



# SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

## Regular Meeting Agenda

Thursday, 7 December, 1:30pm-4:00pm

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

- I. Introductions
- II. Consent Agenda
  - a. 2 November 2017 SWCCOG Meeting Minutes
  - b. October 2017 Financials
- III. Reports (Staff will be available for questions on the written reports)
  - a. Director's Report
  - b. Broadband Report
  - c. Transportation Report
  - d. VISTA Report
- IV. Discussion Items
- V. Decision Items
  - a. Executive Committee Meeting Minutes from October 19, 2017
  - b. Adoption of 2018 Budget
  - c. Selection of 2018 Executive Committee (Treasurer)
  - d. Approval of 2018 Meeting Schedule
  - e. RREO Regional Studies Grant Application
  - f. Executive Session: Executive Director Evaluation Overview and Merit Raise  
*For discussion of a personnel matter under CRS Section 24-6-402(2)(f) and NOT involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees.*
- VI. Other Items
- VII. Community Updates

# Consent Agenda

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**Southwest Colorado Council of Governments  
November Board Meeting  
Thursday, 02 November 2017, 1:30pm  
1188 E. 2nd Ave., Carnegie Bldg., Durango, CO 81301**

In Attendance:

John Egan – Town of Pagosa Springs  
Fred Brooks – Town of Mancos  
Karen Sheek – City of Cortez  
Chris La May – Town of Bayfield  
Dick White – City of Durango  
Heather Alvarez – Town of Mancos (via phone)  
William Tookey – San Juan County (via video)  
Chris Tookey – Town of Silverton (via video)  
Kari Distefano – Town of Rico (via phone)

Staff in Attendance:

Miriam Gillow-Wiles – Southwest Colorado Council of Governments  
Jessica Laitsch – Southwest Colorado Council of Governments  
Dylan Lucas – Southwest Colorado Council of Governments  
Sara Trujillo – Southwest Colorado Council of Governments

Guests in Attendance:

Dr. Rick Smith – Data Safe Services  
Sherri Dugdale – Southwest Colorado Incident Management Team  
Steve Barkley – Southwest Colorado Incident Management Team  
John Whitney – Senator Bennet’s Office

**I. Introductions**

The meeting was called to order at 1:33 pm, everyone introduced themselves.

**II. Consent Agenda**

- a. 5 October, 2017 SWCCOG Meeting Minutes
- b. September 2017 Financials

**Fred Brooks motioned to approve the consent agenda, Karen Sheek seconded, unanimously approved.**

**III. Reports**

Director’s Report

Miriam said staff is still working to solidify the 2018 budget as there are many moving and uncertain parts that are making it quite challenging, especially with FCC, DoLA, and CDOT funding.

Miriam said she attended the National Association of Regional Council (NARC) Executive Director’s Conference where there was a good discussion about ROI not only involving dollars but social capital benefits. Staff is looking to incorporate social capital benefits in ROI reports and better understand what this may look like at future board retreats.

Miriam reported that the 2017 budget was predicted to have a \$25,000 shortfall; however, there are some revenues that have not yet been realized from dark fiber leases. Per contract, there is revenue share with the COG on all dark fiber leases. Because COG staff only manages

Durango's leases, Miriam requested that all members send her a copy of their current dark fiber leases so that COG staff will know how much to invoice members. Miriam will send an email with this request after the board meeting and invoices will go out ASAP.

#### Broadband Report

Miriam reported that the current grant cycle for the state Broadband Fund has \$20.4 million in funding requests with only \$9.4 million available. CenturyLink has requested \$9.3 million of the \$9.4 million available. If CenturyLink is awarded the full amount of their request, no other applicant will be awarded funding, and conversely if CenturyLink is not awarded funding, all other applicants will receive funding. Karen asked what percentage of people would be impacted if CenturyLink were to receive all funds versus other applicants. Miriam said she will ask and send the answer to the board. Miriam said the COG recently sent a letter to Senators Bennet, Tipton, and Gardner's offices regarding the concerns about service to the Lemon area and other CAFII funding concerns.

Miriam said there are two applications that would impact southwest Colorado, Forethought/Brainstorm and AlignTec. The SWCCOG provided a letter of support for the proposed project in San Juan County by Forethought/Braintorm. Staff would like to provide comment in support of AlignTec's application and comment on CenturyLink's application as well. Karen asked if both Forethought/Brainstorm and AlignTec provide the minimum of 25 by 3. Miriam said yes, Forethought/Brainstorm provides those speeds; however, she is unsure about AlignTec but can look at their application to confirm.

Miriam said in addition to providing comment on the mentioned applications, the FCC is proposing to reduce broadband speeds back to 10Mbps download and 1Mbps upload speeds. The current definition of 25Mbps download and 3Mbps upload was increased from 4Mbps download by 1Mbps upload in 2015. The proposed speeds would only continue to put rural areas at a disadvantage and cater to the incumbents as well as disincentivize creative solutions for hard to reach areas. Miriam asked if the board would like to send a letter to the FCC with concerns about reducing speeds. Staff could create a template and send to all members so each community could send their own concerns as well. The board is in support of sending a letter to the FCC and having staff send templates to each member. The board is also in support of sending positive comment on local ISP's applications to support local efforts in broadband development. In regards to a letter stating concerns about CenturyLink's application for all funding, the board directed staff to write a letter requesting a fair and equitable process for all providers.

#### Transportation Report

Jessica said the next TPR meeting will be Thursday, December 7.

In regards to transit, Jessica reported that the National Association of Development Organizations (NADO) Research Foundation applied for federal funding to offer rural transportation technical assistance to communities or regions. In preparation for their application, they sought information about specific projects that could benefit from technical assistance (not direct funding) for passenger transportation projects or concepts. The SWCCOG, in partnership with Region 9, submitted a request for assistance exploring how an inter-city fixed route transit line between Cortez and Durango should be run and funded. This project was selected as it has consistently been identified as a top priority for regional transportation development and could be easily expanded to benefit additional communities. Staff has been notified that NADO was selected to receive funding to provide technical assistance and that the SWCCOG's project was selected as one of the projects to receive

assistance. We have been notified that we will be working with the Small Urban, Rural, and Tribal Center on Mobility (SURTCOM), which is a consortium led by Montana State University. We anticipate the staff time required for this project to be minimal.

#### VISTA Report

Dylan reported that the COG submitted an RREO grant application requesting \$25,000 to create an all-in-one recycling web app. This web app would allow users to enter in a specific address and see what materials are recycled in their area and where. The goal of the app would be to provide customers an easier experience rather than looking through web sites.

Dylan said the Spanish recycling website is now up and running. It features the same content as the English language website. Staff is still working on how to best market this website.

#### IV. Discussion Items

Karen said an issue costing much money and man power is when citizens need to be transported for mental health care. Currently, law enforcement is tasked with this transportation. Even when a patient is at the hospital, transport via ambulance is extremely costly and therefore not done. Karen asked for discussion of what could be done to develop something within the larger communities to provide these services at a much lower cost. Setting up something privately comes with astronomical insurance costs so is not an option. Karen said the city has spoken with Axis repeatedly with no solution. Miriam suggested incorporating a forum prior to COG board meetings every other month where staff could bring in experts to help with these types of issues. The board agreed. Miriam will put a forum on the January agenda prior to the COG meeting regarding the transportation for mental health care issue.

#### V. Decision Items

a. Executive Committee Meeting Minutes from September 21, 2017

**Chris La May motioned to approved the Executive Committee meeting minutes from September 21, 2017, John Egan seconded, unanimously approved.**

b. Contractor Selection for FTA 5304 Regional Transit Planning Project RFP

Miriam said the SWCCOG Board approved a CDOT 5304 Transit Planning grant in late 2016. This grant was awarded earlier in the year which was matched with DOLA funding. The scope of work encompasses transit planning the Four Corners area as there is much movement of people across state lines; it also partners with the various COGs in the other states, specifically New Mexico and Arizona. The paperwork has taken quite some time to get in order, hence the time difference in award vs RFP. The SWCCOG issued an RFP for a Transit Planning Consultant. Four proposals were received. The SWCCOG purchasing policy states that bids should be awarded to the lowest qualified and responsive bidder. Either Athena or LSC could be awarded this, based on cost, qualifications, and response. Karen asked if staff have talked to any references for these companies. Jessica said she has reached out with no response. Chris asked if there are requirements in the grant for selection of a contractor as sometimes CDOT grants will have a process for selection. Jessica said she will look into this to confirm.

**Heather Alvarez motioned to authorize staff to negotiate and award a contractor conditional upon reference checks and a look into a possible CDOT selection process, Dick White seconded, unanimously approved.**

c. Contract for Fiscal Management of Southwest Incident Management Team

Miriam reported that the 2017 Legislative session allocated a small amount of state funding for the Incident Management Teams across the state through the Department of Homeland Security and Emergency Management (DHSEM) via an application process. The Southwest

Colorado Incident Management Team (SWIMT) approached the SWCCOG requesting fiscal management. The SWCCOG previously provided this service for the SWMIT with a 10% M&A, which will carry forward into the new proposed contract. Chris La May asked if 10% is enough to cover expenses and time. Miriam confirmed yes.

**Fred Brooks motioned to approval the MOU for Fiscal Management of the Southwest Colorado Incident Management Team, Dick White seconded, unanimously approved.**

d. Contract with Region 9 for Enterprise Zone

Miriam said the state approved the SWCCOG Broadband Enterprise Zone application in June. This Enterprise Zone (EZ) is specifically for broadband development. The project would allow private land owners to donate rights-of-way, private companies to donate equipment (such as conduit, switches, or fiber) and labor, and private companies or land owners to donate cash. This contract formalizes the relationship between Region 9 as the Enterprise Zone Administrator and the SWCCOG. The SWCCOG will be approving applications and the day-to-day work. Region 9 is ultimately responsible for our work on the EZ.

**Chris La May motioned to approve the MOU between Region 9 EDD and SWCCOG for Enterprise Zone management, Fred Brooks seconded, unanimously approved.**

e. Contract with Haynie and Company for Audit Services

Miriam said the SWCCOG Board awarded the SWCCOG 2017, 2018, and 2019 audit to Haynie & Company. Legal created a Professional Services Agreement in addition to Haynie & Company's engagement letter. The contract is for 1 year with renewal options in 2018 and 2019. The auditor fees are less than the previous auditor.

**Karen Sheek motioned to enter into contract with Haynie and Company, Dick White seconded, unanimously approved.**

f. RREO Mini Grant Application Approval

Miriam reported that the COG applied for a Recycling Resource Economic Opportunity (RREO) Mini Grant through CDPHE that requests \$25,000 with no matching funds required. This grant will help to enhance the SWCCOG's regional recycling education project and develop an app where a resident can input their address and find out what recycling options they have in the local area. However, after application submittal, Miriam learned from Shane Hale that Cortez applied for the same funding. To prevent competition, which may not always be avoidable, staff can pull the application and apply for another RREO grant due December 13 that would involve a regional planning project on how to make the economics of recycling more viable. Miriam said this grant is for up to \$50,000. In addition, the COG could wait until the regular RREO cycle due around March 1. John said if the COG does not compete with members for some grants, this could significantly curb financial resources and suggested a more lengthy discussion take place in the future where the COG can adopt a policy in regards to competing for grants. Karen said a grant to make the economics more viable seems more useful than adding another feature to the website that may or may not be used.

**Karen Sheek motioned to not pursue the RREO grant, Fred Brooks seconded, unanimously approved.**

Staff was directed to work towards another RREO grant. Dylan added that Durango is working on a similar app that this grant would have created for the COG. If Durango sees much success, this could be something the COG can work on in the future. Dylan will track Durango's progress.

g. DoLA 8011 Downtown Improvement Planning Grant Extension

Miriam said the SWCCOG received funding for a Downtown Planning for the Towns of Bayfield, Ignacio, Pagosa Springs, and Silverton in 3rd quarter 2015. Initially, these funds were distributed and matched equally from the four communities; however, the Towns of Pagosa Springs and Silverton are done with their planning projects and are forgoing any unused funding allotted for their projects. The Towns of Bayfield and Ignacio are willing to increase their match to utilize the additional funding. A grant amendment was submitted to extend the deadline of this grant and include capital expenditures; unfortunately, because of a contract form update, DoLA cannot approve this amendment without rewriting the contract, which they do not have time to do. DoLA has suggested adding the remaining funds from this grant to the 2018 Technical Assistance DoLA grant and include capital expenditures. If the COG does this, DoLA will fast-track the approval of the 2018 TA grant to November 2017. Miriam said her concerns are that the downtown grant funds came from a different pot of funds than the TA grant will come from and she does not want the projects under the TA grant to become compromised by requesting additional funds. She has discussed these concerns with DoLA and has been told that DoLA will work with the COG.

**Chris La May motioned to have the Executive Director change the scope of service in the 2018 TA grant to include the DoLA 8011 downtown grant funds and capital expenditures, Karen Sheek seconded, unanimously approved.**

#### **VI. Other Items**

None

#### **VII. Community Updates**

Chris La May – Town of Bayfield:

- The bridge project is nearing completion and should open November 21, 2017.
- The library received funds to build a park and will have the grand opening November 11, 2017.

John Egan – Town of Pagosa Springs:

- The former manager of Mancos, Andrea Phillips, is now the manager for Pagosa Springs and is doing a great job.
- The town is working on completing the river walk trail and will know more when the purchase of additional land is confirmed.

Fred Brooks – Town of Mancos:

- The town will be hiring their 4<sup>th</sup> deputy and looking to purchase another squad truck.
- The town is in the midst of a bond issue for the school expansion.

Dick White – City of Durango:

- A public hearing will be held next Tuesday for the budget; unfortunately, there is no sales tax growth. In addition, the city will be cutting back on the transit system.
- There are plans to open Lake Nighthorse as the annexation petition has come to the council and is moving forward.

Karen Sheek – City of Cortez:

- The city had 23 non-profits in the community submit applications for grant money from the city. The city approved, with adjustments, 21 applications totally over \$33,000.

Kari Distefano – Town of Rico:

- Sales tax projections are down.
- The town is looking to lease a snow plow.
- The town has been promised a transportation van from the San Miguel Transit Authority to transport folks to and from Telluride for work.

Chris Tookey – Town of Silverton:

- A new town administrator started November 1, 2017.
- The town submitted a grant for the library to be resuscitated.
- Two grants have been received to help repair bridges.

William Tookey – San Juan County:

- The back country roads are shut down over the passes due to snow.
- The November ballot will include a 1.5% sales tax increase.

**Chris La May motioned to adjourn the meeting, Karen Sheek seconded, unanimously approved.**

The next meeting is December 7, 2017.

**End 3:19 pm**

# October 2017 Financials

To: SWCCOG Board of Directors  
From: Sara Trujillo  
Date: 7 December 2017

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Comments: The following attachments include:

- Balance Sheet as of October 31, 2017
- January – October 2017 Profit & Loss

Items to Note:

*P&L:* I typically provide a P&L versus Budget but with the approved 2017 budget having changed significantly, I am providing a P&L without a budget comparison.

*Balance Sheet:* Credit card balances were high in October due to \$7,840.83 in All-Hazard grant purchases that will be fully reimbursed by that grant in addition to some travel that will be reimbursed by the TPR grant and go towards the DoLA 8330 TA grant in-kind requirement.

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

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

***Legal Review: Not Applicable***

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## Southwest Colorado Council of Governments

## Balance Sheet

As of October 31, 2017

	Oct 31, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Alpine Bank	
Alpine Bank Account (UR)	53,111.46
Total Alpine Bank	53,111.46
Petty Cash	
AmeriCorps VISTA	348.58
Jessica Laitsch	29.10
Petty Cash - Other	29.07
Total Petty Cash	406.75
Total Checking/Savings	53,518.21
Accounts Receivable	
Accounts Receivable	30,667.09
Total Accounts Receivable	30,667.09
Other Current Assets	
Prepaid Expense	11,994.00
Total Other Current Assets	11,994.00
Total Current Assets	96,179.30
<b>TOTAL ASSETS</b>	<b>96,179.30</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-3,441.74
Total Accounts Payable	-3,441.74
Credit Cards	
Credit Cards	
Miriam	6,588.97
Sara	2,744.83
Total Credit Cards	9,333.80
Total Credit Cards	9,333.80
Total Current Liabilities	5,892.06
<b>Total Liabilities</b>	<b>5,892.06</b>
Equity	
Retained Earnings	85,735.42
Net Income	4,551.82

8:24 AM

11/22/17

Accrual Basis

Southwest Colorado Council of Governments

Balance Sheet

As of October 31, 2017

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	Oct 31, 17
Total Equity	90,287.24
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>96,179.30</b>

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## Southwest Colorado Council of Governments

## Profit &amp; Loss

January through October 2017

	Jan - Oct 17
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>All Hazards</b>	
2015 SHSP	65,499.11
2016 SHSP	116,553.27
<b>Total All Hazards</b>	182,052.38
<b>CDOT Grants</b>	
SWTPR Grant	18,006.12
<b>Total CDOT Grants</b>	18,006.12
<b>DoLA Grants</b>	
DoLA 8010	0.00
DoLA 8011	29,770.97
DoLA 8330	23,768.80
DoLA 9038	44,954.54
<b>Total DoLA Grants</b>	98,494.31
<b>Dues Revenue</b>	
Admin Position	12,200.00
COG Dues	114,000.00
SWTPR Contributions	7,607.00
<b>Total Dues Revenue</b>	133,807.00
<b>Grant Match</b>	
COG Member Match	15,000.00
<b>Total Grant Match</b>	15,000.00
<b>Misc. Income</b>	8,997.21
<b>RREO Grant</b>	
RREO 2016-2017	28,161.60
<b>Total RREO Grant</b>	28,161.60
<b>SCAN Services</b>	
Dark Fiber Leasing	21,286.50
Fiber Equipment Repair Fund	0.00
Internet & Transport	8,280.00
<b>Total SCAN Services</b>	29,566.50
<b>Total Income</b>	514,085.12
<b>Gross Profit</b>	514,085.12
<b>Expense</b>	
Advertising and Promotion	78.72
All Hazards Projects	
All Hazards 2015 SHSP	
Grant 2015 Project 1	691.82

## Southwest Colorado Council of Governments

## Profit &amp; Loss

January through October 2017

	Jan - Oct 17
Grant 2015 Project 2	3,735.20
Grant 2015 Project 3	66,959.88
Grant 2015 Project 4	8,692.28
Grant 2015 Project 5	7,840.83
<b>Total All Hazards 2015 SHSP</b>	<b>87,920.01</b>
<b>All Hazards 2016 SHSP</b>	
Grant 2016 Project 1	11,394.12
Grant 2016 Project 2	19,942.50
Grant 2016 Project 3	8,994.34
Grant 2016 Project 4	23,661.83
Grant 2016 Project 5	5,167.25
Grant 2016 Project 6	23,879.11
Grant 2016 Project 7	46,440.30
All Hazards 2016 SHSP - Other	-36,535.11
<b>Total All Hazards 2016 SHSP</b>	<b>102,944.34</b>
<b>Total All Hazards Projects</b>	<b>190,864.35</b>
AmeriCorp VISTA	8,000.00
Conference Fee	199.00
Consulting	80,667.70
Employee/Board Appreciation	78.88
Information Technology (IT)	
Internal IT Consulting	50.00
Software	1,023.99
<b>Total Information Technology (IT)</b>	<b>1,073.99</b>
Insurance Expense	
General Liability	2,234.75
Health	21,845.00
Worker's Compensation	1,668.00
<b>Total Insurance Expense</b>	<b>25,747.75</b>
Internet Connectivity	
Fast Track	9,900.00
Internet Connection (AT&T)	323.37
<b>Total Internet Connectivity</b>	<b>10,223.37</b>
Meetings	1,311.94
Memberships	5,673.00
Misc. Expense	3,502.60
Office Equipment	293.46
Office Supplies	428.88
Postage and Delivery	67.15
Professional Development	2,569.31
Professional Fees	
Accounting Software	219.95
Audit	6,750.00

## Southwest Colorado Council of Governments

## Profit &amp; Loss

January through October 2017

	<u>Jan - Oct 17</u>
Legal	3,331.36
Misc.	331.41
<b>Total Professional Fees</b>	<b>10,632.72</b>
<b>Salary and Wages</b>	
457 Retirement	5,512.24
Car Allowance	3,000.00
Cell Phone Allowance	2,405.00
Payroll Processing Fee	1,346.52
Payroll Tax	9,446.41
Salary and Wages - Other	113,952.75
<b>Total Salary and Wages</b>	<b>135,662.92</b>
Software Maintenance e-TICS	15,162.00
Travel	17,295.56
<b>Total Expense</b>	<b>509,533.30</b>
<b>Net Ordinary Income</b>	<b>4,551.82</b>
<b>Other Income/Expense</b>	
Other Income	
Interest Earned	0.00
<b>Total Other Income</b>	<b>0.00</b>
<b>Net Other Income</b>	<b>0.00</b>
<b>Net Income</b>	<b>4,551.82</b>

# Reports

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# Director Report

To: SWCCOG Board of Directors  
From: Miriam Gillow-Wiles  
Date: 7 December 2017

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Comments: I hope everyone had a happy and safe Thanksgiving!

## **DOLA 8011 Grant**

The SWCCOG was awarded the DOLA 8011 grant in mid-2015 as a pass through grant for the four communities of Bayfield, Ignacio, Pagosa Springs, and Silverton for downtown (re)development planning. The grant was closed out October 31<sup>st</sup> 2017. However, there was approximately \$54,800 left in the grant. About \$6,000 of the funding was allocated for management and administration (M&A) for the SWCCOG. Additionally, the match required by the communities included M&A, with about \$1,000 in the remaining balance. The total M&A of slightly over \$7,000 represents 26% of the 2017 budget deficit.

As a result, the SWCCOG will include a clause in all contracts for communities participating in pass through grants, making the member jurisdictions responsible for any loss of funds due to incompleteness of the grant, including pulling out of a grant part-way through and/or a community's inability to finish the grant.

## **Board Forums**

As Staff starts to put together the requested brown bag lunch forums a few questions came up regarding speakers who might need to travel in from outside the region, and length of time for the forums.

- If an expert is needed to come speak to the Board, the SWCCOG does not have this budgeted nor the cash flow.
- The Board can choose to use their Grant Match to provide funding to cover expenses.
- Length of time is expected to be 2 hours, 11am-1pm
- The Attendees will need to provide their own lunch, as the SWCCOG does not have the budget for meals at these forums.

## **2018 Board Meeting Schedule**

Included in the Board Packet is the proposed 2018 Board Meeting Schedule. Two things stand out as creating conflict with the regular 1<sup>st</sup> Thursday Board Meetings: Independence Day (Wednesday, July 4<sup>th</sup>), and the Oct 15<sup>th</sup> Budget deadline.

# Director Report

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- July Board Meeting
  - o Independence Day has always fallen near the SWCCOG Board Meeting. We have previously cancelled the July meeting. In 2017 we combined the June and July meeting to the end of the June. Both have worked well
  
- October Board Meeting
  - o Over the past few years, we have noticed the there is a dip in attendance to the October Board Meeting. The SWCCOG Board meetings fall during the final push for preliminary budgets to be finalized and presented to the member jurisdictions respective Boards.
  - o It seems beneficial to have the SWCCOG October Board meeting after Oct 15<sup>th</sup> to help ensure quorum
  - o This could also be combined to a October/November Board Meeting, or skip October all together.

## **Executive Director December PTO**

I have 11 days of PTO to use before the end of the year, I will be taking all the Fridays in December off, as well as the December 18-31<sup>st</sup> (this is only 8 days, due to two Holidays and weekends). During this time, I will be traveling to visit my family, and if there is no snow, probably ride a bicycle.

# Broadband Report

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

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Comments: Broadband has become the main focus at the moment, as we gear up for application and hopefully funding for infrastructure development.

## **FCC Rural Healthcare Funding/Colorado Telehealth Network**

We are working with NeoConnect and Colorado Telehealth Network to get the application together for a January 1<sup>st</sup> application request. The process is different than most other grants, as we have to post an RFP to the FCC website to “self-provision” fiber for our healthcare agencies. After we go through the RFP time and selection the FCC will evaluate the request and provide funding.

A contract with CTN will be on the January 2018 agenda for Board approval. They have just reduced the amount of M&A from 5% of total cost to a tiered rate dependent on funding received.

The FCC Rural Healthcare Funding request maximum amount is 17 million dollars, we need 35% match for this funding source, or just shy of 6 million dollars. I am working with CDOT to create a contract for this match. Please note, this is over a three year time frame.

Additionally, the SWCCOG will be applying for a DOLA grant for at least 1 million in 2018 (or 3M over the three year project) to provide funding for contractors and existing staffing for management of the projects.

Finally, in January, I would like the Board to have a discussion about private equity funding to backfill funding for this project. The Regional Broadband Plan is calls for 40-55M for broadband development. The above funding totals 26Million (over three years). Additional private equity of around 10Million would get much closer to the 40Million needed. The SWCCOG cannot bond (no voting base) and it does not make sense to ask the membership for an additional 10Million (pretty sure you all would just laugh me out of the room).

- FCC Funding – 17Million
- CDOT Funding – 6Million
- DOLA Funding – 3Million

## **Net Neutrality**

The FCC is proposing to eliminate the Obama Era ruling requiring net neutrality. Net Neutrality is the principal that ISPs should allow access to all content and applications regardless of the source, without favoring or disallowing specific information, products,

# Broadband Report

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and/or websites. This is important, as an ISP may be able to block a specific website, Netflix for example, unless that website pays a premium to the ISP or the consumer pays an additional cost to access specific content. Essentially, without net neutrality, the ISPs will be able to censor the content received at the end user.

A good article from Brookings on Net Neutrality and the Digital Divide:

<https://www.brookings.edu/podcast-episode/net-neutrality-the-fcc-and-the-digital-divide/>

## **Broadband High Cost Fund – Grant Application Updates**

Of the two funding requests from local ISPs in the SWCCOG area to the Broadband High Cost Fund one was funded and one was not. The funded project was Forethought/Brainstorm's proposed project for Cascade Village in San Juan County. AlignTec's application for fiber to the premise (FTTP) in the eastern La Plata County subdivision, Deer Valley, was not approved. CenturyLink has until Wednesday 12/6, 5pm to protest these awards and provide a plan to provide the same, or better, services as the awarded application.

Forethought/Brainstorm thanked the SWCCOG for their support of the Cascade Village project.

## **Broadband Coordinator**

As part of the FCC/CDOT/DOLA funding one of the contractors that I propose is a Broadband Coordinator. Currently, I am filling this roll as well as that of the Executive Director (and a few others). I have been unable to provide the services for a Broadband Coordinator to the need of the region. NWCCOG has a Broadband Coordinator, they have approached the SWCCOG wanting to know if we can share this position as a contractor for the SWCCOG. This would be exceptionally beneficial for the region, and this contractor would be able to help the communities develop their SCAN infrastructure, expand infrastructure, negotiate with the ISPs, develop aggregation of services (connectivity, VOIP, etc). As well as provide technical support that is currently lacking at the SWCCOG staff. As part of the DOLA or CDOT funds, we will be using about \$50,000 for this position (\$35,000 for salary, and \$15,000 for travel/lodging/etc).

# Transportation Report

To: SWCCOG Board of Directors  
From: Jessica Laitsch  
Date: 30 November, 2017

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Comments: Transportation:

The next SWTPR meeting will be held at 9:00 a.m. Thursday, 7 December, 2017 at the Carnegie Building, 1188 E 2nd Ave., Durango.

Transit:

5304 Four Corners Coordinated Transit Plan - Based on references and clarification received regarding the proposals from potential transportation consultants, staff is negotiating a contract with the preferred contractor, Nelson\Nygaard Consulting Associates.

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# VISTA's Report

To: SWCCOG Board of Directors  
From: Dylan Lucas  
Date: 28 November 2017

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Comments: **Recycling due to China's New Policies**

China's new recycling policies, called "National Sword", will go in effect by January 1<sup>st</sup>. Recycling centers will be looking for cleaner materials to send to the markets whether those materials stay in the states or are sold internationally. We should be on the lookout for updates in recyclable materials in the area up until the start of the new year. Despite these new policies this is expected to be a small blip overall on the recycling radar.

**Professional Development: Data Analysis Course**

I just started a 10 week intensive online Data Analysis course that will teach intermediate data analysis skills. It will cover everything from collecting data, to storing it, and how to analyze it using computer programming. In addition to basic lectures and coursework, there will be two projects that will refine what is learned and will teach us how to apply this towards real-world solutions.

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## Discussion Items

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# Decision Items

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# SWCCOG Executive Committee Minutes

To: SWCCOG Board of Directors

From: Sara Trujillo

Date: 7 December 2017

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

**Legal Review:** None

**Fiscal Impact:** None

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

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

In attendance:

Gwen Lachelt – La Plata County

Chris La May – Town of Bayfield (via video)

Miriam Gillow-Wiles – Southwest Colorado Council of Governments

Sara Trujillo – Southwest Colorado Council of Governments (via video)

Jessica Laitsch – Southwest Colorado Council of Governments

The meeting began at 1:40 p.m.

Miriam explained that the items not voted on at the October board meeting would be included, specifically a contract for fiscal management for the SWIM Team, a contract with Region 9 for the Enterprise Zone, and a contract with the auditors. Also on the agenda will be approval of an RREO grant for recycling education.

Miriam would like to discuss the 2018 meeting schedule, she is concerned the reason there was no quorum in October is due to time conflicts with the development of annual budgets. She would recommend combining the October and November meetings to be held after the October 15 draft budget deadline. Chris expressed concern whether this would impact the ability for the COG to do business. Miriam replied that as long as it is scheduled far enough in advance this should not be an issue.

Miriam explained that at the last meeting she had been asked to send a letter to the FCC about Lemon Reservoir, but she is worried that it would have no impact. The Senators' offices have recommended working with the FCC to get information about where CenturyLink is putting in infrastructure. She added that it could be more useful to provide commentary on CenturyLink's application to the Colorado High Cost Fund. Gwen asked if the FCC chair has been appointed. Miriam replied yes, she is concerned about the preferred policies of the current leadership as there could be a reduction in required speeds. She concluded that the COG could write a letter, but there may be more impact to write letters to the Senators instead.

Miriam mentioned that one of the items requested for discussion is the 2017 budget. She asked if they would prefer to discuss this or wait so it isn't confused with the 2018 budget. Chris asked if the concern is related to the 2018 budget. Miriam replied that there will be a deficit in 2017, probably roughly \$25,000, and there will be an amendment when the numbers are in. Chris asked about the similar issue last year where there was a deficit but it was largely corrected. Miriam replied that she does not expect this to be corrected in 2017, there were a number of requested items to be addressed which required the use of reserves. She added that the COG needs to find a new revenue source. Chris asked if there are funds set aside for routers. Miriam replied yes, noting that La Plata County set aside their portion and it is not currently in their budget to be spent. Sara and Miriam explained that the broadband fund could be used for broadband expansion. Chris asked how staff is managing the deficit, if there are specific policies in place to manage spending. Miriam replied that there are not official limits on expenditures, but they are only spending what is really needed. He asked if she is confident about the FCC grant. She replied that per the formula the region is eligible for \$17-18 million. Gwen asked if there would be money included for administration. Miriam replied that there would be funding included for

project management. She added that the COG would also be applying for money from the State of Colorado to match the FCC project management funding. Chris stated that the COG cannot keep using reserves. Miriam replied that if FCC funding is not received then the Board will need to have a larger discussion about what they want from the COG and what resources they are willing to put in to make those things happen. There was discussion about what engagement and possible resources might look like, this would depend upon the project. Miriam explained that adequate staff to manage projects is an ongoing issue.

Miriam mentioned that there will need to be a discussion about 2018 salaries. There will be a significant jump in responsibilities if the COG receives the FCC grant, which will require a total of four full time staff members. There was discussion about salary adjustments being permanent vs. temporary. Chris asked how it would work to take away a salary increase. Miriam replied that this would be an issue, but she is concerned with not knowing what future funding sources might be. There was a discussion about the percentage of the budget that is funded through grants and the implications of that.

There was discussion about the fiber leases. Staff will remind the jurisdictions about lease payments. Miriam mentioned that the COG could manage leases for the Town of Bayfield if they were interested.

The meeting ended at 2:33 p.m.

# 2018 Budget Memo

To: SWCCOG Board of Directors

From: Miriam Gillow-Wiles

Date: 7 December 2017

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Comments: Please find the 2018 Budget. Staff will be available to discuss the budget in detail. We, just all the members, are required to send our budget to the State, so it is imperative to approve a budget at the December meeting.

**Legal Review:** None

**Fiscal Impact:** High

**Staff Recommendation:** Approve the attached 2018 Budget



# SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

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**To:** SWCCOG Board of Directors  
**From:** Sara Trujillo, Accountant  
**Subject:** Final FY2018 General Fund Budget  
**Date:** 7 December 2017

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Please find attached the final FY2018 General Fund budget and summary below.

<b>General Fund FY2018</b>	<b>Final (UNAUDITED)</b>
Revenues	\$5,862,861
Expenditures	\$5,831,793
<b>Net Income</b>	<b>\$31,068</b>

FY2018 Net Income (unaudited) is positive. This budget is with the assumption that FCC funding will be received. Items to note:

- Updates between the 2018 preliminary budget and 2018 final budget that had the greatest impacts were more information known regarding broadband funding, staffing, and salary increases.
- Staffing increases were estimated for just the 2<sup>nd</sup> half of 2018 and not the full year. This change affected salary, benefits (allowance, health, retirement), and PC and WC insurance rates.
- Misc. Expenses in 2016 were for SWIMT and 2017 were for the RREO (recycling) grant. None are estimated at this time for 2018.
- There is a significant increase in office equipment from 2017 to 2018 due to the projection of increased staffing in 2018.

Attached include the following:

- Revenues and Expenditures Summary: General Fund, with 3 Year's Comparison
- Fund Balance Summary: General Fund, with 3 Year's Comparison

	Jan - Dec 16 (AUDITED)	Jan - Dec 17 (updated & unaudited)	Jan - Dec 18 (FINAL)
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>All Hazards</b>	135,239.20	218,653.00	163,346.00
<b>Broadband</b>			
FCC	0.00	0.00	3,000,000.00
CDOT	0.00	0.00	333,333.00
DoLA	0.00	0.00	375,000.00
Private Equity	0.00	0.00	1,666,667.00
<b>CDOT Grants</b>			
SWTPR Grant	21,293.31	22,100.00	22,100.00
Transit 5304 Grant	0.00	2,000.00	27,000.00
Transit LCC Grant	19,999.02	0.00	0.00
<b>Total CDOT Grants</b>	41,292.33	24,100.00	49,100.00
<b>DoLA Grants</b>			
DoLA 7645	40,747.05	0.00	0.00
DoLA 8010	78,001.91	0.00	0.00
DoLA 8011	33,230.60	38,821.00	0.00
DoLA 8330	0.00	23,769.00	28,000.00
DoLA 9038	55,045.46	44,955.00	0.00
DoLA TA 2018	0.00	0.00	35,000.00
DoLA Grants - Other	0.00	0.00	0.00
<b>Total DoLA Grants</b>	207,025.02	107,545.00	63,000.00
<b>Dues Revenue</b>			
Admin Position	12,347.00	12,200.00	12,200.00
COG Dues	115,363.00	114,000.00	145,000.00
SWTPR Contributions	7,679.00	7,607.00	7,607.00
<b>Total Dues Revenue</b>	135,389.00	133,807.00	164,807.00
<b>Grant Match</b>			
COG Member Match	6,836.42	15,000.00	0.00
Non-COG Member Match	12,223.00	0.00	0.00
<b>Total Grant Match</b>	19,059.42	15,000.00	0.00
<b>Misc. Income</b>	29,349.68	9,480.00	10,000.00
<b>RREO Grant</b>			
RREO 2016-2017	6,756.40	28,161.00	0.00
RREO Grant - Other	0.00	0.00	0.00
<b>Total RREO Grant</b>	6,756.40	28,161.00	0.00
<b>SCAN Services</b>			
Dark Fiber Leasing	20,256.00	21,287.00	29,328.00
e-TICS	8,400.00	0.00	0.00
Fiber Equipment Repair Fund	0.00	0.00	0.00
Internet & Transport	8,280.00	8,280.00	8,280.00
<b>Total SCAN Services</b>	36,936.00	29,567.00	37,608.00

SJB AAA	3,375.50	0.00	0.00
Sonoran-Lincoln Institute	0.00	0.00	0.00
<b>Total Income</b>	<b>614,422.55</b>	<b>566,313.00</b>	<b>5,862,861.00</b>
<b>Gross Profit</b>	<b>614,422.55</b>	<b>566,313.00</b>	<b>5,862,861.00</b>
<b>Expense</b>			
Advertising and Promotion	419.54	80.00	240.00
All Hazards Projects	119,849.07	212,645.00	157,346.00
AmeriCorp VISTA	8,000.00	8,000.00	0.00
Bank Service Charge	73.00	200.00	200.00
<b>Broadband Expenses</b>			
Fiber Equip Repair - RESTRICTED	0.00	0.00	0.00
SCAN Dark Fiber Lease	12,660.00	5,322.00	7,332.00
<b>Total Broadband Expenses</b>	<b>12,660.00</b>	<b>5,322.00</b>	<b>7,332.00</b>
Conference Fee	0.00	199.00	0.00
Consulting	190,300.41	85,872.00	5,313,500.00
Employee/Board Appreciation	360.68	80.00	100.00
<b>Information Technology (IT)</b>			
Hardware	0.00	0.00	0.00
Internal IT Consulting	0.00	50.00	50.00
Software	1,268.06	1,024.00	1,324.00
<b>Total Information Technology (IT)</b>	<b>1,268.06</b>	<b>1,074.00</b>	<b>1,374.00</b>
<b>Insurance Expense</b>			
General Liability	2,212.75	2,235.00	8,000.00
Health	19,922.00	26,214.00	36,720.00
HSA	4,000.00	0.00	0.00
Worker's Compensation	1,674.00	1,668.00	1,750.00
<b>Total Insurance Expense</b>	<b>27,808.75</b>	<b>30,117.00</b>	<b>46,470.00</b>
<b>Internet Connectivity</b>			
Fast Track	10,800.00	10,800.00	10,800.00
Internet Connection (AT&T)	385.63	388.00	390.00
<b>Total Internet Connectivity</b>	<b>11,185.63</b>	<b>11,188.00</b>	<b>11,190.00</b>
Match Refund	1,634.25	0.00	0.00
Meetings	2,737.95	1,312.00	5,000.00
Memberships	17,253.50	5,673.00	6,048.00
Misc. Expense	15,850.89	3,503.00	0.00
Office Equipment	3,970.62	293.00	6,000.00
Office Supplies	741.40	466.00	850.00
Office Telephone	0.00	0.00	980.00
Postage and Delivery	65.02	70.00	80.00
Professional Development	430.40	2,570.00	4,000.00
<b>Professional Fees</b>			
Accounting Software	0.00	220.00	200.00
Audit	6,500.00	6,750.00	5,900.00
Legal	5,248.46	3,331.00	7,000.00
Misc.	1,329.75	331.00	500.00
<b>Total Professional Fees</b>	<b>13,078.21</b>	<b>10,632.00</b>	<b>13,600.00</b>

Rent	87.00	91.00	95.00
<b>Salary and Wages</b>			
457 Retirement	3,514.94	6,657.00	9,355.00
Car Allowance	3,600.00	3,600.00	3,600.00
Cell Phone Allowance	2,665.00	2,795.00	1,560.00
Housing Allowance	2,700.00	0.00	2,400.00
Payroll Processing Fee	1,568.68	1,540.00	2,400.00
Payroll Tax	11,011.93	12,910.00	16,783.00
Salary and Wages - Other	139,494.85	150,995.00	196,290.00
<b>Total Salary and Wages</b>	<b>164,555.40</b>	<b>178,497.00</b>	<b>232,388.00</b>
Software Maintenance e-TICS	10,292.19	15,162.00	0.00
Team Building	320.00	0.00	0.00
Travel	16,244.96	20,000.00	25,000.00
<b>Total Expense</b>	<b>619,186.93</b>	<b>593,046.00</b>	<b>5,831,793.00</b>
<b>Net Ordinary Income</b>	<b>-4,764.38</b>	<b>-26,733.00</b>	<b>31,068.00</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
Interest Earned	0.00	0.00	0.00
<b>Total Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Income</b>	<b>-4,764.38</b>	<b>-26,733.00</b>	<b>31,068.00</b>

## Fund Balance: General Fund

<b>Fund Balance Information</b>	
<b>General Fund – FY2016</b>	
Beginning Fund Balance <sup>a</sup>	\$90,500
Ending Fund Balance <sup>a</sup>	\$85,735
Operating Costs	\$238,614
Reserve Requirement	\$79,538
<b>General Fund – FY2017</b>	
Beginning Fund Balance <sup>a</sup>	\$85,735
Ending Fund Balance <sup>e</sup>	\$59,002
Operating Costs	\$250,045
Reserve Requirement	\$83,348
Reserve deficient	\$24,347
<b>General Fund – FY2018</b>	
Beginning Fund Balance <sup>e</sup>	\$59,002
Ending Fund Balance <sup>e</sup>	\$90,070
Operating Costs	\$337,615
Reserve Requirement	\$112,538
Reserve deficient	\$22,468

### Notes:

SWCCOG Fund Balance Policy states:

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

<sup>a</sup> indicates audited information

<sup>e</sup> indicates unaudited information

Fund Balance = Assets minus liabilities

# 2018 Treasurer Selection

To: SWCCOG Board of Directors  
From: Sara Trujillo  
Date: 7 December 2017

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Comments: The Board needs to select another Executive Committee member, who will function as the Treasurer in 2018. Ron Le Blanc and Shane Hale were tasked as the Selection Committee at the November 2016 SWCCOG meeting. They will provide a verbal report.

Existing Executive Committee members for 2018 are as follows:  
Chair – Chris La May, Town of Bayfield Manager  
Vice Chair – Gwen Lachelt, La Plata County Commissioner

**Legal Review:** N/A

**Fiscal Impact:** No fiscal impact.

**Staff Recommendation:** Select the 2018 Treasurer based on Selection Committee's recommendations.

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# 2018 Board Meeting Schedule

To: SWCCOG Board of Directors  
From: Sara Trujillo  
Date: 7 December 2016

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Comments: Below are the proposed 2018 COG board meeting dates:

SWCCOG Board meetings (1:30 - 4:00 p.m.)

Thursday, January 4  
Thursday, February 1  
Thursday, March 1  
Thursday, April 5  
Thursday, May 3  
Thursday, June 7  
Thursday, July 5  
Thursday, August 2  
Thursday, September 6  
Thursday, October 4  
Thursday, November 1  
Thursday, December 6

Due to the 4<sup>th</sup> of July holiday and in years past, the July meetings have been cancelled. We can continue with this trend in 2018 and cancel the July meeting unless another date is proposed.

In addition, with the October meeting falling during a very busy budget season for member jurisdictions, the Board can elect to skip the October meeting or merge the October and November meetings into 1 near the end of October.

- Thursday, October 18
- Thursday October 25

In 2017 we had a June/July combined meeting, this worked well, as we were able to navigate the Independence Holiday in July.

- Thursday June 21
- Thursday, June 28

**Legal Opinion:** Not Applicable

**Fiscal Impact:** None

**Staff Recommendation:** Decide if existing dates should remain or select new dates for SWCCOG Board Meetings in 2018, specifically for July and October.

# RREO: Regional Studies Grant

To: SWCCOG Board of Directors; Executive Committee  
From: Dylan Lucas  
Date: 29 November 2017

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Comments: This Recycling Resource Economic Opportunity (RREO) Grant through CDPHE due December 13<sup>th</sup> allows requests of up to \$50,000 with no matching funds required. The grant is for regional studies to identify existing diversion activities and establish goals that will guide future efforts to minimize waste sent to landfills. At our November meeting we had discussion of this grant, though no project had been identified at that time.

*Identification of needs in our Region:*

- Need to plan around on-going rural waste diversion obstacles
  - Low tons, decentralized programs/services, no local markets for recyclable waste
- Better understanding of waste diversion numbers in the region
- Greater focus on recycling collection for underserved areas

*Proposed Project:*

- Update existing data on MSW and Non-MSW diversion in the region as a foundation for further planning
  - Diversion quantities, location of programs, infrastructure, and services currently available
  - Collect data on annual basis moving forward to assess best practices in the region
- Address special waste needs that are not being met by counties
  - Tires, Household Hazardous Waste, Electronics
  - How can we ensure recycling participation for these items?
- Support cost effective Construction and Demolition recycling in the region
  - Best way to move materials sourced outside of La Plata County?
- Request will be for \$50,000 to support planning over 2018

*Benefits from the project:*

- Have a plan tailored for our region to continue to lower overall contamination of waste stream
  - Infrastructure needs identified in this study would be given top priority for funding consideration in future grants
  - Diversion statistics in the region will help determine problem areas
    - Can make adjustments moving forward on material focus
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# RREO: Regional Studies Grant

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- Builds upon SWCCOG recycling efforts

*Financial Information:*

- Grant will pay for staff time

**Legal Review:** Not applicable

**Fiscal Impact:** In 2018 Budget, and will provide some funding for staffing

**Staff Recommendation:** Approve grant application for up to \$50,000 with staff providing an update in January of the exact request.

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# Director Evaluation Overview

To: SWCCOG Board of Directors  
From: Sara Trujillo  
Date: 7 December 2016

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Comments: The SWCCOG Chair will be providing information to the Board during the Executive Session about the Executive Director's review and any recommended regarding salary changes. As a reminder, the Board cannot make formal decisions during the Executive Session. If there is a proposed salary change, this must be approved by the Board after closing the executive session and returning to open session.

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# Director Evaluation Overview

## Other Items

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# Community Updates

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