

Transportation Report

To: SWCCOG Board of Directors
From: Jessica Laitsch
Date: 26 August 2016

Comments: Transportation:

The TPR met on Friday August 5, 2016. The draft minutes from the meeting are attached to this report. Highlights include:

- An overview of CDOT's Together We Go outreach program, including the Telephone Town Hall held in July.
- Discussions on CDOT's freight plan and development program.

The next TPR meeting will be held Friday, October 7, 2016 from 9 am -12 pm at the Carnegie Building.

Transit:

The next Transit Council meeting will be held Friday, September 16, 2016 at 9 a.m. at the Carnegie Building.

Staff is participating in a focus group process related to potential changes to CDOT's transit grant awards. This is part of a year-long process as CDOT modifies rules for its distribution of transit funds.

**Southwest Colorado Regional Transportation
Planning Commission
Friday, August 5, 2016 - 9:00 a.m.
Carnegie Building, 1188 E 2nd Ave., Durango**

TPR Members in Attendance:

Keenan Ertel – Montezuma County
Chris La May – Town of Bayfield
Kevin Hall - City of Durango
Bentley Henderson – Archuleta County
Greg Schulte – Town of Pagosa Springs
John Egan – Town of Pagosa Springs
Jacob Garlick - Southern Ute Indian Tribe
Phil Johnson – City of Cortez
Andrea Phillips – Town of Mancos
Bob Kerry – Archuleta County
Brad Blake – La Plata County

Others in Attendance:

Jim Horn – Russell Planning and Engineering
Ann McCoy-Harold – Senator Gardner’s Office
Sidny Zink – Transportation Commissioner
Michael King – Colorado Department of Transportation
Mike McVaugh - Colorado Department of Transportation
Ed Archuleta - Colorado Department of Transportation
Lisa Schwantes – Colorado Department of Transportation
Miriam Gillow-Wiles – Southwest Colorado Council of Governments
Sara Trujillo – Southwest Colorado Council of Governments
Shannon Cramer – Southwest Colorado Council of Governments
Jessica Laitsch – Southwest Colorado Council of Governments

The meeting was called to order at 9:10 a.m.

I. Introductions

II. Accept Minutes: June 2016

Keenan Ertel motioned to approve the minutes as presented, Bentley Henderson seconded, unanimously approved.

Accept Financial Report: June 2016

Phil Johnson motioned to accept the financial report as presented, Jacob Garlick seconded, unanimously approved.

Sara mentioned that she has been working on the TPR and SWCCOG budgets and the dues for the TPR members will remain the same in 2017. She added that she will request a review of the dues calculations next year. Kevin asked how the numbers look. Sara replied that last year they needed to spend some of the dues and this year there may be some money left over because there has not been as much travel this year. Kevin asked what would happen with the remaining. Sara replied that any remaining will be held in the budget for any special expenses.

III. Reports

1. STAC updates

a. June & July 2016 meetings: Kevin Hall and Bentley Henderson

Bentley reported on the June meeting:

- There was extensive discussion on freight, one of the items was that there is funding associated with some of the items in the freight plan. Michael stated that he will discuss this further later in the meeting,
- There was an update on Bustang, they have had more than 100,000 riders. The farebox recovery is about 37%, which is high for a public transportation program. They are looking at joint programs to expand services. They are also working with SUCAP to help them replace their buses with smaller ones.
- There were updates about the STAC workshop. Kevin added that this will be in September and they will try to keep to the standard meeting schedule. He elaborated that they want to discuss the new legislation that gives STAC an advisory role to the TC. Sidney added that the TC is discussing how best to be involved in the discussions, and her understanding is that the TC will not be at the workshop. They discussed the history behind the changes in the role of the STAC with respect to the TC.
- STAC will be holding an election for chair.
- They will be evaluating the bylaws to ensure they are in line with the new legislation.

Kevin reported on the July meeting:

- Bustang is trying to connect the rural transit pieces and the STAC supported the staff recommendation.
- There was an update on CODT's bike/ped program, including that the department needs to include the needs of bikes and pedestrians in planning and design. Mike McVaugh and Kevin explained that these have not historically been considered, so it is a process to account for these needs, but this is moving forward.
- There was discussion on the alternative fuels program, including work to establish national fuels corridors on tier 1 highways; there is not currently funding tied to this, but there should be in the future. He pointed out that this region has tier 2 highway corridors. He asked if anyone knows the status of the alternative fuels facility grant. Mike mentioned that highways 550 and 160 are included in the draft, but there are some issues with not extending corridors as far as they logically should. Michael King added that the deadline is August 22 and the federal government will ultimately decide what to include. CDOT included US 160 as a tier 2 CNG corridor and US 550 as a tier 2 EV corridor. He added that the state has a program for funding these types of projects. Miriam mentioned that 4CORE went after funding from the DOE for CNG and they were not selected. There was discussion about the Volkswagen settlement announcement, and that Colorado could be eligible for about \$62 million, but whether this is the case and how it would be distributed is unknown at this time.
- Michael will address the freight item.
- He stated that STAC asks for updates from the TPRs and he wants to include comments from other members so his reports aren't Durango centric. Mike mentioned that

depending on the outcome of the work between CDOT and Mancos on an access control plan, this could be a useful model to share.

2. Transportation Commission Update: Sidny Zink

- Sidny reported that there is a new chair and that she is the new vice-chair of the TC. There was a half-day retreat concerning what they would like to prioritize in the next year; the discussion included asset management and resiliency issues. The major projects are I-70, a potential new headquarters building, the TIGER grant for I-25 North, and ongoing discussion of prioritization across the state. Mike mentioned that they applied for more through the TIGER grant than they received and finding the balance is an issue for the state. There was discussion about matches for grants like this. Sid added that another focus will be on technology, outside driverless cars, to make the existing system more efficient. There was a discussion about freight. They discussed integrating transit into discussions, rather than thinking of it as a separate issue.
- She reported that the Telephone Town Hall included nearly 500 people who remained on the call for at least 20 minutes and this region had the highest number of people stay on the line throughout the call. Kevin suggested telling people how many people were included on the line. Mike replied that the moderator did this occasionally through the call, and that nearly 3,000 people were engaged in the town hall. He described that during the call staff sorted through and prepped answers to questions that came in to allow dialogue. Kevin asked what sorts of questions were asked. Sidny replied there was a question about why repairs are done in patches. Mike added that there were questions about signals, intersections, a newly resurfaced county road in Montezuma County, and safety concerns related to the interchange. Michael added that he has a summary and a link to the recording for the call. Mike added that staff followed up with people whose questions were not answered during the call. Sid added that she received feedback thanking her for doing the town hall.
- She reported that Colorado has agreed to be a pilot project for a road usage charge, the intent to look at mileage by road users as opposed to the gas tax. Bentley asked for clarification that they are looking at a new metric to look at usage. Sid replied yes, they will be looking sending a bill to charge for the number of miles driven, therefore vehicles that don't use gasoline would still be paying for use of the roads. Mike added that they are looking at what amounts would be equitable for all users, currently they are looking at \$.015 per mile, although there are concerns such as how to manage tracking. Keenan asked if this would include bikes as well, not due to wear and tear but due to accommodations that are increasing the costs to build roads. Sid and Mike replied that this could be a possibility.
- She reported that the commissioner from Colorado Springs resigned, so that seat is open.

III. CDOT Reports:

d. Construction Project Update: Ed Archuleta

- US 160 Wilson Gulch Road Extension - Mike reported that Wilson Gulch Road is going well and scheduled to be completed by the end of September. They will be adding work to the interchange bridges due to the ground settling.
- US 160 W. Wildlife Crossing at Dry Creek – This is in process, the estimated completion date for this portion of the project is mid-September. The next phase of the EIS corridor project will likely be relocating the county road intersection. Mike added that the underpass is nearly done and wildlife are already using it.

- US 550 Cribwalls Phase II/III Project – This project is nearly completed, they are delayed waiting for materials, but expect it to be completed by October. Bentley asked if there will be additional long-term closures. Ed replied there is a planned advertisement next year for an area between Molas and Silverton, this will likely mean one lane for the Iron Horse Race; they will be working with the Iron Horse coordinators and the Town of Silverton.
- US 491 Cortez to MCR 30 (CR M) – This project has been delayed due to concrete mix issues, paving is scheduled to begin next week and is generally on track.
- SH 145 Chipseal West Fork North – This project is complete.
- SH 145 North of Rico – This project is in process, it has been delayed for asphalt mix issues.
- US 550 San Juan Line to Coal Bank Pass – This project is underway.
- R5 US 24, SH 17, US 160 Priority Culverts – This project is under contract.
- US 550 Durango N Main Ave ADA – This project is out to ad. They have FHWA approval, this is a partnership with the City of Durango and will include 3 or 4 intersections.
- SH 184 Narraguinnep Canal 0-02-A Structure – This project is out to ad. Keenan asked if there is any paving on SH 184. Ed replied no. The project will be completed in the fall.
- US 160 McCabe Creek Pagosa – This project is funded with FY13 bridge funds, which will be spend once right-of-way is acquired. This will go out to ad next summer if there is bridge money allocated to FY20. Mike pointed out that they are already looking at spending FY20 funding due to limitations on bridge funding. Andrea asked if this is the same as off-system bridge funding. Mike replied these are separate. Ed described the expenditures to date. Ed added that there is a similar situation with a culvert near the Centennial Shopping Center that they will be working on.
- US 550 Cribwall Repair MP 68.7 and 88.76 – Discussed earlier.
- US 491 Surface Treatment MP 27.3 – MP 36.8 – This project is from Lebanon Road north to Cahone, if there are funds available they will extend on US 491. This will job will go out next year.
- US 491 at County Road S – This is an out-year job for intersection improvements, they are working on internal design.
- SH 41 Surface Treatment US 160 to Utah – This is a minor overlay from US 160 to the Utah state line.
- US 550/160 PCCP Diamond Grinding Phase I – This project will include grinding from CFI to the Tech Center. Staff met with industry and determined they needed to add scope to the project to make it worthwhile to undertake. Mike added this is to add bike lanes and includes grinding out the inlayed striping, micro surfacing the road and grinding in new striping. He elaborated that this reduces wear on the road and allows them to patch as needed.
- SH 172 south of Ignacio – They are looking at alternatives for design on this project.
- Funding – They were not awarded FLAP grants for Towaoc passing lanes or the other US 550 project. Chris asked if there were other Region 5 FLAP applications. Ed replied there were, Alamosa County made the short list on one project.

a. Together We Go: Michael King

Michael described that the Together We Go is an outreach program to ensure CDOT is moving forward in right direction, this will be an ongoing discussion about transportation. He presented information about the region in relation to the entire state. He described that the issues prioritized during the telephone town hall were essentially the same as the last time this was

undertaken, and include a focus on safety and improving and maintaining the system on limited funding. He described the benefits in using the telephone town hall model. He described CDOT's goals in connection with the concerns brought up during the town hall. Sid asked about the number of fatalities on state highways versus county roads. Ed replied that last year there were 343 on system and 204 off system. Mike added that rates this year have been exceptionally high. Michael mentioned that the number of crashes and fatalities do not necessarily correlate with the amount of driving. Phil asked if vehicle maintenance is being addressed to help control rates. Michael replied that he would suggest this. Jim asked if there is a reason to account for the high rates. Mike replied that, from what he has seen, the majority of crashes have been related to driver error such as lane violations and distractions. Ann asked if there are particularly dangerous spots. Mike replied there are dangerous spots and they are looking at those as top priorities for adding shoulders. Bob suggested using virtual technology for driver training. Keenan asked if there are statistics on intoxication. Mike replied that they track the top causes by county. Jim mentioned gas prices as contributing to the number of vehicles and to speed.

Michael continued presenting priorities related to management, maintenance, and maximizing funding. Mike pointed out that the grant program was a solution to earmarking for pet projects. Michael asked for feedback on the trends in the southwest region that may impact transportation. Kevin replied that Durango and La Plata County work closely with the staff of Region 5, so he is not sure what feedback he is looking for. Michael replied that this is just a check-in to ensure communication continues. Kevin replied that La Plata County and Durango are both working on comp plans, and elements from those will likely impact the transportation system. Bentley mentioned that there is significant second home ownership and this is associated with fluctuations in impact. Michael added that this issue is seen throughout the state and has many various impacts. Mike added that there are elements such as ADA that need to be addressed. Jacob added that issues related to oil and gas will have long term impacts.

Michael presented information on the Road X initiative. Kevin asked how much technology is dependent on fiber and/or cell service. Michael replied that this is a concern and they are working on putting in the infrastructure so it is available when the technology is ready. Kevin asked whose responsibility it will be to ensure connectivity. Mike replied organizations, such as the SWCCOG in coordination with CDOT, are looking at funding options and have been working on plans to be able to move forward, Michael added that partnerships will be important moving forward. Andrea asked if there is funding to implement Road X. Michael replied there was \$20 million that can be used for seed funding and fiber specifically has been part of the discussions.

Michael asked if there are any other particular safety issues. Andrea expressed concern about large freight trucks on two lane roads in certain areas and if there is a way to manage these. Mike replied that they are avoiding having to go through the port of entry. There was discussion about difficulties regulating this and aspects related to this issue that can be addressed. Ann expressed concern about signage at the US 550/160 intersection. There was discussion about issues stemming from the numerous competing needs at the intersection.

Michael asked what emerging technologies seem most potentially useful. Sid replied the in-car warning system. Michael mentioned that there are two potential options, where the road communicates to the vehicle and the vehicle "knowing" what to do. Bob mentioned the unintended consequences such as when technology doesn't work as expected and when the technology bypasses the infrastructure. Ann commended CDOT on the 511 system.

Michael asked for feedback about whether CDOT is sharing appropriate information in a timely manner. Chris replied there will always be tension between CDOT wanting to move people and local governments wanting people to stop and visit the communities. Lisa mentioned that anyone can sign up to receive press releases. Andrea asked how communities can get updates when projects are scheduled. Lisa replied that they send out press releases for projects they have information about.

b. Freight Plan

Michael reported that there is funding available for freight corridors through the FAST Act. He summarized CDOT's process for determining critical freight corridors. Ed explained that they are working on most of the projects on the development list. Mike explained that based on how CDOT distributes funding, they are estimating 20 of the 160 miles in the region. Ed added that every project on the corridor list is either on the development list or the intersection priority list. Bentley asked if projects have to be on the list to qualify for the funding. Ed replied that this is a way to leverage the monies. Mike added that they are requesting more than is actually expected. Keenan asked how many percent of entries are in region 5. Mike replied one, and that all of the highways listed have been identified as a trucking corridor. There was discussion about trucking along US 491. Jacob asked if SH 172 is identified as a freight corridor. Mike replied that it is not. Michael asked if the list is on track. Mike mentioned he would be willing to add US 491 if there is a project.

c. Development Program

Michael explained that the development program is a list of major investment priorities for which there is not currently funding, the intent is to have projects ready when funding under specific criteria becomes available. Bentley asked if the prioritization would be at the regional level. Michael said it would be at the state level, although it is not always about the most important project, but what project can you get funding for. Michael asked for feedback on the plan. Chris asked about the US 160 second phase. Ed replied that was a planned project, there is a project east of Elmore's on the list. Mike elaborated that they identified projects by tiers. Michael asked for continued input as it comes up. Ed pointed out that the list is in addition to other plans. Sidney asked how this relates to the gap between anticipated funding and identified needs. Michael replied that the development list is all unfunded by design, its purpose being to have projects identified for streamlined decision-making when funding opportunities arise.

V. Other Business

1. Transit Provider Updates

Keenan mentioned that SUCAP Roadrunner's regulations are tied to Greyhound's rules, specifically the youngest age that someone is allowed to ride alone. Michael mentioned that this is to simplify the transfer to the Greyhound line, which opens the possibility for a subsidy from Greyhound. There was discussion about CDOT's funding to Greyhound. Michael mentioned that Bustang will be loaning a bus to Roadrunner.

Brad mentioned that people throw pumpkins off the US 160 bridge and suggested that this be monitored.

2. Community Updates –Round Robin

Phillip reported that they are working with the US 491 project.

Bentley expressed disappointed about not receiving the FLAP grant. Archuleta County is working on some local right-of-way improvements, repaving projects and extending some pavement.

Chris reported that the Town of Bayfield is trying to get the Twin Bridge replacement project started in the fall.

Keenan reported that Montezuma County has a major truck route rebuild from CR U to CR 10, the project is going well and they are hoping for additional funding to include two additional miles in the project.

Brad reported that La Plata County has several projects going, including repaving yards. They are working on ballot initiatives for roads and bridges and for the airport, the airport project could include a sizable intersection project if it moves forward.

Andrea reported that the Town of Mancos is working on a pedestrian safe crossing and are waiting to hear about DOLA funding. They are working on a regional 17 mile bike/ped path to Mesa Verde and will be selecting a consultant for this. They are working with CDOT on a corridor plan for US 160. The main street bridge needs a full replacement estimated at \$1.3 million, they have been approved for 80% from off-system bridge funding.

Jacob reported that the Southern Ute Indian Tribe has a couple transportation related projects that are going well. The outcome of the airport issue will have implications. The Lands Division is trying to work with CDOT on the SH 172 corridor.

Kevin reported that the City of Durango is working on the RAMP project, have a trail under construction, working on the ADA ramp project, working on the comp plan and transportation plan. Atmos Energy is redoing all their lines throughout the city which has created challenges. Bentley asked if Durango has dig once policies. Kevin replied he does not know, but there are policies about tearing up new pavement.

VI. Adjourn

The meeting was adjourned at 11:50 a.m. The next meeting will be held October 7, 2016.

VISTA's Report

To: SWCCOG Board of Directors
From: Dennis Wegienek
Date: 26 August 2016

Comments: **On-site Orientation and Training**

I started service with the SWCCOG on Monday, August 22, 2016. From then I started learning more about the COG's role in the community, its structure, and how it operates. Getting more familiar with my new role has been the main focus of my first week.

Recycling

On August 24, 2016 we sat down with our Marketing Consultant for the recycling website. We laid out the next steps in the development of the website and its printable materials. In response to that meeting, I reached out to the Recycling Taskforce, and the SWCCOG's members to acquire information, images and other relevant material. Once this material is gathered, we will pass that information on to the Marketing Consultant to put on the website.

Site Visit - Rico

On August 23, 2016 I attended a meeting with some residents of Rico to learn more about the Rico community, and to introduce myself to some members of the local government. At this meeting I also was introduced to the current work being done to bring fiber-optic cables and broadband internet to Rico and other parts of the Region. It was really exciting going out to Rico, and I cannot wait to visit more communities; these experiences will only improve my ability to serve the region.

Discussion Items

Meeting Location Discussion

To: SWCCOG Board of Directors
From: Sara Trujillo and Miriam Gillow-Wiles
Date: 2 September 2016

Comments: In the past a meeting locations have been moved. In 2015 we purchased video conference equipment and recent upgraded the computer and speakers/mic this year to help with sound quality to help jurisdictions attend meetings when travel is a challenge. The Staff and Executive committee wanted the Board do discuss how and if the meetings are moved. Moving the meetings around the region has a variety of pros and cons.

Pros:

- Host community is visited by other jurisdictions which might not otherwise visit.
- Potential tax revenue for host jurisdictions
- More regionally inclusive

Cons:

- More work for Staff to move meetings around
- No video/phone conference system at many locations
- Long distances for some communities to travel

Fiscal Impact: None

Staff Recommendation: None. This is up for Discussion

Fund Balance Policy Update

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 2 September 2016

Comments: In December 2015, the Fund Balance Policy was presented for review and adoption. From the meeting minutes, "Michael Whiting motioned to approve the Southwest Colorado Council of Governments Fund Balance Policy pending the potential addition of TABOR language. Andrea Phillips seconded, unanimously approved." After discussing with legal, it was decided to add TABOR verbiage to this policy, for review.

Legal Review: This has been reviewed and TABOR language from Legal is highlighted.

Fiscal Impact: None

Staff Recommendation: Review the Fund Balance Policy update.

Southwest Colorado Council of Governments

FUND BALANCE POLICY

PURPOSE OF FUND BALANCE

The purpose of this policy is to establish a key element of the financial stability of the SWCCOG by setting guidelines for the fund balance. It is essential that the SWCCOG maintain adequate levels of unreserved fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures and similar circumstances. The fund balance also provides cash flow liquidity for the SWCCOG general operations.

POLICY

It is the goal of the SWCCOG to maintain an unassigned fund balance equal to four months of operating expenditures. In the event that the fund balance is less than the policy anticipates, the SWCCOG shall plan to adjust budget resources in the subsequent fiscal years to restore the balance. Except in extraordinary circumstances, unassigned fund balance should not be used to fund any portion of the ongoing and routine year-to-year operating expenditures of the SWCCOG. It should be used primarily to ensure adequate assigned balances, to respond to unforeseen emergencies, to provide cash flow, and to provide overall financial stability.

DEFINITIONS

Fund Balance. Net assets are considered Fund Balance.

The Governmental Accounting Standards Board (GASB), which establishes financial reporting rules for governments, separates fund balance into five classifications that comprise a hierarchy based primarily on the restrictions placed on the funds.

1. **Nonspendable.** This classification represents funds that are inherently nonspendable. Resources that must be maintained intact pursuant to legal or contractual requirements are nonspendable, such as the capital of a revolving loan fund. This can include assets that will never convert to cash such as inventory, or will not convert to cash within the current fiscal year such as the long term portion of accounts receivable.
2. **Restricted.** These funds are limited by externally enforceable limitations on use. This includes limitations from the entity providing the money, such as grantors. Also, this classification includes funds with limitations placed by law or enabling legislation, such as charter or state law.
3. **Committed.** Funds in this classification are those with limitations the government places on itself. The purpose of these funds is decided by SWCCOG action and also requires SWCCOG action to change the purpose.
4. **Assigned.** Assigned fund balance has limitations based on the intended use of the funds. The assigned use can be established by the SWCCOG as described in the financial statements, such as self-insurance assignments and fund balance to be used in the subsequent year's budget.
5. **Unassigned.** Residual net resources, or the balance after restricted, committed and assigned, are classified as unassigned fund balance. This is the amount of fund balance, formerly referred to as "unreserved, undesignated" fund balance that is available to address emergencies and provide fiscal stability. This is the classification governed by this Fund Balance Policy.

Administrative Responsibilities. The Accountant shall be responsible for monitoring and reporting the SWCCOG's various assignments. The SWCCOG Board is directed to make recommendations to the Executive Director and Accountant on the use of unassigned funds both as an element of the annual operating budget submission and from time to time throughout the year as needs may arise.

Annual Report. The Accountant shall annually submit a report to the SWCCOG Board of Directors outlining the status of the SWCCOG's various components of the fund balance. This report shall be submitted within thirty days of the receipt

of the annual financial audit. The Accountant shall also provide status reports at other times to the SWCCOG Board of Directors as may be requested.

TABOR. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending (excluding bonded debt service).

The SWCCOG believes it is not subject to the provisions of TABOR because the SWCCOG has no authority to tax, it does not receive its revenue from general taxes that are characteristic of government, it does not issue general obligation debt, and it does not conduct elections of any sort including the types of elections contemplated in TABOR of “registered electors”. However, TABOR is complex and subject to interpretation. Many of its provisions, including the applicability of TABOR to associations of governments formed through inter-governmental agreement, may require judicial interpretation.

Although the SWCCOG believes it is not subject to TABOR, it historically has maintained an emergency reserve fund that is in excess of three percent of its fiscal year spending.

Original adopted by the SWCCOG Board of Directors on December 4, 2015.

Decision Items

SWCCOG Executive Committee Minutes

To: SWCCOG Board of Directors

From: Miriam Gillow-Wiles

Date: 2 September 2016

Comments: Executive Committee Minutes for approval.

Fiscal Impact: None

Staff Recommendation: Executive Committee approve the attached Minutes from July 2016.

**Southwest Colorado Council of Governments
Executive Committee Meeting
Wednesday, 20 July 2016, 2:00 p.m.
Telephone Conference**

In attendance:

Andrea Phillips – Town of Mancos

Julie Westendorff – La Plata County

John Egan – Town of Pagosa Springs

Miriam Gillow-Wiles – Southwest Colorado Council of Governments

Sara Trujillo - Southwest Colorado Council of Governments

The meeting began at 2:02 p.m.

Andrea Phillips began with announcing a meeting that will be held July 26, 2pm, at the Cortez Service Center to bring the Montezuma Initiative Group together with the SWCCOG Executive Board, Diane Kruse, and Miriam Gillow-Wiles to confirm the status of both broadband plans and where plans can overlap and complement each other. Another meeting will be held August 5, 5:30pm, regarding Cortez's specific concerns surrounding broadband. The location will be announced when confirmed.

Andrea asked for an update on 4CORE. Miriam Gillow-Wiles said she would be meeting with 4CORE later that same day and will have more information after. Julie Westendorff said Laurie Dickson with 4CORE presented to the Board of Commissioners with an update on 4CORE projects and feels Laurie is getting the organization up and running quickly and in a good direction.

Miriam said Diane Kruse will be present in-person to report on the broadband plan and requested 1.5 hours to do so prior to the board meeting start to ensure adequate time to discuss. Miriam asked if 12pm – 1:30pm would be an acceptable time with lunch being catered. All were in agreement. Miriam will send out email invites and information to ensure maximum attendance. Diane's broadband presentation will come off the agenda and be a stand-alone meeting.

Andrea asked if the August meeting will be Shannon Cramer's, AmeriCorps VISTA, final meeting. Miriam confirmed, yes.

Andrea asked for more detail regarding the DoLA Infrastructure Funding and Montezuma County agenda item. Miriam said DoLA has advised the COG to merge broadband plans with Montezuma County's plans; to make the regional broadband infrastructure work, Montezuma County needs to be involved. Miriam voiced concern for COG member rebuttal as Montezuma County is not a COG member; however, this may be a requirement from DoLA for infrastructure funding. Julie suggested Ken be present to discuss this item as it goes against COG member position regarding non-members and a-la-carte situations; it would not be fair to put Miriam in the position of defending DoLA's requirement. Miriam will send a meeting invite to Ken.

The meeting moved onto the adoption of the 2017 budget. Sara Trujillo provided 3 budget option scenarios for the Executive Board to review and choose which they would like to see presented. Julie asked if the 2017 budget request is for the board to accept the 2017 budget or if the information presented is for advisement purposes only. Miriam said with most budget figures firm, the idea is to get

the COG's budget complete to help provide more firm numbers prior to member budget season beginning; therefore, a decision would be requested. Miriam confirmed that member dues stayed the same in all 3 scenarios presented. The Executive Board agreed on the 2nd scenario which consisted of a very conservative approach to all-member dark fiber leasing revenues and 4CORE bookkeeping revenues that Miriam said could be dialed down further.

On the SCAN revenue share decision item, Andrea asked if this would be the actual MOU for members to take back to their community for signature. Miriam confirmed, yes, and said that the contract may be a little late getting out to members as the COG's legal counsel is on vacation and most likely will not get the document back to Miriam until Tuesday, August 2.

Sara discussed the new policy and policy update on the agenda. There were no questions.

Miriam said the Civil Rights Act item is one that CDOT transit requires because it is federal funds passed through the state. The COG is required to have a Title VI Policy, which is a basic blanket policy. There were no questions.

Miriam said there would be an addendum to the DoLA Broadband Planning Grant to include the Ute Mountain Ute Tribe confirming the Tribe is not participating in the Montezuma County plan. The idea is to include the UMU Tribe plan as an appendix section of the regional plan being that the Tribe's plan would be coming in near the end of the planning project. Julie said this is the same type of situation as Montezuma County with neither being members but receiving benefit. Julie asked if the UMU Tribe would be providing match. Miriam confirmed, yes, and said the UMU Tribe is different than Montezuma County because they are a sovereign nation, which makes it more complicated to be on a regional council. The UMU Tribe participates in the TPR and Transit Council, and is interested in broadband and RREO efforts. Julie said the COG needs to be cautious about treating non-members equally. In addition, if the tribe joining the COG is something desirable with obstacles at the state level, Julie feels confident that the Council of Indian Affairs would be willing to help work through issues. Miriam said she would do more research on how other COGs have created tribal memberships.

The meeting was adjourned at 2:55 p.m.

CDOT Transit Planning Grant

To: SWCCOG Board of Directors

From: Jessica Laitsch

Date: 2 September 2016

The Colorado Department of Transportation (CDOT) is accepting applications for Federal Transit Administration (FTA) Section 5304 funds for Federal Fiscal Year FFY 2015-2016. Section 5304 funds can be used for a wide variety of transit related support activities, including: transit technical assistance, planning, research, demonstration projects, special studies, training, and other similar projects.

We propose applying for funding to undertake a study to look at the feasibility of coordinating public transportation and transit across state and tribal boundaries. The intent is to identify needs throughout the four corners region as well as potential opportunities for policies and funding mechanisms to meet those needs. Coordinating throughout the larger region could facilitate solutions otherwise unavailable to individual partners in such a vast, rural area.

Potential partners include:

- Northwest New Mexico COG
 - Pueblo of Zuni
- Northern Arizona COG
 - Hopi Tribe
- Southeastern Utah Association of Local Governments
- Region 9 Economic Development District
- Region 10 League for Economic Assistance & Planning (partially included in CDOT Region 5)
- San Luis Valley Development Resources Group (within CDOT Region 5)
- Ute Mountain Ute Tribe
- Southern Ute Indian Tribe (SUCAP)
- Navajo Nation (Utah, Arizona, New Mexico)
- Colorado, New Mexico, Utah and Arizona DOTs

We intend to apply approximately \$40,000 of Section 5304 funds. Although these funds are available on an 80% federal/20% local matching ratio, we hope to exceed 50% match through the following avenues:

- If funding is available through the Colorado Department of Local Affairs, we would seek to apply for approximately \$10,000
- Request match from each of the partner organizations, ideally for a total of \$20,000

Pros:

- Identify options to meet transit and transportation needs throughout the larger geographic region
 - Will provide funding for COG staff to manage project
-

CDOT Transit Planning Grant

- Fits into COG Goal of Transportation/Transit

Cons:

- Existing limitations relative to working across state lines
- Wide variety of partners included

Legal Review: Not Applicable

Fiscal Impact: Would provide additional funding for management and administration of grant, and increase COG Budget

Staff Recommendation: Approve COG to apply for funding from CDOT for Regional Transit Planning

Marketing Contract Memo

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

Comments: Attached is a contract for Marketing for Transit and Recycling between the SWCCOG and Lucky Services, DBA Marketing Concepts Squared (MCS). All funding is from DOLA or RREO grants. Previously the SWCCOG went out for formal bid for these services and received two responses, both from out of the area. Through an informal process, we received three quotes. Marketing Concepts Squared was the lowest qualified bidder. MCS is a local, woman owned business.

- Recycling – \$31,000 Total; \$23,000 RREO, \$8,000 DOLA
- Transit - \$18,000 DOLA

The Transit Council had stated they wanted support for marketing, so in the 2016 DOLA Technical Assistance grant, staff included \$20,000 for funding to do this, \$2,000 for M&A and \$18,000 for marketing. The agencies must also be a member of SWCCOG to benefit.

One of the recommendations in 2014 Recycling Waste Audit was to develop a cohesive recycling message and marketing across the region to help drive diversion. DOLA 2016 TA grant provided match for the 2016-2017 RREO Grant. Between the two of these funding sources there funding to develop marketing materials, a website, and materials for elementary school education.

Legal Review: This has been developed by legal.

Fiscal Impact: We need to spend down these grant funds.

Staff Recommendation: Approve contract with Lucky Services DBA Marketing Concepts Squared.

**Independent Contractor Agreement Between
The Southwest Colorado Council of Governments and Lucky Services LLC, D/B/A Marketing
Concepts Squared**

This contract is entered into on _____, 2016 (the "effective date"), between the Southwest Colorado Council of Governments ("SWCCOG"), a political subdivision of the State of Colorado, whose address is PO Box 963, Durango CO 81302, and Lucky Services LLC, D/B/A Marketing Concepts Squared ("MCS"), whose address is 862 Main Avenue, Suite 210, Durango, CO 81301.

Purpose

The purpose of this contract is to describe the independent contractor agreement by which MCS will perform consulting services to the SWCCOG.

Term and Conditions

The term for this contract is 12 months, commencing upon mutual execution of this contract and ending 12 months thereafter, unless terminated by either party prior to that time. It may be extended at any time by mutual written consent.

Additional Documentation

MCS shall complete within 15 days of the effective date of this contract documentation regarding: a) certification of compliance with prohibition of employ or contract of illegal aliens, b) proof of carrying professional liability insurance, c) provision of worker's compensation and d) a W9 form.

MCS shall maintain professional liability insurance and worker's compensation insurance and all required business licenses during the length of the contract. MCS will provide a copy of professional liability insurance.

Consideration

For performance of services set forth in Attachment A, SWCCOG will pay MCS at the rates provided in Attachment A, with Scope of Work in Attachment B but not to exceed amount of \$49,000 (\$31,000 for recycling, and \$18,000 for transit) during the contract period, with all payment contingent upon SWCCOG appropriation. Said payment is the full compensation to MCS which shall bear all expenses incurred to accomplish the scope of work except as provided in Attachment A

Submission of a monthly payment request shall be accompanied by an MCS monthly progress report for the previous month summarizing activities & accomplishments and total hours of activity.

Payments shall be made from SWCCOG to MCS within 30 days of receiving a monthly invoice.

Compensation shall be paid in the trade or business name of MCS. MCS shall be solely responsible for any payroll, withholding, or other taxes, and any of its insurance requirements. THE PARTIES HERETO UNDERSTAND THAT MCS IS NOT ENTITLED TO WORKER'S COMPENSATION BENEFITS OR UNEMPLOYMENT COMPENSATION BENEFITS AND IS OBLIGATED TO PAY FEDERAL AND STATE INCOME TAX ON ANY MONEYS EARNED PURSUANT TO THIS AGREEMENT.

Description of Work

Please see Attachment A for a detailed scope of services and Attachment B for scope of work.

MCS warrants that the quality of its Services under this Agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service. It shall be a condition of this Agreement that MCS shall be responsible for meeting the program expectations of SWCCOG pursuant to Attachment A, and the terms, requirements, and specifications established herein, in the performance of services hereunder to the satisfaction of the SWCCOG. MCS warrants that it has all the skills, experience, and professional licenses necessary to perform the services specified in this Agreement. MCS warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the services specified in this Agreement.

Independent Contractor/ Not An Employee

It is understood through this contract that MCS is contracting with SWCCOG to provide specific services and this contract should in no way be interpreted that MCS is an employee of the SWCCOG.

MCS shall perform said services in its own way in the pursuit of its independent calling and not as an employee of SWCCOG, and shall be solely responsible for the means and methods and the proper performance of the services in compliance with the terms, requirements, and specifications of this Agreement. MCS and any persons employed or retained by MCS for the performance of services hereunder shall be independent contractors and not employees or agents of the SWCCOG. MCS shall not be under the control of SWCCOG or its employees as to the means or manner by which such result is to be accomplished. It shall be a condition of this Agreement that MCS shall be responsible for meeting the program expectations of SWCCOG, and the terms, requirements, and specifications established herein, in the performance of services hereunder to the satisfaction of the SWCCOG.

MCS shall have no claim against the SWCCOG hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. MCS shall be solely responsible for meeting all applicable withholding, tax, and insurance requirements.

Ownership of Work Product

SWCCOG shall be the owner of information gathered and developed during the project, and of all work product performed by MCS under the terms of this agreement. Subsequent use of such information by MCS shall require the advance written approval of the SWCCOG.

In the event of termination, all finished and unfinished work product(s) prepared by MCS pursuant to this Agreement shall become the sole property of the SWCCOG, provided MCS is compensated in accordance with this Agreement for all work performed in accordance with this Agreement up to the effective date of termination. MCS shall not be liable with respect to the SWCCOG'S subsequent use of any incomplete work product, provided MCS has notified the SWCCOG in writing of the incomplete status of such work product.

Equal Employment Opportunity

- A. MCS will not discriminate against any employee or applicant for employment on the basis of race, color, national origin, ancestry, age, sex (gender), religion, creed, or physical or mental disability. MCS may adhere to lawful equal opportunity guidelines in selecting employees, provided that no person is illegally discriminated against on any of the preceding bases. This provision shall govern, but shall not be limited to, recruitment, employment, promotion, demotion, and transfer, and advertising therefor; layoff or termination; rates of pay or other compensation; and selection for training, including apprenticeship. MCS shall post, in all places conspicuous to employees and applicants for employment, notices provided by the State of Colorado setting forth the provisions of this nondiscrimination clause.
- B. All solicitations and advertisements for employees placed by or on behalf of MCS, shall state

that MCS is an equal opportunity employer.

- C. MCS shall cause the foregoing provisions to be inserted in all subcontracts for any work contemplated by this Agreement or deemed necessary by MCS, so that such provisions are binding upon each sub-Consultant.
- D. MCS shall keep such records and submit such reports concerning the racial and ethnic origin of employees and of applicants for employment as the U.S., the State of Colorado, the SWCCOG, or their respective agencies may require.
- E. MCS shall comply with such rules, regulations and guidelines as the United States, the State of Colorado, the SWCCOG, or their respective agencies may issue to implement these requirements.

Records

MCS shall maintain records that indicate the date, time, and nature of the services rendered under this agreement. MCS shall make available for inspection by the SWCCOG all records, books of account, memoranda, and other documents pertaining to the SWCCOG upon reasonable request. SWCCOG, or a duly authorized representative from SWCCOG shall until three (3) years after final payment under this agreement have access to and the right to examine any of MCS's books, documents, papers, or other records involving transactions related to this contract agreement. Additionally, pursuant to Section 6 of the SWCCOG procurement policy:

6.11.1 Audit of Cost or Pricing Data. The SWCCOG may, at reasonable times and places, audit the books and records of any contractor who has submitted all cost or pricing data pursuant to the Policy to the extent that such books, documents, papers, and records are relevant to such cost or pricing data. Any person who receives a contract, change order, or contract modification for which cost or pricing data is required, shall maintain such books, documents, papers, and records that are pertinent to such cost or pricing data for three (3) years from the date of final payment under the contract.

6.11.2 Audit of Contractor. The SWCCOG shall be entitled to audit the books and records of any contractor or subcontractor at any tier under any negotiated contract or subcontract other than a firm fixed-price contract to the extent that such books, documents, papers and records are relevant to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for a period of three (3) years from the date of final payment under the prime contract and by the subcontractor for a period of three (3) years from the date of final payment under the subcontract.

6.11.3 Contractor Records. If a contract is being funded in whole or in part by assistance from a federal agency, then the contractor or subcontractor at any tier are required to maintain for three (3) years from the date of the final payment, or as required by the grantor, all books, documents, papers, and records pertinent to the contract; and to provide to the SWCCOG, the federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives access to such books, documents, papers, and records for the purposes of examining, auditing, and copying them.

Insurance

Professional Liability Insurance: MCS shall maintain professional liability insurance for itself and its employees in an amount no less than One Million Dollars (\$1,000,000) throughout the term of this Agreement. Such insurance shall provide that the SWCCOG be notified no less than 45 days in advance in the event of cancellation.

Worker's Compensation: MCS shall secure, maintain and provide verification of all necessary Worker's Compensation insurance as may be required by law to provide coverage for MCS's employees hereunder.

Conflict of Interest

MCS warrants that it presently has no interest and shall not acquire any interest – direct or indirect – which would conflict in any manner or degree with the performance of services required under this Agreement.

MCS shall disclose any potential conflicts of interest with the project regarding other employment, contracts or representation related to telecommunications services.

The SWCCOG may immediately terminate this contract if it determines that there is a conflict of interest with the project.

Confidentiality

Any confidential information provided to or developed by MCS in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by MCS without the prior written approval of the SWCCOG. MCS acknowledges that during the engagement, it will have access to and become acquainted with various information or data owned or licensed by the SWCCOG and/or used by the SWCCOG in connection with the operation of its affairs, including, without limitation, the SWCCOG's business, processes, methods, lists, accounts and procedures. MCS agrees that it will not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of this Agreement or at any time thereafter, except as required in the course of its engagement with the SWCCOG. All files, records, documents, blueprints, specifications, information, letters, notes, lists, notebooks, and similar items relating to the business of the SWCCOG, whether prepared by MCS or otherwise coming into its possession, shall remain the exclusive property of the SWCCOG. MCS shall not retain any copies of the foregoing without the SWCCOG's prior written permission. Upon the expiration or earlier termination of this Agreement, or whenever requested by the SWCCOG, MCS shall immediately deliver to the SWCCOG all such files, records, documents, specifications, information, and other items in its possession or under its control.

MCS shall execute and comply with additional non-disclosure agreements as necessary to implement the project and as requested by the SWCCOG board.

Indemnification and Release

MCS agrees to indemnify and hold harmless the SWCCOG, and its officers and its employees, from and against any and all liability, claims, demands, and expenses, including court costs and attorney fees, on account of any injury, loss, or damage, which arise out of or are in any manner connected with the services to be provided under this Agreement, if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the act, omission, or other fault of MCS, any subcontractor of MCS, or any officer, employee, or agent of MCS .

MCS waives and releases the SWCCOG, and its officers and its employees, from any and all liability, claims, demands, and expenses, including court costs and attorney fees, on account of any injury, loss, or damage which Contractor may suffer and which arise out of or are in any manner connected with the services to be provided under this Agreement.

Termination

Either party may terminate this Agreement, without cause, upon providing 30 days written notice to terminate the contract.

In addition, SWCCOG, may immediately terminate this contract pursuant to paragraph 6.9 of its Procurement Policy if MCS:

- (1) Fails to begin the work within the time specified in the Contract;
- (2) Fails to perform the work with sufficient workers and equipment or with sufficient materials to assure the prompt completion of said work;
- (3) Fails to perform the work in accordance with contract requirements or refuses to remove and replace rejected materials or unacceptable work;
- (4) Discontinues the work;
- (5) Fails to resume work which has been discontinued within a reasonable time after notice to do so;
- (6) Becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency;
- (7) Allows any final judgment to remain unsatisfied for a period of ten (10) days;
- (8) Fails to comply with contract requirements regarding minimum wage payments;
- (9) Is a party to fraud; or,
- (10) For any other cause whatsoever, fails to carry on the work in an acceptable manner.

Additionally, SWCCOG may immediately terminate this contract if it determines that there is a conflict of interest with the project.

SWCCOG's approval of any services or any payment hereunder shall not in any way relieve MCS of the responsibility for the accuracy and completeness of the services, or for compliance with the terms, requirements, and specifications applicable thereto; and no such approval shall constitute a waiver of any rights of SWCCOG under this Agreement, or of any cause of action arising out of or in any way connected with this Agreement.

Miscellaneous

MCS shall receive and securely maintain personal data on its contractors necessary for the purposes of administration and reporting. The data will be held for one year beyond the duration of this contract to answer any required and appropriate question relating to you as contractor.

MCS, at all times, agrees to observe all applicable Federal and State Laws, SWCCOG rules and regulations issued pursuant thereto, which in any manner affect or govern the services contemplated under this Agreement.

MCS shall advise SWCCOG of any duties or responsibilities on this contract that are sub-contracted to other parties and shall remain responsible for the quality, timeliness and completeness of all contract duties. Notwithstanding, no portion of this contract shall be subcontracted without SWCCOG prior written approval. MCS shall be solely responsible for the compensation, insurance, taxes, withholding, and all clerical detail pertaining to such assistance.

MCS and any of its officers, employees or contractors do not have the authority to obligate the SWCCOG to contracts or expenditures.

It is understood and agreed that SWCCOG's performance shall be subject to appropriation of funds by its governing body, and payment of such funds into the treasury of such party.

This Agreement may be amended only by the mutual written agreement of the parties.

This Agreement shall not be assigned by either party without the written consent of the other party.

This Agreement contains all agreements, understandings, and arrangements between the parties, and no other such agreements, understandings, and arrangements exist.

This Agreement shall be governed by the laws of the State of Colorado and applicable federal law. Nothing in this Agreement shall be construed as a waiver of SWCCOG's governmental immunity.

In the event this contract is litigated, SWCCOG shall be entitled to all litigation expenses, collections fees, witness fees, court costs and attorney fees if it prevails. Venue and jurisdiction for any claim shall be in the La Plata County District Court.

It is expressly understood and agreed that the enforcement of the terms and conditions of this agreement and all rights of action relating to such enforcement, shall be strictly reserved to the parties. Nothing contained in this agreement shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the parties that any other person or entity, receiving services or benefits under this agreement shall be deemed an incidental beneficiary only

If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

Acknowledgment

All parties hereby acknowledge and accept the terms and conditions of the above contract and acknowledge receipt of a copy by evidence of their signatures found below.

Agreed to by MCS Enterprises by

Jessika Buell, Owner/Manager
Lucky Services, LLC D/B/A Marketing Concepts Squared

Date

Agreed to by the Southwest Colorado Council of Governments by

Andrea Phillips, SWCCOG Board Chair

Date

ATTACHMENT A

Upon request of a specific project by the SWCCOG Executive Director, by telephone or e-mail, including without limitation recycling project and transit project, MCS will perform:

1. WEBSITE DESIGN, BASIC LOGO DESIGN, BRANDING, PRINT MATERIAL DESIGN (flyers, brochures, postcards, etc)... \$65.00/hour

We have a team of marketing experts with Adobe programming skills and web design backgrounds that can work with your team to build branding and marketing materials around your needs. We bill \$65.00/hour and work efficiently and effectively.

Our website design philosophy is one where we work within a template to get the website you want created and published, then assist in training you how to do basic updates.

You will purchase and own the site and domain (no hidden monthly fees from us).

We are always here to update and edit as you need; but we feel like empowering our clients to be able to make basic changes helps them save time and money.

2. NEWSLETTER CREATION, EMAIL LIST RESEARCH AND INPUT, REVIEW WORK \$45.00/hour

Some examples of services that fall within this area are: Creating pleasing newsletters and sending them off to email lists, organizing and inputting emails/contacts, researching and finding applicable e-mail contacts for campaigns, getting reviews written about your company and campaigns and publishing them on applicable sites (website, yelp, google plus, etc...).

3. SOCIAL MEDIA MANAGEMENT, ORGANIZATION, AND STRATEGY Packages start at \$100/month. Pricing and number of months, subject to termination provisions of contract, will be agreed to in writing prior to start of package.

We have a team of social media marketing experts specializing in Facebook, Instagram, Twitter, SnapChat, Houzz, Pinterest, Google Plus, Blog Work, and LinkedIn. We create packages specific to our clients' needs with regular postings, sharing, liking, etc... We create a community around your brand and cause and results show.

Additional costs:

- Items above are strictly time. Any materials required to complete tasks will be provided by the client, or purchased by MCS and billed directly to the client for reimbursement (no mark up on items purchased). Any hard materials are to be billed separate. All materials will be provided by MCS in digital formats. Printing costs, and any other hard materials (nametags, binders, etc.) will be billed and charged separately, without mark-up. MCS will provide an estimate and get SWCCOG written approval prior to incurring costs in excess of \$1,000.
- All travel of MCS staff outside of Durango city limits, must be approved by SWCCOG in advance, and will be billed at actual cost of MCS, however, not to exceed the federal per diem rates. If MCS staff is to be at locations outside of the City of Durango, payment for travel time must be agreed to in writing by SWCCOG advance.

ATTACHMENT B

Recycling Scope of Work - \$31,000

Goal #1: Raise awareness of recycling and other waste diversion activities among the citizens of southwest Colorado.		
Objective #1: No later than the expiration date of this purchase order, the Contractor shall develop and distribute educational resources about recycling and other waste diversion activities.		
Primary Activity #1	No later than September 30, 2016, the Contractor shall enter into a sub-contract with one or more firms that provide marketing services and website design.	
Primary Activity #2	No later than December 31, 2016, the Contractor shall design and launch a website focused on regional recycling and waste diversion activities.	
Primary Activity #3	No later than January 31, 2017, the Contractor shall develop printable educational materials.	
Sub-Activities	<ol style="list-style-type: none"> 1. The Contractor shall develop a tri-fold, double-sided brochure. 2. The Contractor shall develop a one-sided, gray-scale flyer. 	
Primary Activity #4	No later than June 1, 2017, the Contractor shall conduct at least one educational workshop for schoolchildren in at least six of the 18 elementary schools in southwest Colorado on the importance of recycling.	
Standards and Requirements	<ol style="list-style-type: none"> 1. The Contractor shall ensure the Recycling Task Force approves of all educational resources before they are released to the public. 2. The Contractor shall request multiple bids to ensure the vendors selected to provide marketing and website design services are vetted through a competitive bidding process. The department recognizes that these services may be provided by the same company. 3. The Contractor shall negotiate a contract with sub-contracted consultants that conform to the roles and responsibilities shown in this Work Plan. 4. The Contractor shall not use the department's logo or the Colorado state seal on any promotional materials unless prior written approval is given by the CDPHE Program Administrator. 5. The website must include links to all printable educational materials developed as part of this project for the general public to download and print. 6. When selecting which elementary schools to conduct a workshop, the Contractor shall select one school from each County in southwest Colorado and one school on tribal lands. 7. The Contractor shall ensure there is a Spanish language equivalent for all printable materials. 8. The CDPHE Program Administrator will provide to the Contractor reporting templates 30 calendar days prior to each report's submittal deadline. 	
Expected Results of Activity(s)	The residents of southwest Colorado will have access to a variety of educational resources pertaining to recycling and other waste diversion activities.	
Measurement of Expected Results	<ol style="list-style-type: none"> 1. Number of hits on the website. 2. At least 500 each of flyers and tri-fold brochures distributed. 3. Number of school visits and approximate number of school children who participated. 	
		Completion Date
Deliverables	1. The Contractor shall confirm via an email to the CDPHE Program Administrator the name of the marketing consultant hired.	September 30, 2016
	2. The Contractor shall confirm via an email to the CDPHE Program Administrator the name of the website designer hired.	September 30, 2016

	3. The Contractor shall submit via email to the CDPHE Program Administrator the final version of the tri-fold brochure and flyer.	January 31, 2017
	4. The Contractor shall submit via email to the CDPHE Program Administrator the final version of the curriculum developed to educate elementary school students on recycling and other waste diversion activities.	March 1, 2017
	5. The Contractor shall submit via email to the CDPHE Program Administrator a midterm report.	No later than January 31, 2017
	6. The Contractor shall submit via email to the CDPHE Program Administrator a year-end report.	No later than June 30, 2017

Transit Scope of Work - \$18,000

Work with Transit Council Members and SWCCOG staff to identify marketing needs and assist Transit Council members (who are also members in good standing with the SWCCOG) with marketing as needed. It is expected each agency will need different support.

2017 DOLA Technical Assistance Grant

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

Comments: The DOLA Technical Assistance Grant is due October 1. This is before the October COG Board meeting. While staff is relatively sure of funding for this grant cycle, we are working on the projects that could be eligible for funding.

Details thus far:

- Expected Request \$50,000 - \$75,000
- \$10,000 for regional transit planning match
- Will match existing funding streams with DOLA to every extent possible
 - This will help keep any match from COG members to a minimum, ideally non-existent
- DOLA grant will focus on COG goals of Broadband, Recycling, Shared Services, and Transportation, though likely not all goals.

As this grant develops throughout September, staff will work with the Executive Committee to develop projects for funding.

Legal Review: Not applicable at this time

Fiscal Impact: High. These grants are important to the COG's funding stream.

Staff Recommendation: Allow staff to apply for the DOLA Technical Assistance grant due October 1 with reporting at the October SWCCOG Board meeting with specifics of grant application and if match from Members will be needed.

New Policy & Policy Update

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 2 September 2016

Comments: A new policy and several policy updates are attached. Please find the following for your review and approval.

Capitalization Policy:

Per suggestion from the 2015 audit, I have created a Capitalization Policy for your review and adoption. A \$5,000 threshold was chosen due to conversations with grantors that items under \$5,000 typically are not of concern; appropriate policy verbiage was found using online resources and presented to the auditors and legal counsel to ensure inclusion of all aspects required.

Purchasing Policy/Procurement Regulations Updates:

- The credit card verbiage was updated to include a second credit card that Sara Trujillo holds. This update can be found shadowed in grey on page 3.
- Per the Homeland Security December 2015 monitor visit, by federal law, this policy must state that no contracting agency can give geographical preference; therefore, the local preference section was removed and updated with verbiage directly from federal guidelines, 2 *CFR 200.319(b) Competition*. This update is shadowed in grey on pages 3 and 4.

Personnel Handbook Updates:

- The Anti-Fraud and Time Sheet Policy inclusions were presented at the April 2016 board meeting; however, there was no quorum and no official decision made to adopt the updates.

Legal Review: These have been reviewed by Legal

Fiscal Impact: None

Staff Recommendation: Approve the new Capitalization Policy, Purchasing Policy updates, and Personnel Handbook updates.

Southwest Colorado Council of Governments

CAPITALIZATION POLICY

1. Purpose

This accounting policy establishes the minimum cost (capitalization amount) that shall be used to determine the capital assets that are to be recorded in the Southwest Colorado Council of Government's annual financial statements.

2. Materials and Supplies definition

A "material or supply" is generally considered to be tangible property that is used or consumed in the business within twelve months of acquisition, is not inventory, or has a unit cost of less than \$5,000. Materials and supplies meeting this definition may be expensed.

3. Capital Asset definition

A "Capital Asset" is defined as a unit of tangible property that: (1) has an economic useful life of more than 12 months; and (2) was acquired or produced for a cost of more than \$5,000, including acquisition and installation costs on the same invoice. Capital Assets must be capitalized and depreciated for financial statement purposes.

4. Capitalization thresholds

The Southwest Colorado Council of Governments establishes \$5,000 as the threshold amount for minimum capitalization of tangible property. Any items costing below this amount will be expensed in the SWCCOG's annual financial statements.

5. Capitalization method and procedure

All Capital Assets are recorded at historical cost as of the date acquired.

Tangible assets costing below the aforementioned threshold amount are recorded as an expense in SWCCOG's annual financial statements.

6. Routine Maintenance definition

Routine maintenance that SWCCOG reasonably expects to make more than once to a unit of property over a 10-year period is not a capital asset and will be expensed.

7. Recordkeeping

Invoices substantiating the acquisition cost of each unit of property shall be retained for a minimum of five years.

Adopted Day Month Year

Southwest Colorado Council of Governments

Purchasing Policies

Adopted 10 January 2014

PURPOSE

The purpose of this policy is to establish procedures to maximize the value of public funds spent for purchasing goods or services. This process allows the establishment of safeguards for maintaining a system of quality and integrity.

GENERAL GUIDELINES

All purchases of materials and supplies shall be made in accordance with the following guidelines:

1. The SWCCOG Accounting is responsible for monitoring purchases, for establishing purchasing systems, and for providing assistance to departments making purchases. In the absence of an accountant the Executive Director is responsible.
2. If the Executive Director is the employee making a purchase, the Executive Committee of the Board of Directors shall oversee within the same guidelines as the Executive Director oversees employee purchasing.
3. All purchases must be made with funds that have been appropriated by the SWCCOG Board for the intended purpose. To the greatest extent possible, purchases shall be made in accordance with funds budgeted for that purpose.
4. Purchase Orders are required for any purchases totaling more than \$500.00
5. The Executive Director may approve normal budgeted utilities, insurance, debt service and other established payments (to include memberships, uniforms, and other identified expenditures) without further review or approval.
6. The SWCCOG Board and/or Executive Director may, from time to time, restrict any or all budgeted purchases if there is a shortage of available cash.
7. Vendor quotations for materials, equipment, services, and supplies may be rejected on the basis of inferior quality or unacceptable delivery time.
8. Quotes may be provided by vendors verbally, but must be followed by written confirmation. Documentation of all written quotations shall be forwarded to the SWCCOG Accounting, where a master file of quotations will be maintained.
9. In general, quotations or bids should be awarded to the lowest qualified, responsive bidder or vendor.
 - a. *Lowest qualified bidder* means the bidder with the lowest price and the highest qualifications, based on the following criteria: (1) the ability, capacity and skill of the bidder to perform the contract or furnish the supplies required; (2) whether the bidder can perform the contract or furnish the supplies promptly or within the time specified, without delay or interference; (3) the character, integrity, reputation, judgment, experience and efficiency of the bidder; (4) the quality of performance on previous contracts; (5) previous and existing compliance by the

bidder with all laws and ordinances relating to the contract or service; (6) sufficiency of financial resources and ability of the bidder to perform the contract or furnish the supplies; (7) the ability of the bidder to provide future maintenance and service; and (8) the response to the invitation for bids. *Responsive bidder* means a person or firm that has submitted a bid which conforms in all material respects to the invitation for bids.

- b. Having received a low quotation or bid, department heads are enabled to negotiate the price further with the vendor, if necessary, to bring purchases into the range of the approved budget.
10. Purchase of quantities of materials and supplies shall not be broken down with the intent of applying a less restrictive purchasing procedure.
 11. It shall be the policy of the SWCCOG to seek a minimum of three written quotes wherever possible. These can be provided digitally from the potential vendor. If reasonable attempts are made by the department head to obtain quotes from vendors and is unable to obtain three quotes due to the unresponsiveness of vendors contacted or the lack of potential vendors for the product or service, this requirement may be waived by the Executive Director, in consultation with the appropriate department head.
 12. All commonly used materials, supplies and equipment will be standardized as much as possible for better prices through quantity (bulk) purchase of fewer varieties of material and to increase proficiency in the SWCCOG evaluation of product performance. Selection of specific products that have been rated high in product performance evaluations may be classified as best buy.

The SWCCOG reserves the right to reject any and all bids, to waive any informalities and minor irregularities in bids, and to accept the bid deemed, in the opinion of staff, to be in the best interest of the SWCCOG.

AUTHORIZATION LEVELS AND REQUIRED PROCUREMENT PROCEDURES

In order to fully implement a SWCCOG purchasing policy that will provide sufficient standardization and accountability, as well as to ensure a sufficient degree of operational flexibility to the SWCCOG's various departments, the following levels of authorization and procedures are hereby established:

BUDGETED PURCHASES

<i>Amount</i>	<i>Required Procedures</i>
Less than \$1,000	Purchase of budgeted items shall be approved by the appropriate department head or the Executive Director. Items shall be purchased at their discretion, with a goal of cost containment.
\$1,001-\$5,000	Purchase of budgeted items shall be approved by the department head, Accounting and Executive Director. A minimum of three (3) written quotes shall be provided.

\$5,001-\$10,000	Purchase of budgeted goods or items shall be approved by the department head, Accounting, Executive Director and Board of Directors. A minimum of three (3) written quotes shall be provided.
\$10,001 and over	Budgeted project, service or item will be advertised for public bids through a formal requisition process. This may take the form of an RFP, or similar process.

NON BUDGETED PURCHASES

Any non-budgeted purchase over \$1,000 shall receive prior approval from the department head, Accounting, Executive Director and the Board of Directors and a minimum of three (3) written quotes shall be provided.

Any non-budgeted purchase exceeding \$10,000 shall receive approval from the aforementioned individuals and shall be advertised for public bids.

COOPERATIVE PURCHASE

The SWCCOG may participate in joint bidding with other governmental agencies and or the Rocky Mountain E-Purchasing System if it is deemed in the best interest of the SWCCOG to do so.

SOLE SOURCE PURCHASE

A sole source purchase may be made without receiving requests for bids or quotations if it has been determined that only one vendor is capable of meeting all specifications and purchase requirements. Written justification for waiving the competitive bid process shall be provided by the department head.

EMERGENCY PURCHASE

Emergency conditions requiring purchases are defined as situations in which health, welfare and/or safety of employees or the public are endangered. This includes, but is not limited to, the immediate repair of property or vehicles as necessary under circumstances described above. Emergency purchases of capital equipment/services shall be pre-approved by the Executive Director.

CREDIT CARD PURCHASES

The SWCCOG has two credit cards. One is in the possession of the Executive Director and the other in the possession of the Accountant. When a card is needed, employees shall receive prior authorization from the Executive Director. Employees may make travel arrangements with an existing card and request a petty cash purchasing card while traveling on official SWCCOG business if approved by the Executive Director. Its use shall be in accordance with SWCCOG travel policies.

BUSINESS PREFERENCE

Per 2 CFR 200.319, the non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or

proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

OUTSIDE FUNDING

In the case of goods and services procured with aid from any grant funding source and/or other federal or State of Colorado funds, the SWCCOG's procurement and local preference policies shall defer to the procurement rules (if any) of the grantor or funding entity.

CONFLICT OF INTEREST

Board members and staff shall disclose at the earliest stage possible any personal or private interest in any purchase or award of contract proposed before the Board of Directors. Board members may not vote on these matters and shall refrain from attempting to influence the other members of the Board of Directors in voting on the matter. Staff and Board Members shall comply with applicable state law concerning conflict of interest and disclosure requirements, including C.R.S. 24-18-10 et seq., C.R.S. 31-4-404, C.R.S. 24-18-201, C.R.S. 18-4-301, C.R.S. 18-4-401, and C.R.S. 18-8-308 and any related protocols of the SWCCOG Board of Directors.

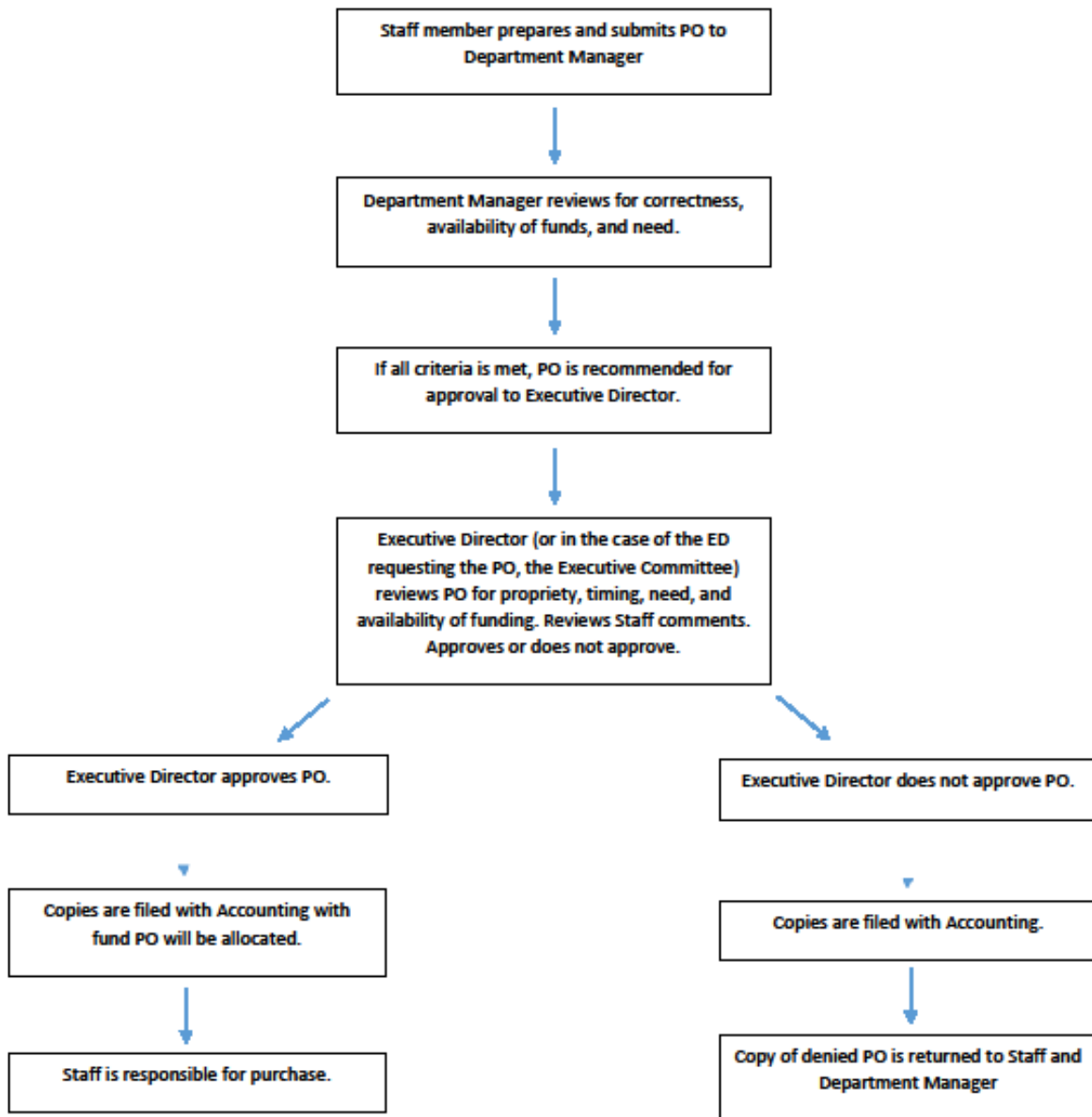
SURPLUS SUPPLIES AND EQUIPMENT

The SWCCOG Accounting shall work with the appropriate department head to oversee and administer the disposition of surplus inventory, including supplies and equipment that has been identified as no longer used or has become worn out. The Executive Director, in conjunction with the SWCCOG Accounting, may cause from time to time, any surplus supplies or equipment to be destroyed or sold after advertisement to the highest bidder, and the proceeds of the sale deposited into the appropriate fund of the SWCCOG.

EMPLOYEE REIMBURSEMENTS

Employees may be reimbursed for out of pocket expenses under \$50.00 from the SWCCOG's Petty Cash Fund by providing an approved "Request for Reimbursement," which shall include a copy of the receipt. Over \$50.00, the employee may be reimbursed via check with an approved "Request for Reimbursement." Generally, employees should not pay out of pocket for expenses, but should utilize SWCCOG accounts established with vendors for supplies and services wherever possible.

PURCHASE ORDER FLOW CHART



ANTI-FRAUD POLICY

The SWCCOG is committed to maintaining a work environment that promotes ethical and honest behavior and will not tolerate any fraud or fraudulent activity. In order to provide increased protection to the organization's assets and financial interests, the SWCCOG will adopt a coordinated approach to the identification, investigation and resolution of fraudulent activities, and to increase the overall awareness of the responsibility to report fraud and reasonably suspected fraudulent activity. Management at all levels should be aware of the risks and exposures inherent in their areas of responsibility, and should establish and maintain proper internal controls to provide for the security and accountability of all resources entrusted to them. All employees are responsible for safeguarding SWCCOG resources and ensuring that they are used only for authorized purposes, in accordance with applicable rules, policies, and laws. For purposes of this policy, fraud includes any willful or deliberate act committed with the intention of obtaining an unauthorized benefit, such as money or property, by misrepresentation, deception, or other unethical means.

Fraud and fraudulent activity may include, but are not limited to the following actions:

- Embezzlement or other financial irregularities;
- Forgery, alteration, or falsification of documents (including checks, time sheets, travel expense reports, contractor agreements, purchase orders, other financial documents, electronic files);
- Improprieties in the handling or reporting of money or financial transactions;
- Misappropriation, misuse, theft, removal, destruction, or concealment of SWCCOG resources (including funds, securities, supplies, inventory, furniture, fixtures, equipment, intellectual property, records or any other asset);
- Misuse of SWCCOG facilities (including telephones, computers and e-mail system);
- Inappropriate or unauthorized use, alteration or manipulation of data, computer files, equipment, software, networks, or systems, including personal or private business use, hacking and software piracy;
- Improper use or assignment of any institutional assets or resources, including but not limited to personnel, services or property;
- False claims, concealment or misrepresentation of facts, events or data;
- Personal use of SWCCOG property in commercial business activities;
- Profiting on insider knowledge;
- Receiving or offering bribes, rebates, or kickbacks;
- Accepting or seeking anything of material value from contractors, vendors or persons providing or seeking to provide services/materials to the SWCCOG (except as allowed by Article XXIX of the Colorado Constitution);
- Engaging in actions that represent a conflict of interest;
- Disclosure of confidential information;
- Any similar dishonest or fraudulent act or related irregularity.

The SWCCOG will take appropriate disciplinary and legal action against any individual or entity who commits fraud against the SWCCOG, which may include, but is not limited to, discharge from employment and or criminal prosecution under appropriate State and federal laws.

Reporting Procedures

Great care must be taken in dealing with suspected fraudulent activities so as to avoid any incorrect accusations, alerting suspected individuals that an investigation is under way, violating a person's right to due process, or making statements that could lead to claims of false accusations or other civil rights violations. Employees and other individuals associated with the SWCCOG who become aware of, or have a reasonable

basis for believing that fraud or some fraudulent activity has occurred shall promptly report the suspected activity to an appropriate supervisor or department head. If the incident involves their immediate supervisor, the employee should report the incident to the next highest-level supervisor. The reporting individual must not confront the suspected individual or initiate an investigation on their own since such actions could compromise the investigation. No facts of the case may be discussed with anyone inside or outside the organization, except those individuals conducting the investigation. Face-to-face interviews of the suspected individual should be performed under the supervision of an attorney or certified fraud examiner.

Confidentiality

The results of investigations will not be disclosed or discussed with anyone other than those persons associated with the organization who have a legitimate need to know in order to perform their duties and responsibilities. This does not preclude the disclosure of the results in accordance with resulting prosecution under legal authority.

Acting in Good Faith

Care must be exercised in the investigation to avoid mistaken accusations. Anyone reporting any irregularity that is detected or suspected must be acting in good faith and have reasonable grounds for believing the information provided. Allegations made maliciously or with knowledge of their falsity will not be tolerated. People making such allegations may be subject to disciplinary action and/or legal actions by the individuals accused of fraudulent conduct. The individual making the report may choose whether to remain anonymous.

Whistleblower Protection

Any employee who reasonably believes that fraudulent activity has been conducted by another employee and reasonably reports the activity will not be subjected to an adverse employment action as a result of reporting the activity. Employees may not retaliate against a whistleblower for reporting an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of employment (including, but not limited to, threats of physical harm, dismissal, transfer to an undesirable job assignment, demotion, suspension, or impact on salary or wages). This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

Suspension/Termination

During an investigation, the suspected individual may be suspended with pay. Based upon the results of the investigation, the individual will either be reinstated or terminated, based upon the legal review. Fraudulent activities will be prosecuted to the fullest extent of the law.

TIME SHEET POLICY

The SWCCOG is committed to providing accurate records of all employee time spent on each grant and administrative work. This information is critical for grant and COG budgeting and for grant reimbursements. With existing grants and future grants, and all audits, SWCCOG staff must ensure time sheet information is up-to-date, truthful, and does not change after an official time sheet copy is complete. In order to provide increased precision of time sheet information, the SWCCOG will maintain a coordinated approach to time sheet submittal and communication between staff.

Procedures

A reoccurring calendar reminder will be generated to remind all staff that time sheets need to be complete by the end of day on the last day of each pay period. Time sheets will be considered complete and final following the last day of each pay period. Non-Exempt employees will then submit these for payroll processing.

Prior to using time sheet information, the Grant Manager will send out a staff-wide email reminding all staff that time sheets will be used on that day, to ensure they are up to date as well as to remind staff that no changes are allowed for time entered.