

**Southwest Colorado Council of Governments
May Board Meeting and Planning Session
Friday, 6 May 2016, 8:30pm
1101 E. 2nd Ave., La Plata Administration Building, Durango, CO 81301**

In Attendance:

Andrea Phillips – Town of Mancos
Dick White – City of Durango
John Egan – Town of Pagosa Springs
Greg Schulte – Town of Pagosa Springs
Lana Hancock – Town of Dolores
Michelle Nelson – Town of Bayfield
Joe Kerby – La Plata County
Mark Garcia – Town of Ignacio
Julie Westendorff – La Plata County
Michael Whiting – Archuleta County
Ron LeBlanc – City of Durango
Chris La May – Town of Bayfield

Staff in Attendance:

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

Guests in Attendance:

Darlene Marcus – Congressman Tipton’s Office
Ken Charles – Department of Local Affairs
Marsha Porter-Norton – Strategic Planning Session Facilitator

Introductions

Marsha Porter-Norton called for introductions at 8:45 a.m.

Andrea Phillips called the regular SWCCOG board meeting to order at 8:53 a.m.

I. Consent Agenda

Andrea requested a motion to separate the 24 March 2016 SWCCOG Executive Committee Meeting minutes from the consent agenda.

John Egan motioned to separate the Executive Committee Meeting minutes for approval, Dick White seconded, unanimously approved.

Dick White motioned to approve the 4 March 2016 Broadband Meeting Minutes, 4 March 2016 SWCCOG Meeting Minutes, February 2016 Financials, and the March 2016 Financials as presented, Michael Whiting seconded, unanimously approved.

Julie Westendorff motioned to approve the 24 March Executive Committee Meeting minutes, Andrea Phillips seconded, unanimously approved.

II. Reports

- a. Legislation Update

Miriam reported on SB16-067, Broadband Personal Property Tax Exemption, stating that the bill has been delayed, and asked if there were questions on any other legislation updates provided in the meeting packet. There were no other questions.

b. Transportation Report

Andrea asked if there were any questions on the transportation report provided in the meeting packet. There were no questions.

c. VISTA Report

Shannon Cramer reported that progress is being made with the shared services and CDL training; training schedule information from Fort Lewis is still pending. Shannon anticipates a training schedule sometime in the summer. For recycling, Shannon confirmed the RREO grant was awarded and an RFQ was sent out for a marketing consultant.

d. Archuleta County Visit Notes

Julie Westendorff said the member visits have been beneficial and allows members to network and share information that otherwise would not be shared. Miriam reminded the members that the next visit is to La Plata County and the City of Durango with a date change to June 17, 2016. Miriam also confirmed the visit notes are not minutes and do not require an approval.

e. 1 April 2016 Meeting Notes

With no quorum, the notes provided in the meeting packet did not require approval. No questions were asked regarding the notes.

f. Durango – La Plata Airport Visit

Julie commented that she and Dick White were the only COG member attendees at this meeting and more member participation would have been beneficial. Dick White said his largest take away was that every operational element of the terminal is currently operating at service level F. The public needs to be educated on the stress point times of the terminal to better understand the need for expansion. Julie recently went to Denver to testify on a bill to allow for inter-governmental agreements across state lines that will help with airport support and future partnerships. In addition, an airport authority may develop in the future. Julie said the amount of broad support from voters is not really known at this time. Joe Kerby commented that three focus groups will be held in the next 30-45 days to find out what voter support looks like currently.

III. Discussion Items

There were no discussion items.

IV. Decision Items

a. CDOT Transportation Coordinator Grant

The Regional Transit Coordinating Council (RTCC) funding is no longer available for the SWCCOG, as it is only a 3 year cycle. Staff would like to apply for funding to develop a Transportation Coordinator position, at a total of 0.75FTE. CDOT Division of Transit and Rail just released their Notice of Funding Availability for administration, operations, and capital operating projects for a two year grant cycle. This application for administration funding for State FY 17 and 18 would be used to retain a 0.75FTE staff position to focus on developing the Transit Council goals/needs and CDOT identified goals. The SWCCOG applied for the same funding last year and were told the Transit Council needed to develop further before CDOT would fund an application for a dedicated position. Miriam provided the job description and a basic budget for the position in the board packet that included funds for the Executive Director's

time based on an average of January through April work on the Transit Council. The cash match from the SWCCOG comes from the TPR, and the in-kind match is 50% of the Executive Director's salary. Dick White asked if there was office space for this position. Miriam replied yes, as our current staff member, Jessica Laitsch, would be taking on this role as she has already been running the Transit Council; therefore, no additional office space, equipment, or training would be required. However, Miriam said the COG may need to bring on an additional admin and is talking with the Alliance and Region 9 regarding splitting an admin person's time and staffing cost between the organizations as all the organizations need an admin, but not at full time. If sharing an admin is feasible, it could be a full-time position, which would be more beneficial to the admin person. Andrea asked if the portion allocated toward the ED salary would be grant funds, in-kind, or an increase in salary. Miriam replied it would be 50% grant funds and 50% in-kind; the ED salary will not be increasing.

Dick White motioned to allow Miriam Gillow-Wiles to apply for the CDOT Transportation Coordinator Grant, Mark Garcia seconded, unanimously approved.

The regular meeting adjourned at 9:15 a.m.

Marsha Porter-Norton opened the strategic planning session at 9:16 a.m. by reviewing the agenda and having members identify who COG customers are; then members split off into groups to identify needs, interests, and customer perceptions of the COG. The following were identified:

- Government – counties and municipalities
 - Needs: aggregation of interests, economics of scale, information/intel
 - Interests: stronger collective voice, lend facilitation & leveraging; aggregate influence, leverage COG to success for own interests (articulate individual interests)
 - Perception: boring but important, adolescent, some departments unknown (invisible to most)
- Non-traditional customers - DOLA, CDOT, Region 9, AAA, Alliance
 - Need: run state-wide initiatives, easier to work regionally versus individually, fund stewardship
 - Interests: utilize COG as liaison to get information out, similar interests (TPR, transit, RREO), regional collaboration, efficient delivery of services
 - Perception: DoLA values COG roles in local government; other organizations good with the exception of the AAA, which is unsteady

Note: Miriam said CDPHE were impressed with the SWCCOG's regional waste audit and have since created a new program around this effort. Michael Whiting said grant funders/contributors look for regional collaboration when awarding funds because the money needs to be spent as efficiently as possible giving the COG greater ability of securing funds. Miriam mentioned that the DoLA 8011 (Down town) grant that involves Bayfield, Ignacio, Silverton, and Pagosa Spring would not have been feasible if communities had applied individually due to budget, but with a collaborative effort, the grant was possible.

- Non-Profits – Region 9, Alliance, Housing
 - Needs: admin services, support, regional collaboration
 - Interests: origination efficiencies and leverage resources
 - Perception: a conduit
- Residents (indirect customer)

- Need: regional tie to services, funding into region
- Interests: cost efficiencies
- Perception: no real awareness of COG or functions

At the end of the exercise, Dick White added legislators as a COG customer. Michael Whiting pointed out that the COG voice, being large, creates a competitive advantage. John Egan said after identifying the customer, customer needs, and customer interests, it is apparent that the COG's roles are coordination, facilitation, administration, collaboration, and advocacy.

With members also being a customer of the COG, Joe Kerby said that La Plata County needs to start seeing dues go down. Miriam pointed out that dues have not increased since 2014 but were simply restructured utilizing a formula the members adopted to correct the previous calculations that were incorrect prior to Miriam's role as the COG's ED. Julie said more equity needs to be felt. What members pay for and what they get back is the issue. The larger entities carry a heavy load and need to feel the return on their investment like the smaller entities.

The group broke for a break at 10:45 a.m. and returned at 11:00 a.m.

Marsha reiterated the COG roles of:

- Coordinate
- Collaborate
- Facilitate
- Administer
- Advocate

The next exercise was to identify trends affecting progress that included:

- The shifting of federal and state funding, making budgeting difficult as some things are no longer paid for
- Oil and gas industry is down
- Marijuana is creating additional revenues but impacting crime
- Instability
- The aging population is creating a strain on services, a loss of the millennial work force to care for the aging population is seen
- People expect more of governments, new rules
- Local food – production interest
- Uncertainty of future climate
- More expensive (livable wages are depleting)
- Housing
- Childcare
- Increase in homeless population
- Daily new trends in technology, digital divide: social media = quicker info
- Media culture - extreme opinion, lack of civility, folks are more polarized
- More broadband
- Capital maintenance of infrastructure – no money, higher cost, aging, deferred maintenance
- Different rates of growth across the region
- Disconnect with what people think is happening versus what is actually happening
- Transportation and services – demands are changing, younger people want choices
- Student debt
- Trade jobs seems to be going away
- Governments more responsive and creative (finding ways to do more with less)

Again, Marsha had members break into groups to complete a SWOT (strengths, weaknesses, opportunities, and threats) analysis. The results were as follows:

STENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Member mutual respect and collaboration • Board knowledge, diversity, credibility • Competitive advantage • Productivity of staff • Legislative outcomes 	<ul style="list-style-type: none"> • Member engagement/commitment • Too many opportunities – easy to dilute what we need to do versus what is desired • Capacity issues (hours in the day and staff to do projects wanted) • Montezuma County receives COG member benefit without participating • Communications/continuity • Indecision, unclear objective • Workspace
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Easily change communication about successes • Maximize broadband resources • 4CORE • Collaboration with Alliance Executive Director • Board member orientation (new members) • Focused deliverables 	<ul style="list-style-type: none"> • Capacity issues (hours in the day and staff to do projects wanted) • Too many opportunities – easy to dilute what we need to do versus what is desired • Complacency • Loss of momentum • Reliance on grants • Inability to absorb/recruit other organizations i.e. AAA – creates a lack in economies of scales • Slowness of decisions • Attrition of members

The group broke for lunch from 12:25 p.m. to 12:55 p.m.

After lunch, Key Result Areas (KRA) were identified as follows:

- KRA – A
 - Provider leadership and tangible services to members that increase efficiency and effectiveness
 - Create more of a voice
 - Help save money
 - Leverage resources
 - Add value to what we are doing
 - Increase quality of life in SW Colorado for residents, advocating
- KRA - B
 - Enough resources/capacity to do what we set out to do:
 - Adequate staff levels
 - Adequate funding
 - Dues structure that is equitable and provides ROI

Key issues identified include the following:

1. Board training, orientation, and engagement
 - a. Miriam said she is currently working on creating a New Member Packet that will include roles and expectations of the Executive Committee and members. It was decided that in addition to providing the New Member Packet, the Executive Committee and Director shall meet with new members to provide an orientation and brief of COG goals and objectives. Community managers should keep elected officials up-to-date on COG functions and members need to brief any replacement personnel. Outcomes:
 - i. Brief each rep fully
 - ii. Orient new member
 - iii. Develop a New Member Packet
 - b. Distance and time are issues with member engagement. Miriam said she is willing to move COG meetings around if warranted, and although not a perfect system, the conference system has provided some relief to those normally having to travel great distances for meetings. Andrea commented that member engagement goes beyond just showing up to the meeting. For example, Shannon has been attempting communication with communities to progress the shared services effort that has been difficult due to lack of response from members. Michelle Nelson said that for members traveling, ensuring that meetings start and end on time is essential to scheduling and making meetings run smoother. Outcomes:
 - i. Move meetings around
 - ii. Upgrade video equipment
 - iii. Firm meeting start and end times
2. Indecision – getting stuck, losing momentum
 - a. Julie said members need to be more prepared by reviewing meeting agendas and packets prior to meetings. John responded that indecisions are also due to not knowing what the question is. Andrea suggested that staff provide recommendations along with background information in staff reports. Dick pointed out that indecisions also come from a lack of understanding if an issue is resolved by majority or unanimity. Decision making is complicated by potential unwanted financial repercussions to individual communities. Miriam will review by-laws pertaining to majority versus unanimity and include this information in the New Member Handbook. Outcomes:
 - i. Be more prepared - read meeting packets prior to the meeting
 - ii. Post goals and roles to use as guide for decisions
 - iii. Do a better job of framing questions
 - iv. Staff give decision recommendations
3. Montezuma County (& other members)
 - a. Miriam gave a brief overview of her meeting with the Montezuma County Commissioners. After the outcome, Miriam does not recommend having staff spend time on recruiting Montezuma County as a COG member. The members agreed that no more time will be spent on recruiting Montezuma County; however, the ongoing issue is that they receive COG member benefits, such as recycling, although not a member. Michael reiterated that COG membership is not a la carte; the TPR is part of the COG and Montezuma County is part of the TPR but not the COG. Ron LeBlanc said according to by-laws, Montezuma County cannot be denied TPR membership. Michelle suggested creating a member and non-member dues structure. Miriam said that the COG is the policy

board for the TPR, so this would be feasible. There was concern for the effect of non-member dues on tribes as charging the tribes is not wanted with the large amount of participation and funds provided by the tribes. Ron said the by-laws state that tribes can be unofficial members. Outcomes:

- i. Don't put any more staff time into recruiting Montezuma County
 - ii. Develop a non-member (non-COG local government members) fee structure to deal with a la carte situations
 - iii. TPR criteria as they relate to COG membership
4. Improve all member ROI and equity of cost-benefit
- a. Andrea voiced concern about continued memberships if La Plata County chooses to not renew their COG membership. Ron said there needs to be criteria for applying value to help make decisions on what organization to fund, such as Region 9, COG, 4CORE, etc. John commented that sometimes the COG's worth cannot be justified by what members pay for but what they don't have to pay for with transit being an example. Greg Schulte mentioned access to capital where the initial broadband grant that laid fiber in the ground will produce value and bring revenues to the town for decades making the dues and match amounts paid insignificant compared to the overall value brought. Ron said there is value in having the ability to address regional challenges that they would not otherwise be able to address as an individual community. Miriam pointed out that intangible benefits include leveraging resources, legislative work, and advocating. Michael said the ability to network with other members is an invaluable intangible. Julie agreed with the reservation of time frames – how long do members wait for a return? Should members anticipate waiting 2-3 years to see a return on an investment made today? Miriam stated that timing and return will all depend on a project as some are short-term and some long-term. Dick said participation with the COG should align with member's individual organizational goals. For example, a goal of the City Council is to provide leadership. With Dick's participation and involvement with the COG, he is providing leadership, which aligns with the Council's and COG's goals. Michael suggested that members define a lens to use that is explicit to how performance is measured. Julie also mentioned that members should be communicating and bringing ideas and issues to the COG versus the COG trying to communicate and find issues to help solve to the communities. Outcomes:
 - i. Lens – criteria to use as decision support tools
 1. Is the COG providing staff services/admin creating less work for the membership entities?
 2. Does it mean I/we don't have to pay for something?
 3. Does it improve access to resources/capital we can't get access to otherwise?
 4. Will a regional challenge be addressed that a single entity cannot address?
 5. Are the services/tangibles "real" to me and my entity?
 6. Is the networking of the COG beneficial to me?
 7. Does the COG amplify my voice as a community?
 8. Do I/we feel like over time we will see the benefit of our investment?
 9. Does the COG help meet our goals or roles that we have identified?
5. Capacity & sustainability

- a. Miriam said with the current broadband planning grant, staff time is at capacity. When this grant is complete, staff will recommend an infrastructure grant, which will be quite large and take much time. Miriam wants to be sure to have goals and grants that staff can execute well versus many projects that are executed poorly. Miriam said Shannon, the current VISTA, works on shared services and recycling while Jessica Laitsch coordinates the TPR and transit. An additional admin person to share with Region 9 or the Alliance would both reduce overhead and increase capacity. Chris said it is difficult deciding whether to help expand his own organization or the COG organization. Andrea would not like to expand goals as this would mean additional staff. Julie said the priority should be broadband. Outcomes:
 - i. Partner with another organization (Region 9, 4CORE, Alliance) to share admin person/tasks
 - ii. No additional projects at this time
 - iii. Shannon's time ends August 2016 – need to have an effective handoff to next VISTA
 - iv. If 4CORE comes on board, recycling will go under 4CORE
 - v. Put policy statement in place defining what capacity increase means - reaction to something or as result of strategic direction
6. Telling your story
- a. A monthly newsletter was suggested bullet-pointing achievements of the COG and current progress. Julie said this is what the reports in meeting packets are for and suggested COG members read those reports and take the information back to their communities. Ron agreed it is the member's responsibility to bring this information to their boards. Michael said the COG meetings used to have a section for member updates, which has been pushed along the wayside; this section needs to be brought back and time provided at every meeting. Mark Garcia suggested an annual report be provided. These reports should come out in October before member budgeting. Michelle said the emails from Miriam of COG successes are great and would like to continue seeing these. Outcomes:
 - i. Posting goals at each meeting
 - ii. Members taking report information back to their board and community
 - iii. Staff to create an annual report and distribute in October of each year

The strategic planning session adjourned at 2:47 p.m.

The state of the COG and goal setting were set aside and will be presented at the June meeting due to time.

AAA

Julie suggested the COG terminate or wait until the AAA/COG contract expiration as the contract is not working. The AAA Executive Director has no interest in taking direction from the COG or communicating effectively to understand what it would mean to come under the COG. In addition, the AAA board has no interest in being part of the COG. With the bookkeeping contract not working, Julie does not suggest the COG move forward with the AAA efforts at this time.

4CORE

Miriam reported that 4CORE feels the COG is uninterested in an acquisition due to little progress being made on the acquisition and would like a letter of commitment. The 4CORE fiscal year is the same as the COG's, so an attempted acquisition date of 1/1/2017 would be

appropriate if the membership wants to move on this opportunity. The membership raised the following questions in regards to bringing 4CORE under the COG:

- 4CORE is La Plata County centric; being under the COG and serving the entire region, what will this do to 4CORE's finances and strategy?
- How will 4CORE benefit the entire region?
- Is an acquisition date of 1/1/2017 feasible?
- What will the impact on COG dues with 4CORE being brought under the COG umbrella look like?
- Need a fiscal analysis
- What will the efficiencies in admin overhead be?
- Will this cost the COG money?
- What additional roles will Miriam have being the ED of 4CORE?
- What will be the solution to office space issues?
- What is the COG organization capacity?
- How will 4CORE be oriented to doing business as the COG does?
- Will this change the organizational structure of the COG? If so, how?
- Will other electric companies be involved if 4CORE were a regional organization such as Empire Electric and San Miguel Electric?

A special committee including Miriam Gillow-Wiles, Dick White, and Mark Garcia was established to create a report addressing the above questions and providing a recommendation to the board. Andrea said that this effort with merging 4CORE is not a priority of the Town of Mancos as interest lies mostly with shared services and broadband efforts.

Broadband Planning Grant

Diane Kruse, Neo Fiber contractor, gave a project status update summarized as follows:

- The community outreach meetings were well attended with the largest concern being around the lack of available services. Services that are available are not affordable or reliable.
- Local ISP concerns are funding and working together to prevent duplication and cost sharing in addition to needing policies and ordinances.
- Existing assets have been mapped to include the SCAN network, EGALE-Net, Zayo, CDOT, FastTrack, Skywerx, and TriState.
- Dark Fiber Leasing Issues
 - Current Pricing: \$60/mile/fiber/month
 - Full Cost Recovery Pricing: \$30/foot or \$158,400/mile to build it new; a 60 month ROI would be \$2,640/mile/month for the entire fiber "bundle"
 - 1 to 2 service providers pay to use this per route: A cost recovery model price should be \$1,320/mile
 - Actual Cost Recovery Pricing: (Assuming a 50% match) \$1,320/mile/month for the entire fiber "bundle"
 - 1 to 2 service providers pay to use this per route: Actual cost recovery model price should be \$660/mile
- Next Steps
 - Financial model with updated dark fiber lease pricing; closer on VLAN services
 - Preliminary design and engineering and projected capital costs for a Middle Mile network; potential phasing and partners
 - Request for Information/Proposal for Public Private Partnerships for Last Mile expansion

Andrea asked if members were allowed to sell fiber strands from the SCAN network. Ken Charles replied no, that members can lease but not sell. Miriam said an RFP will be going out soon and will be sent to all members for review.

The strategic planning session adjourned at 4:55 pm.