

**Southwest Colorado Council of Governments
June Board Meeting
Monday, 26 June 2017, 1:30pm
1188 E. 2nd Ave., Carnegie Bldg., Durango, CO 81301**

In Attendance:

John Egan – Town of Pagosa Springs
Michael Whiting – Archuleta County (via video)
William Tookey – San Juan County (via video)
Fred Brooks – Town of Mancos
Chis La May – Town of Bayfield
Karen Sheek – City of Cortez
Kari Distefano - Town of Rico
Ron La Blanc – City of Durango
Dick White – City of Durango

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:

Lisa Bloomquist Palmer – Homes Fund (via phone)
Kelli Jones – Hinton Burdick CPAs and Advisors (via video)
Chad Atkinson – Hinton Burdick CPAs and Advisors (via video)
Ann McCoy-Harold– Senator Gardner’s Office

I. Introductions

The meeting was called to order at 1:34 pm; everyone introduced themselves. Because additional members were expected, John asked Lisa Bloomquist Palmer to introduce herself (section III) prior to the audit presentation (section II).

II. 2016 Audit Presentation

Chad Atkinson, partner with Hinton Burdick CPA & Advisors, introduced himself and Kelli Jones. Kelli managed the 2016 audit for the SWCCOG. Chad said the conclusion to the audit was to issue an unmodified opinion on the COG financial statements. As part of the audit, a requirement is to test work in regards to internal controls and review compliance items. An item of significant deficiency in internal controls was related to the All Hazards grants. Chad said there was a large adjustment made as part of the audit process that the board needed to be made aware of. As part of the criteria, it is management’s responsibility to identify adjustments and ensure no misstatements. Chad said the issue has been corrected and that in the future management needs to review year-end closing processes to ensure revenues and adjustments are made so financial statements are not misstated. Miriam asked for a more layman’s term explanation. Sara explained that each year she receives a final reimbursement request from the All Hazards grant typically in March for the year prior, meaning there is information provided after final adjustments are inputted. Sara said she will work with Lori Johnson, grant coordinator, to ensure all adjustments are known prior to March of the next year to ensure adjustments are correct. Sara added that this happens every year and that in 2015, Hinton Burdick gave an adjusting entry for the AH grants in the amount of \$92,588 and that entry was not found to be a significant deficiency. Chad said Sara’s explanation was correct and that the seriousness of the

finding is minor. Chad gave some financial highlights saying that overall the budget was at a - \$4,765 loss, which is close to break-even. This concluded the audit presentation.

After the presentation, Miriam announced that the SWCCOG won a rural achievement award from the National Association of Regional Councils (NARC) for work done on broadband in rural Colorado. The award plaque was presented and passed around.

III. Introduction to Homes Fund new Executive Director, Lisa Bloomquist Palmer

Lisa introduced herself as the new Executive Director of the Homes Fund. She has experience working for Community Development Financial Institutions (CDFI), which the Homes Fund (HF) is designated. Lisa said she would like to individually speak with members to find out how the HF can get housing funds into the community. Home buyer education programs are currently running in Durango, Cortez, and Pagosa Springs. The HF also offers one-on-one counseling. Lisa provided her contact information as 970-259-1418 ext. 5 or can be reached at lisa@homesfund.org. Miriam said she will send this information out to the board via email.

IV. Consent Agenda

- a. 4 May, 2017 SWCCOG Meeting Minutes
- b. May 2017 Financials

Dick White motioned to approve the consent agenda, Fred Brooks seconded, unanimously approved.

V. Reports

Director's Report

Miriam will email the letter for National Monuments to all board members. John said the letter was wonderfully written and thanked COG staff. Miriam reminded members that the CUA meeting will be held July 21, 1:30pm in Durango; a more specific location is being worked on now. A flyer will be put together of what is happening in the region for those folks visiting the area for the meeting. Miriam asked that members provide information to include in the flyer and get folks out to the communities. Miriam said she will be on vacation in Alaska from July 7-19.

Broadband Report

Miriam said per the May meeting discussion, the COG will be moving forward with the rural healthcare grant and submit an application January 2018. This grant will provide funding for infrastructure development and middle mile work. Chris asked when the application is due. Miriam said the application process opens January 1 and staff plans to submit in January. Miriam guesses a final award would not be known until mid-year. Dick asked if CDOT will be involved. Miriam said yes but this needs to be in writing and not just verbal. Miriam would like CDOT to do the construction management because infrastructure builds would be in CDOT right-of-ways. The COG is looking to build from Wolf Creek to the Utah boarder, Cortez to Telluride, and between Durango and Silverton.

Miriam reported that the Enterprise Zone application to the state was approved. As of July 1 the COG will be able to do a 12.5% tax credit for those who donate labor and materials for broadband development. However, there are locations that do not allow for enterprise zones.

Legislation Report

There was no legislation report as the legislation session has concluded.

Transportation Report

Jessica reported that the TPR met June 1 with a brief agenda. CDOT updated on the beginning developments of the next statewide planning process that will include starting to assess needs for rest stops. The next TPR meeting will be August 3.

Jessica said in regard to transit that the COG applied for FTA 5310 mobility management funding for a transit coordinator. This will be the 3rd year the COG has applied. Staff is trying to get this funding to continue coordinating and moving transit forward with the Transit Counsel.

The transit marketing consultant wrapped-up work with the transit agencies and feedback has been positive. Staff is now working to figure out how to move forward with 5304 planning funds. The project entails working with the four corners states of UT, NM, AZ, and CO and looking at how to address public transit across state lines such as to the VA hospital and other health clinics.

VISTA Report

Dennis reported that he is working on the RREO recycling education grant and is coming up on the final week. He has been in communication with various producers of recycled goods and materials to purchase incentives with grant funds set aside for participating classrooms such as tote bags and recycle bins. Karen asked what grade the focus would be. Dennis said based on the state education criteria, 5th grade was the best target.

VI. Discussion Items

None.

VII. Decision Items

a. 21 April, 2017 Executive Committee Meeting Minutes

Chris La May motioned to approve the April 21, 2017 Executive Committee meeting minutes, John Egan seconded, unanimously approved.

Dick asked if the Executive committee has met since the April meeting. John said there was a session held prior to this board meeting and several individual sessions between April and June as coordinating schedules had been difficult.

b. 2018 Dues

Miriam said the 2017 budget was approved August 2016, which created some challenges because much changed between August and December; however, dues letters need to be provided to assist communities in their individual budget processes that are already starting. Therefore, the 2018 dues need to be discussed and approved so dues letters can be sent in July. The COG 2018 budget will be presented in September.

Miriam provided 2 dues spread sheets, one with the COG receiving FCC funding and the other without the COG receiving this funding. In both scenarios the TPR contributions and administration assistance dues are the same as 2017. All categories, dues, admin, and grant match except the TPR are calculated using the board-voted formula of a 20% flat rate for each jurisdiction then 80% based on population.

Miriam said at the board retreat that the members put broadband as the priority. With the board's decision to move forward with the FCC funding January 2018, this will create a need to increase staffing and funding at the COG level. This increase is seen in the dues scenario with FCC funding. However, the FCC funding will help to cover some of the project management and a portion of Miriam's salary but not all. Of course the FCC funding will not cover 100% of the

COG overhead, so this funding must come from members. The dues increase would be \$31,000, which is a small percentage increase of a \$30 million project. In addition, if grant match is not requested, which is the goal, even with the dues increase, all members will see a decrease in what is actually paid from 2017 to 2018. If grant match is invoiced, La Plata County would see the largest increase from 2017 to 2018 dues of \$4,500, which represents less than 1% of the total cost. Miriam added that staff would increase from the current 4 to 6 including the next VISTA. John said that if the FCC funding is not received, the COG will stay at status quo. Miriam confirmed yes and that the e-TICS and fiber fund that have been seen on previous year's invoicing will no longer be seen as the e-TICS has been paid for by a grant for the next 3 years and the fiber fund was voted to be collected for just 2 years, which has been completed as of 2017.

Dick asked when funds would arrive if the FCC funding is awarded. Miriam guessed the first quarter of 2018 but is unsure of the FCC's timeline to process. Dick asked if the 2018 budget proposal will incorporate the fact that funds will not be available for the full 12 months in 2018 as this could affect funding for increased staff. The COG should budget optimistically and remit dues back to members if the FCC grant is not received. Miriam suggested maybe invoicing for the lower amount and invoicing for additional funds if FCC funding is received. Michael said the higher amount definitely needs to be in the dues letters and budgeted for by members. John recommended moving forward with the 2018 dues including FCC funding and if the funding is not received, communities can be reimbursed. Sara said if the FCC funding award will be known within the 1st quarter of 2018, she may be able to wait and invoice when a confirmation of funds is known, this way there would be no need for reimbursements or additional invoicing.

William Tookey motioned to approve the recommended dues for 2018 with FCC funding and grant match, Dick White seconded, unanimously approved.

VIII. Other Items

Miriam said that Club 20 is holding a broadband committee meeting July 13 in Montrose. Those who are members should attend. Century Link will be proposing a resolution to Club 20 that is against local governments developing broadband. It is the same legislation Century Link attempted earlier this year. Miriam said it would be useful if COG members were there to speak against this. Michael asked if Miriam could provide some talking points. Miriam said yes and that as soon as the resolution is received, she will send out talking points.

IX. Community Updates

Michael Whiting, Archuleta County:

- Consent has been received for the proposed location of the new jail and sheriff's office.
- The county is looking at a sales tax or property tax increase on the November ballot.

Chris La May, Town of Bayfield:

- The bridge project continues over the Pine River.
- The school district broke ground on 3 different projects.
- A new dollar general is breaking ground next to the Dollar Store.
- The town is ready to start a rewrite of the comprehensive plan.
- The wayfinding project is nearing completion.

Karen Sheek, City of Cortez:

- The city is beginning the demolition of the old high school.
- There is construction on the hospital and new county court house.
- A water pipe replacement project will begin this summer.

- The city is beginning to implement improvements on downtown streets and medians.
- Every 3rd Thursday throughout the summer there will be activities held at the city park.

Kari Distefano, Town of Rico:

- Kari is the new town manager of Rico.
- The town does not have a central sewer system; the town is looking to fund this type of project through user fees.

Dick White, City of Durango:

- Broke ground in May at the new Santa Rita Water Reclamation Facility.
- A cultural resource plan was approved for Lake Nighthorse.
- There is a major study session being done on the housing and homelessness issues.
- There has been discussion with the fire protection district about a new site for a downtown fire station.

Fred Brooks, Town of Mancos:

- The new pedestrian crossing at 160 will open this week.
- The 4th of July fireworks are still a go in Mancos.
- The school is working on a grant for campus improvement.
- There was a fire that caused the loss of many jobs. Ann asked if the insurance is a factor. Fred said there has not been much luck with communication between the company and town.

John Egan, Town of Pagosa Springs:

- Pagosa has been flooded with tourists, which is great for sales tax revenues.
- Last month the mayor Don Volger initiated a beautification campaign. There has been great participation from local businesses and individuals. This will be ongoing annually.
- The 8th street project that was shut down last November has recommenced. At this point, contractors are working with a completion date of late October or early November.
- Greg Schulte is retiring; the town is in process of looking for a new town manager.

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

The next meeting is August 3, 2017.

End 2:50 pm