

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

In Attendance:

John Egan – Town of Pagosa Springs  
Dick White – City of Durango  
Michael Whiting – Archuleta County  
Gwen Lachelt – La Plata County  
Willy Tookey – San Juan County  
Larry Gallegos – Town of Silverton  
Chis La May – Town of Bayfield  
Fred Brooks – Town of Mancos  
Karen Sheek – City of Cortez  
Jim Ostrem – Town of Rico (via video)  
Beth Smith – Town of Rico (via video)

Staff in Attendance:

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

Guests in Attendance:

Ann McCoy-Herald – Senator Gardner’s Office

**I. Introductions**

John Egan called the meeting to order at 1:33pm. Everyone introduced themselves.

**II. Consent Agenda**

a. 2 February 2017 SWCCOG Meeting Minutes

Dick White said on page 3 of the February meeting minutes he was quoted to have said the council would have “2 new members” and said this needs to clarify “*at least* 2 new members” as there could be 3. Miriam also noted a typo regarding SB152 that was caught and updated.

**Dick White motioned to approve the February meeting minutes as amended, Chris La May seconded, unanimously approved.**

b. January 2017 Financials

There were no questions on the financials.

**Dick White motioned to approve the January 2017 financials, William Tookey seconded, unanimously approved.**

**III. Reports**

Director’s Report

Miriam reported that the Durango Compost Company has requested a letter of support from the COG for a recycling grant through the CDPHE. The City of Durango has given a letter of support. La Plata County is unable to provide a letter of support because they will be the land use permitting authority. Miriam said there is regionalism to the project and asked if the COG board would like to provide a letter of support. Michael asked if there would be any money requested from the COG. Miriam said no, just a letter. Chris asked if any COG members would

be competing for the same grant. Miriam said she is unsure; Durango usually requests funding from the RREO, but since Durango has written a letter of support the assumption is Durango would not be competing for the same grant. Dick said he is not aware of any recycling grant Durango is applying for, but cannot answer with any degree of authority. Gwen asked where the compost site would be. Miriam said at the Phoenix Recycling Facility, centrally located in La Plata County near the airport. Dick said the compost project would be beneficial as it will help keep organics out of landfills and improve the carbon footprint. Miriam stated that this would be the only commercially licensed compost facility in the region and that when doing the COG waste audit, over 1/3 of all waste was found to be organic, which is a sizable amount of material. Miriam added that recycling is one of the COG's main focuses. Chris suggested the COG move forward with a letter of support as long as Durango Compost is in compliance with La Plata County's comprehensive plan and land use codes.

**Michael Whiting motioned to approve a letter of support for the Durango Compost Company contingent upon approval by local authorities, Dick White seconded, unanimously approved.**

#### Broadband Report

Miriam reminded the board of the broadband meeting taking place next week on Tuesday at 2pm to discuss next steps, give staff direction, approve a new broadband contract, and move forward in 2017 with broadband development.

#### Legislation Report

Miriam said the Legislative Committee has been attempting to meet on a weekly basis. Staff has been tracking legislation that the COG may want to take a stance on. HB17-1193 passed out of committee on Tuesday and would allow wireless facilities to use right-of-ways without permitting or communicating with local jurisdictions. Miriam said she is talking to Ken Fellman, broadband attorney, to ensure this item will be minimally problematic for communities and counties and make sure permit requirements and notifications are in place. Dick asked if CML has taken a stance. Gwen asked about CCI. Miriam said she is not sure about CML but CCI is monitoring and trying to figure out how to address the issue. Michael asked if this would be small wireless infrastructure. Miriam confirmed small antennas. Michael asked what companies were running this up. Miriam said companies such as Comcast, AT&T, Verizon, and Century Link. John asked if Miriam had any sense of what direction the bill may go. Miriam said it was a surprise that the bill made it through the house, and staff will continue to monitor and update the board. Miriam said she can get a draft letter of opposition out to the board for review.

Miriam said SB17-040 regarding public access to government files may also affect the COG members. This bill would mandate how electronic records are maintained and how those records may be accessed. CCI and Club 20 are opposing this bill; CML has no position at this time. Michael said having to digitalize everything would be extremely costly and difficult with staff capacity.

#### Transportation Report

Jessica reported that the last TPR meeting was held February 2. Transit is wrapping up with marketing plans for local agencies. John asked if all transit agency participants have provided all required information to move the marketing efforts forward. Jessica confirmed yes that all agencies have a plan for how they will use the marketing services.

#### VISTA Report

Dennis asked if there were any questions on the report provided in the meeting packet. There were none. Dennis said a recent development is that the COG was approached by a Fort Lewis

professor regarding the economics of recycling. The professor is requesting the COG put together a paper for his website on economics of rural recycling. Being that there is not much data, Dennis is researching. Michael said the CSU Extension could be a useful resource.

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

a. Letter of Support – Durango-La Plata County Airport Passenger Facility Charges  
Miriam said Durango and La Plata County are each putting together a letter to congress to remove the cap on the Passenger Facility Charge (PFC). The current fee is capped at \$4.50 per ticket; the request will be to increase the amount to \$9.00 per ticket. The increased fee would help update the airport facility. A letter of support from the COG is requested for this endeavor. Gwen stated that the PFC is collected by the airlines and given back to the originating airport where the trip started. The current amount provides approximately \$800,000 in revenues per year. Increasing the PFC to \$9.00 per ticket would increase this revenue to approximately \$1.5 million per year. As the airport runs off these fees generated from operations, an increase would help update the airport. Miriam said she spoke with City of Cortez's Shane Hale and Karen Sheek who are in favor of writing a letter. A letter would include both Durango-La Plata Airport and Cortez Municipal Airport, which will make the letter more regional. Gwen said they are trying to build momentum at this time. She spoke with Senators Gardner and Bennet both of whom are willing to talk about the need for an increase. Chris said that when the new terminal build and increased property taxes to fund it was brought to the voters, it was suggested that those who use the airport should pay for it versus the tax payers, and this sounds in alignment with those conversations. Dick said the current draft letter has language that could be interpreted to mean if the PFC was increased that this could fund the airport's new terminal build, which it would not. There are limitations as to how the funds can be spent. Dick added that an increase to the allowed PFC would affect every airport in the country as this is a nation-wide fee. Miriam said this letter coincides with the COG letter of support policy.

**William Tookey motioned to approve a letter of support for the Durango-La Plata Airport, Karen Sheek seconded, unanimously approved.**

#### b. 2017 Budget Update

Miriam said there have been some significant updates to the 2017 budget that was approved in August 2016. The budget documents presented are simply for informational purposes and not an amendment. Miriam said upcoming decisions that will be made at the Broadband Next Steps meeting next week and the April board retreat will cause additional changes to the 2017 budget.

Miriam said the current 2017 budget projections are at a deficit of \$26,000. Miriam explained that the budget initially included a \$1 million broadband infrastructure grant from DoLA; however, between pushback from DoLA on the 2016 administrative grant for funding for existing staff, DoLA's decreasing funding, and stricter regulations, this grant is unlikely to be awarded so it was removed from the budget. Dick asked if there would be funding for administration in this type of grant. Miriam said she is unsure, but assumes DoLA would deny admin funding as it was a 4-month ordeal to get admin funding on the 2016 grant. Dick said he would be concerned about accepting a grant of this size, \$1 million, and not having admin funds as a large grant will be a large load for staff. Miriam said there are other sources of grant funding for broadband development that provide admin funding, such as Rural Health Care, and she will be looking into this and others. It is uncertain at this time if an infrastructure grant will happen in 2017 and most likely would be 2018. In addition to the DoLA grant removal from the 2017 budget, Miriam said there was an EPA grant originally written into the 2017 budget that was also removed due to high uncertainty as the most recent report talked of a 30% funding cut to states from the federal government for EPA.

Michael said a \$26,000 deficit is 4% of the budget, which is not outside of tolerance. He added that when it comes to broadband, the COG needs to be aggressive. Miriam said staff is being conscientious about the budget and cutting spending where possible. The broadband meeting and retreat will help develop a solid plan that will hopefully help reach a \$0 budget deficit. John said the COG needs to figure out where to go from here as broadband is not creating revenues as expected. The board needs to reassess what is working and what will turn into dollars as it is the responsibility of the board to create revenue for the COG. The board needs to help staff with a more finite direction. John said this will be discussed at the April board retreat where the board will determine if they want a COG, what it should look like, and define what impacts there are with broadband development as it is important for both financial success and regional success of the COG.

## **V. Decision Items**

### **a. Executive Committee Meeting Minutes**

There were no questions or comments regarding the Executive Committee meeting minutes.

**Chris La May motioned to approve the 19 January, 2017 Executive Committee meeting minutes, John Egan seconded, unanimously approved.**

### **b. Auditor Selection**

Miriam said it is best practice to change auditors every 3 years, and being that it is year 3 with the current auditor, COG staff issued an RFP for audit services in January 2017. There were 3 responders all of whom addressed travel and come with local government auditing experience. Per COG purchasing policy, the award should go to the lowest qualified bidder. Staff did reference checks on all bidders. Sara said all reference checks were positive. Miriam said the lowest bidder price is lower than the current auditor and is Haynie and Company; the prices would be \$5,900 for 2017, \$6,100 for 2018, and \$6,300 for 2019. However, Hamblin and Associates has provided audit services for a COG in the past, giving them very good experience with a COG financial structure.

**Dick White motioned to accept a contract with Haynie and Company for 2017, 2018, and 2019 audit services, Michael Whiting seconded, unanimously approved.**

### **c. Selection of 2017 Board Treasurer**

John said at the last COG board meeting there was not an opportunity to elect a new treasurer for 2017 and asked for a nomination. Gwen asked what the bylaws state the duties of the treasurer are. Miriam said to help with COG financials and to be a line of communication for the Executive Director between board meetings.

**William Tookey motioned to nominate Gwen Lachelt as the 2017 COG board treasurer, Chris La May seconded, unanimously approved.**

Gwen said was delighted to serve as the 2017 COG board treasurer.

## **VI. Other Items**

### **a. CIRSA Liability Training for Elected and Appointed Officials**

Sara said each year CIRSA performs an audit and gives points that help reduce the premium. Viewing the training video for elected officials will add additional points to the overall audit score. Staff presented a CIRSA training video. The video sound was not working, so Miriam said she would email the video link to all members.

## **VII. Community Updates**

Dick White, City of Durango:

- Dick said the council had been considering a citizen petition about community water fluoridation. The council has subsequently decided to put this issue in the voter's hands and

will be on the next ballot. Karen asked what the opposition entails. Dick said there are two arguments, one being that scientific evidence shows high levels of fluoride to be a neurotoxin that causes health issues and two that the low levels used are found to protect health, especially kids and families that do not have the resources to acquire dental care. There was a public hearing where 15 out of 18 medical professionals were in favor of continued water fluoridation as there is unequivocal evidence of the public health benefit. The issue is public health benefits versus a concern for rights. Karen said if water fluoridation is removed then that will impede on her rights.

- The draft comprehensive plan is complete and will be voted on in April.
- CDOT is going to be resurfacing all of north main from Iron Horse down to the 160/550 interchange and out 160. The project will narrow north main from 2 lanes to 1 and include a center turn lane with separated bike lanes. There has been concern expressed about traffic flow. The project is scheduled to start next week and aims to be complete before Memorial Day.

Gwen Lachelt, La Plata County:

- The county is almost finished with the comprehensive plan update.
- The county hopes to have a new land use code ready by the first of next year; a consultant has been hired to help in the development.
- The county is looking to implement a new building code by the 1st of June.
- Gwen recently hand delivered a letter to Senators Gardner and Bennet about removing the cap to increase the PFC. She passed a copy of the letter around for members to read.
- The board recently took a position against HB-622 regarding law enforcement for federal lands. This would directly impact local governments as it would remove law enforcement duties from the forest service and other federal agencies and put it in the hands of the county. The La Plata County Sheriff has great concerns and has signed onto the opposition letter. Gwen passed a copy of the letter around for members to read.
- With budget issues, the county is looking to increase the property tax mill levy that is currently 8.5. The average across the state of Colorado is 20-22. The county will be talking to residents about an incremental increase. The county is considering impact fees and putting a use tax on the next ballot.

Michael Whiting, Archuleta County:

- The county is updating the land use code in conjunction with Pagosa Springs to ensure alignment.
- The justice center project is underway with the county detailing out costs and possible locations.
- The county and town of Pagosa Springs have had a year or more of unprecedented joint work sessions and are working in higher coordination on projects such as broadband, early childhood education, workforce housing, and downtown revitalization. There are 3 community work groups working through details of these projects. New work groups have formed from the community to develop policy recommendations and finance recommendations to solve problems.

William Tookey, San Juan County:

- San Juan County has had a lot of snow, which is normal, but not snow everyday like was seen in January.
- The county is noticing that technology and weather apps are forecasting worse weather than actual resulting in low attendance at events.

- The county started phase II of the old hospital building restoration project. State historic funds along with DoLA funds are supporting the project.
- From an economic stand point, there is talk about the impacts of the Gallagher Amendment. Recently the county started recovering from property tax values and started to see an increase, but this may start to decrease with the ratio going down under the Gallagher Amendment.
- With the state's mandate for an increase in elected official's salary, the county is seeing an increase in expenses with a decrease in revenues, which is an issue.
- The county is talking with emergency services to assess long-term needs for services and required funding. There has been an increase in back country recreation, which is helpful to the sales tax revenues, but is where emergency responders are called out most often.

Larry Gallegos, Town of Silverton:

- There are a few new initiatives, one) to allow the off highway vehicle (OHV) route to be completely through town, two) to remove the OHV route, or three) to keep the OHV route as is. All 3 options will be on the next voter ballot. Two years ago the town created the route and saw a large increase in tax revenues. This is a contentious issue and work is being done to educate people prior to the vote.

Chris La May, Town of Bayfield:

- A pre-construction meeting will be held March 15 for the two bridge replacement project between 160 and Bayfield Parkway. Full closure of the road will begin mid-April; the closure is projected to be 6-8 months. Completion date of December 1 has been given.
- The town put out an RFP for a land use planner to update the comprehensive plan.
- The town put out an RFP for an IT service contractor.
- Master planning efforts are underway for parks, trails, open space, and recreation; should be complete in August.
- The town is working on a wayfinding project with a consultant as part of the DoLA downtown grant through the COG. This should be complete in June.

Fred Brooks, Town of Mancos:

- Road projects start this year including work on the 160 corridor and the installation of a pedestrian crossing. Work will start in April.
- The main street bridge project will be underway with engineering sometime this year. The town wants to do some walkways on the bridge and open up that corridor. Working with CDOT grants.

Karen Sheek, City of Cortez:

- Staff moved into the new City Hall building. A VIP open house will be held March 16 and a community open house and dedication on March 17. Miriam said she will send out the open house information to all members.

John Egan, Town of Pagosa Springs:

- The town is currently looking at lot splits; what is allowable and not allowable with the lot. Staff is currently researching to better define.
- Mountain Express Transit is taking delivery of a new transit vehicle.
- The downtown beautification project is in the planning stages.

**End 3:24 pm**