

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

In Attendance:

Andrea Phillips – Town of Mancos
Dick White – City of Durango
William Tookey – San Juan County (via video)
Chris Tookey – Town of Silverton (via video)
John Egan – Town of Pagosa Springs
Chris La May – Town of Bayfield
Michelle Yost – Town of Bayfield
Julie Westendorff – La Plata County
Shane Hale – City of Cortez

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 (via video)

Guests in Attendance:

Laura Lewis Marchino – Region 9
Ann McCoy-Harold – Senator Gardner’s Office
Jim Ostrem – Town of Rico (via video)
Darlene Marcus – Representative Tipton’s Office

a. Introductions

The meeting was called to order at 1:35 p.m., new attendees introduced themselves.

b. CPACE Presentation – Laura Lewis Marchino

Laura Lewis Marchino presented on the current happenings of CPACE. CPACE is a way to fund clean energy, water improvements, and energy efficiency projects for businesses. It works by creating a system in which businesses agree to a voluntary assessment that comes up on their property tax bill, and they receive a loan for their project. The goal of this program is to raise property values, create jobs, increase tax revenue, and lead to environmentally friendly development. This program would help businesses because they wouldn’t have to put money down for their development, and the energy savings could offset the cost of paying off the loans. If the loans turn out to be larger than Region 9 can handle, then they would work with local commercial lenders. Laura then asked if any of the municipalities or counties were intrigued by the program. Michelle thinks this would be a great program that could benefit several businesses in her community. Laura added that Region 9 could meet with communities individually. She added that the program requires official approval by any county that wants to participate. The anticipated impact of this program is mostly dependent on the interest and participation of businesses. Dick mentioned that the PACE programs have been around for six or eight years, in communities that are really ambitious about their energy goals. He also says one of the major obstacles is the up-front cost. Residential PACE has been held back because the guidelines were strict, but they are starting to loosen up now. Dick continued that commercial PACE does not have this problem and that it is a no-lose proposition. He added that

this program isn't limited to energy costs, but rather any overhead costs. Every individual would need to determine whether this is cost effective or not. Dick concluded that this is a terrific mechanism. Laura replied with more information about potential projects that qualify. These projects include but are not limited to lighting, heating, solar, for offices, industrial, or non-profits.

Laura also brought up the Rural Jumpstart Program. It is a state program that is being utilized, and it might be a detriment if we don't pursue it. It is a tax holiday for businesses that want to move to Colorado. Laura clarified that it has nothing to do with existing businesses, rather if a business moves to a participating county they do not have to pay taxes for four years. This was created with the idea that governments wouldn't have that tax revenue in the first place if the business was in a different state/county. The business has to create a minimum of 5 jobs and they can't be competing with existing businesses. Additionally, participating counties must meet certain criteria such as having a population under 250,000 (rural), and the county must be considered "distressed." With that last point in mind, La Plata County is not eligible, however the other four counties are eligible. Counties can be approved, and communities can choose to opt out.

Andrea asked if a community can do it without its county, and Laura answered it cannot. Julie asked if it was a holiday from property tax. Laura answered that it was a holiday from both property and sales tax. Laura continued by saying a reason for this program's creation is because the state is thriving in urban areas but not rural areas, and this is a way to serve rural communities. There is an application process that includes a non-compete evaluation. The business has to have a plan for job creation, and if they don't follow through they can be kicked off the program. Julie asked if there are criteria for the quality of jobs. Laura replied that wages etc. are considered before businesses qualify. Laura added that this program works through the economic development organizations and Region 9 would assume the responsibilities of ensuring the incoming business is not competing. Julie asked if CPACE brings additional costs to the administrative side of things or if it adds additional costs to the treasurer's office to account for tax credits etc. Laura answered that compensation is accounted for in the program. Julie asked for the clarification of what a "distressed" community is. Laura answered that it based off of state averages for per capita income, unemployment rate, population etc.

c. Consent Agenda

- a. 4 November 2016 SWCCOG Meeting Minutes
- b. October 2016 Financials

Julie proposed three amendments to the November meeting minutes. Julie clarified that none of the changes were substantive. The proposed amendments are, 1. Karen Iverson (RHA) mentioned "the four county region", we should clarify the four counties Karen was referring to did not include Dolores County. 2. In the broadband presentation, there was a reference to a wrap up meeting being scheduled for November 21st, but in reality it is scheduled for December 8th. The third amendment was for a small typo at the end of the minutes.

Shane Hale motioned to approve the consent agenda, Dick White seconded, unanimously approved.

d. Reports

Director's Report

Miriam got more information about TPR dues after the board packet was sent out. Because CDOT provides funding they are voluntary contributions, not dues. Miriam then mentioned Montezuma County's changing dues for TPR, they sent a letter saying they are cutting their

dues by 10%, or \$85 when their dues were originally \$837 not \$850. As a result, they are actually cutting their funding by \$83.70 or 10%. Because TPR dues are voluntary Montezuma County can do this.

Julie asked why anyone contributes. Miriam answered CDOT provided much more funding in the beginning than they do now, and the contributions help cover additional costs like travel, food, and incidentals that federal funding from CDOT does not cover.

Julie asked if this was discussed at TPR Miriam replied that it was not. Miriam continued that she talked to Keenan at TPR and he said that Montezuma County is doing this across the board because they have a budget deficit of almost \$1.3 million. She added that Keenan pledged to return to their original funding amount once the budget issue is resolved. Miriam added that there is no recourse for the SWCCOG or TPR, because the dues are actually voluntary contributions, and that terminology has been updated in the contracts. Miriam then mentioned that Keenan Ertel was voted in as the Vice-chair of TPR for 2017.

Dick expressed some concern over the potential loss of funding for TPR and Miriam replied that she had expressed that to CDOT that as well. Mike King at CDOT has told her that we could request additional funding. We get the most funding of any TPR in the region because we are the farthest from Denver and often have to fly people there for the STAC meetings. Shane is concerned that this is unfair, and asked what would happen if his community only paid the same percentage share and if there was a 10% reduction across the board. Miriam answered that it would reduce revenue by close to \$700. There was then some discussion about how changes in TPR funds would impact the TPR and SWCCOG. There are no immediate concerns because we can request additional funds from CDOT. There were further suggestions that the SWCCOG should inform TPR that if TPR funds are cut, the COG will not be responsible for making up the funds. This fact is supported by the contract that has been agreed upon with the TPR.

Miriam mentioned some delays with DOLA 9038 referring to the 2016 Technical Assistance grant. The COG requested an amendment to allow staff time to be charged to this grant earlier in the fall. DOLA has yet to decide officially, and as a result we do not know what to charge to the grant, and we have not completed a full draw down request. Miriam then requested an extension for the grant.

Broadband Report

The broadband planning meeting will be held on December 8th, 2016. There was then a discussion about rescheduling the broadband planning meeting to January. Miriam will look into rescheduling with Diane.

Transit Report

A new TPR chair and vice chair were elected. Bentley is the chair and Keenan is the vice chair. The MOU with the COG was renewed.

VISTA Report

Dennis discussed the recycling website, including slight changes to content and the inclusion of additional composting information. The website has been published, but small changes are still being made as other industry professionals weigh in.

Community Updates

Andrea said the CCCMA Conference dates have changed for January 25-28 in Glenwood Springs.

Julie shared that Samson has been acquired by the Southern Ute Tribe and accordingly some of their tax contributions will be removed from La Plata County; they were the second largest source of tax revenue in the county and this acquisition will significantly diminish the tax contributions from those oil and gas assets.

Dick mentioned Noel Night. He continued to discuss the Durango trends of tax revenue. Durango is feeling the fallout from the gas patch, and the city will have to look at alternative solutions to the decline of sales tax revenue

e. Discussion Items

f. Decision Items

a. October 2016 Executive Committee Meeting Minutes

Andrea said the notes from October 19th 2016 Executive Committee Meeting were fine. No approval was needed as Andrea was the only one in attendance.

Julie wanted to update a couple of typos and unclear information. Miriam replied that staff would clean up the minutes and bring them back next month for approval.

Motioned to continue October 31st 2016 Executive Committee Meeting Minutes. Julie motioned, John seconded, unanimously approved.

b. SWCCOG – SWTPR Contract

Andrea said the TPR approved the MOU earlier this morning. It would be in place for three years. Miriam clarified that TPR is a colloquial name, and in the state statutes it is Regional Transportation Planning Commission. That is why it says RTPC on the contract.

Michelle motioned to approve the agreement between the SWTPR and the COG (MOU), John seconded, unanimously approved.

c. Decision to Contract for Services with RHA

There was a brief discussion about the contents of the contract for services with the RHA and the work required of the COG for this partnership.

Dick motioned to authorize staff to move forward and develop a contract with RHA, Michelle seconded, unanimously approved.

d. 2017 SWCCOG Treasurer Selection

Shane recommends Chris La May as the incoming treasurer.

Shane motioned to appoint Chris La May as Treasurer, John Egan as Vice Chair, and Julie Westendorff as Chair for 2017. Dick White seconded, and it was unanimously approved.

Julie motioned to amend the agenda to include considerations for the extension of DOLA 9038 Technical Assistance grant, Dick seconded, unanimously approved.

e. DOLA 9038 Technical Assistance Grant.

Dick motioned to authorize the staff to move forward with extension of DOLA 9038 Technical Assistance grant, John seconded, unanimously approved.

Shane motioned to move to executive session, John seconded the motion, unanimously approved.

Moved to Executive Session at 2:38 p.m.

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.

Returned to open session from the Executive Session at 2:57 p.m.

Dick asked to clarify the differences between the monthly financial reports and the quarterly financial reports. This shifted to a discussion about the most effective ways to report information to the board.

There was a brief discussion about short term objectives for the transition into 2017. These objectives included potential new COG board members, and planning visits to member communities.

Shane motioned to approve the three percent pay raise for the Executive Director, Michelle seconded, unanimously approved.

End 3:12 p.m.