

**Southwest Colorado Council of Governments  
November Board Meeting  
Friday, 4 November 2016, 1:30pm  
1188 E. 2nd Ave., Carnegie Building, Durango, CO 81301**

In Attendance:

Andrea Phillips – Town of Mancos  
Mark Garcia – Town of Ignacio (via video)  
Dick White – City of Durango  
Michael Whiting – Archuleta County  
Lana Hancock – Town of Dolores  
William Tookey – San Juan County  
Chris Tookey – Town of Silverton  
Greg Schulte – Town of Pagosa Springs  
Chris La May – Town of Bayfield  
Julie Westendorff – La Plata County  
Shane Hale – City of Cortez  
Ron LeBlanc – 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:

Laurie Dickson – 4CORE  
Werner Heiber – 4CORE  
Pam Moore – Regional Housing Alliance  
Karen Iverson – Regional Housing Alliance & La Plata Homes Fund  
Jim Ostrem – Town of Rico (via phone)  
Karen Sheek – City of Cortez Mayor

**I. Introductions**

The meeting was called to order at 1:30pm, everyone introduced themselves.

**II. Regional Housing Alliance Presentation**

Karen Iverson presented on the current happenings with the Regional Housing Alliance (RHA) and the La Plata Homes Fund (LPHF). The RHA is going through some changes to reduce overhead cost and to have a greater impact on community and mission objectives. Inventory and production problems along with folks not being able to afford their mortgage or rent are still prevalent issues. The RHA serves a four-county region including La Plata County, Archuleta County, San Juan County, and Montezuma County. Much success has been seen, specifically in La Plata County, since 2008 by bringing in over \$15 million state and federal resources to assist with affordable housing. The RHA also helped to adopt the Fair Share Ordinance and has done regional expansion over the last year helping residents in Cortez and Pagosa Springs and partnering with Habitat for Humanity. A CDFI grant was received to operationally fund staff to work in the four county regions that will go through 2017. In addition, a CDBG grant was received that will provide up to \$350,000 for loan capital in other surrounding counties. Andrea asked how many staff persons the RHA and LPHF currently have. Karen said four full-time staff and two part-time run both organizations.

The RHA is in a strong financial position with growth from 2008 being \$1.8 million to \$6.2 million in 2016. The RHA's structure is now being looked into as there is much overlap between the RHA and LPHF. With a new structure, the RHA and LPHF will be consolidated to create more efficiency. Karen asked with the RHA dissolving, would the COG want to do continue policy work and any administration of the RHA for the next four years as the RHA board does not want to dissolve the organization immediately because it may have a function in the future. The RHA has funding that would pay the COG \$10,000 annually for any administration required including bookkeeping, coordination of the annual RHA meeting, and assistance with the audit. Funds will also be provided to cover any insurance, legal, and all audit fees. Greg asked if the RHA board would shift to the COG board. Karen said no, this would be a simple contract for services where the RHA and COG would remain separate in all ways and that essentially, the COG would be managing a dormant organization through contract but not an acquisition. Mark commented that the audit amount of \$9,000 seemed quite high. Karen said they have a 3-year contract with their auditor. The next audit will be the 3<sup>rd</sup> year of that contract and the \$9,000 is a set amount for the audit; Karen suggested continuing to contract with their current firm. Dick asked if the audit would just be for RHA. Karen confirmed yes. Greg asked when Karen would need a decision by. Karen said she would need to have legal, David Liberman (same as COG), draw up a contract and make adjustments to the by-laws. She does not intend to have the contract go into effect until July 1, 2017, so there is time. Andrea said a discussion item will put on the December agenda. Michael asked if a contract could be presented for review in December. Karen said that may be too soon with holidays approaching. Andrea asked if Karen's presentation would be made available. Miriam said yes and asked what other information the board would like to see at the December discussion to keep the conversation moving forward and suggested financial information for the four year contract term and information as to how much time staff will estimate for work on the RHA. No other information was requested. Andrea asked if just staff time would increase and not salary. Miriam confirmed yes, just time and not salary. Julie asked if there would be any expenses for this contract from the COG. Miriam said no.

### **III. Consent Agenda**

- a. 7 October 2016 SWCCOG Meeting Minutes
- b. September 2016 Financials

**Dick White motioned to approve the consent agenda, Greg Schulte seconded, unanimously approved.**

### **IV. Reports**

#### Director's Report

Miriam reported that there is much work being done on shared services with the broadband project coming near completion. She is currently editing the plan with Diane Kruse that will be ready to present the Monday before Thanksgiving. [This meeting was moved and confirmed for December 8, 2016]. Chris La May asked if Miriam had renegotiated a lower internet price with FastTrack. Miriam confirmed yes, and the contract price will be significantly less than what the COG is paying now. However, this hinges on the broadband plan and if there is a better option within the plan. Miriam said she has also been in touch with FastTrack regarding VOIP cost for multiple jurisdictions that would allow 4-5 digits dialing between jurisdictions saving overhead on long distance charges.

#### Transit Report

Jessica announced the successfully awarded and fully funded CDOT 5304 funding grant to do a Four Corners Transit Coordination Plan through the four corner states of Colorado, Utah, Arizona, and New Mexico.

## VISTA Report

Dennis reported that the recycling website has been in the works for the past few weeks and is almost complete. He presented the website and navigated through the progress thus far. The website shows the background of recycling, benefits both economic and sustainably, the process of recycling, and provides recycling information for each jurisdiction in the region. In addition, Dennis is working with the Recycling Task Force to include composting information on the website. Jim said bears are a problem with composting in Rico and requested additional information is provided on bear-proofing compost. Dennis said he will research and provide that content. The website goes live in a couple of weeks. Andrea asked if the link will be provided to all members so they can share the information on their own websites. Miriam confirmed yes, and that the marketing contractor will also be providing social media support through Facebook and Twitter as the shared services grant paid for a 3-year marketing agreement to help promote recycling and transit in addition to any other marketing requests the COG may have.

## Community Updates

Greg reported that Pagosa Springs recently had a building burn down. The fire was deemed an accident. With multiple owners and insurances, it is unclear what will happen as far as a rebuild. The fire started Saturday night and required such a mass amount of water that the town supply was near completely drained by morning as 1.7 million gallons of water was used within the first 20 hours. The town has learned that there is a lack of storage capacity which needs to be addressed. Greg said there is protocol and equipment to pump water from the river when needed; however, the hose pumps 1,000 gallons of water per minute when 2,000 gallons per minute would have been needed to put this particular fire out. The town will be reassessing this issue in addition to the storage capacity issue.

## V. Discussion Items

### a. 2016 Budget Projections

Miriam said with board member requests for 2016 budget projections, staff created a budget projection document that was emailed to all a couple weeks after the October board meeting to ensure sufficient review time. The DoLA grants are in high flux due to funding amendment requests and are still uncertain about the budget. However, most other accounts have solid estimations. A Misc Income account was added for funding received from SWIMT, WLC, and Region 10 among other miscellaneous items. The AAA contract was for \$8,000 but due to direction from the AAA ED to do less work, the final amount received was approximately \$2,000 short of the contract. There have been unforeseen expenses such as 4CORE and dark fiber lease staff time. There were expenses paid out for SB152 creation and printing for Mancos, Pagosa Springs, Dolores, and Dolores County in 2016. The membership expense account looks large but was mostly reimbursed by grants with approximately \$10,000 of the expenses being from the Grant Finder/Tracker application. Because DoLA revenues and expenses are in high flux, the bottom line is unknown but staff should have more information in December of what direction those grants may take. Shane asked what happened with SWIMT. Miriam said they decided to contract with a non-profit at the state level because the COG serves only a portion of the SWIMT regions. The COG contract with SWIMT expired January 2016 but because the new contract with the non-profit is not in place just yet, the COG has been asked to do one last distribution and will receive 10% that will be approximately \$1,500 towards the 2016 revenues. Andrea asked Miriam to share the broadband projection and staff time issues. Miriam said there has been more staff time, meetings and travel expenses that went beyond what was anticipated due to the complexity of the broadband plan. Other items included SCAN time spent and dark fiber MOU work that was allocated towards the broadband. Overall, the broadband planning process has taken more staff time and resources than expected. The COG is asking DoLA for

an amendment to help compensate for some of those expenses. Much of the over expenditures came from the match of \$34,000 but \$25,000 is allocated towards the contract with NEO Fiber. Julie said that essentially the DoLA budget amendment is to ask for more money to offset the unexpected cost for staff, but we are unsure if that will be received. Julie asked Miriam to explain what “over allocation” means. Miriam said that the COG gets approximately \$126,000 in dues each year that are allocated for expenses not covered by grants. If grant match is used for more than expected, the over expenditures need to be covered by dues. However, the dues are already allocated, leaving the COG budget in a shortfall. With the COG budget being 80% grants funded and without a steady stream of revenues, fluctuations can be drastic. With DoLA seeing a shortfall in their revenues this year, rules are becoming extremely strict. Andrea said the best case is that the COG budget ends with a positive \$310 for 2016. If DoLA does not come through with funding, the board needs to decide if members want to contribute to offset the shortfall or dip into the fund balance. Miriam confirmed that the COG has a fund balance of \$90,000. Greg asked what the magnitude of the shortfall would be. Miriam said 1-2% of the budget; approximately \$6,000 - \$8,000 and that the reserves would be reimbursed in 2017. Shane suggested using the fund balance to offset any negative budget outcome. Julie agreed. Michael said as long as there is a plan for recovery that this is what a fund balance is for. Greg said if the magnitude is 1-2%, using the fund balance is fine, but if it is more, the board should further discuss. Andrea said a contingency for unexpended expenses needs to be built into future budgets to prevent this issue.

b. Dark Fiber Lease MOU Reminder

Miriam reminded the members of the dark fiber lease MOU that was approved in August 2016 and requested these documents be signed and returned to the COG by end of year.

## VI. Decision Items

a. August and September 2016 Executive Committee Meeting Minutes

**Julie Westendorff motioned to approve the August and September 2016 Executive Committee Meeting Minutes, Andrea Phillips seconded, unanimously approved.**

b. Board Meeting Time and Date – Potential Change

Miriam said there had been talk about changing the monthly meeting day and requested feedback. Shane stated that Thursdays would be easier. It was determined that the first Thursday of every month in the afternoon 1:30pm – 3:30pm would work better for everyone’s schedule. This new schedule will begin January 2017. Miriam will send meeting invites via email.

**Shane Hale motioned to approve the change in meeting scheduled for 2017 as discussed, Michael Whiting seconded, unanimously approved.**

c. 4CORE Update with Legal Estimate

Miriam reported that a legal opinion along with hours and cost estimation were requested from COG legal counsel David Liberman. The opinion was provided in the board packet for review. The legal cost can be put towards the DoLA shared services grant so that cost will be reimbursed. Shane asked if instead of acquiring 4CORE, could the COG simply take on the functions of 4CORE. Julie said the COG would have greater access to funding with 4CORE being a non-profit. Miriam added that the COG can just start its own non-profit and open up the type of funding the COG would qualify for. Miriam reiterated that David Liberman suggested not taking on unknown liabilities. Shane asked if a partnership does not happen, what will become of 4CORE. Miriam said that would be up to the organization. Miriam said David asked why the COG would want to do this partnership and if taking over the assets and nonprofit status is feasible. Shane said taking on assets and reducing the liabilities would be smart and asked to

hear from the 4CORE representatives. Werner said the legal advice presented did not address the 501C3 status and this is what 4CORE has been concerned about. The next phase was thought to be a 1-2 year fee for service agreement or an MOU. After this time and if the relationship worked well, the 4CORE and COG could continue with a collaborating relationship or merge. Laurie said it has always been the intention to maintain the 501C3 status and it was never about being acquired or absorbed. Andrea asked if 4CORE wants to have separate boards and separate bylaws, effectively a separate organization, then what services are being requested from the COG. Werner said sharing of office spaces and bookkeeping. He said the 4CORE staff has much experience with marketing, so perhaps marketing and bookkeeping services could be traded. Chris La May said he did not see how this was any different than the contract for bookkeeping services the COG had previously done with the AAA. Julie responded that 4CORE has more to bring to the COG than the AAA did as far as services for the region. Michael said there is no such thing as a merger between a local government and 501C3 organization as they are fundamentally two separate types of organizations and there is either an acquisition or working together with a contract in place. If there is an acquisition, one organization dissolves and transfers the assets. Werner said the vision was to work with the COG and for financial reasons as 4CORE has gone through ups and downs. Andrea asked for clarification that Laurie is the Program Director and not the Executive Director. Werner confirmed that is correct. Julie stated that the City of Durango is no longer funding 4CORE but La Plata County is for 2017 and that when there were more funders, it was thought that a partnership would benefit those funders as well as the entire region. Julie said if a relationship is not going to be easy, it may be beneficial. Mark asked Werner if LPEA will be funding 4CORE in 2017. Werner said yes. Miriam asked if the funding amount is known. Werner said no. Laurie said a concern is that because of misinterpreted discussions and no real clarity, a challenge has been talking with other communities. For example, when 4CORE approached Cortez they refused funding because 4CORE was going to be merging with the COG, which is not correct. Laurie requested there be clarification from both boards so regional communities better understand what is happening.

Greg said he understands that 4CORE does not want to be absorbed, they want to remain a stand-alone entity, but are looking for opportunities to collaborate. However, for the purposes of the decision today, Greg said it appears there just needs to be a decision if legal advice wants to be further pursued. And if it does, will the advice get the COG where it needs to go with the 4CORE. Julie said if La Plata County is the only entity funding 4CORE that it does not seem like it makes sense to bring 4CORE to the COG as the initial goal was to diversify 4CORE. In addition, Julie said she does not feel the information or reality match up as well today as it did 6 months ago. Shane said the initial objective was to get 4CORE under the COG and this is the information he passed onto his council. However, with 4CORE being a La Plata centric organization, Cortez does not understand the advantages for either the COG or 4CORE. Julie replied that the advantage would be financial stability and presence in more jurisdictions for 4CORE and the COG would benefit from the 501C3 status and opening up grant opportunities. Laurie said 4CORE has the challenge of receiving grant acceptance because grantors want to see regional efforts and not just individual communities. It would be beneficial if 4CORE could put on grant applications that they do regional work and even if only a portion of the COG members wanted to be a part of a grant, 4CORE could have a more region-wide program application. Andrea asked if the COG could just contract with 4CORE on an as-needed basis with communities that wanted to participate. Miriam said that contract would be specifically between the community and 4CORE and not the COG. Dick suggested 4CORE use the COG as a distribution method to get information to communities. Lana asked if there would be a fee for service for being the networking conduit as this would take staff time. Laurie said it would be just providing information in board packets and presenting information to the board at meetings.

Julie said this is becoming a question of communication versus a merger. Werner said providing information to the COG gives 4CORE the opportunity to reach 13 different communities at once. Andrea said she would rather spend money elsewhere than on legal for additional 4CORE research. Mark said he still feels it would be possible to structure what 4CORE wants and where savings would benefit all. Andrea finalized by saying that it sounded like there was no need in the immediate future or into 2017 for anything more than shared information and that 4CORE will need to continue approaching each community individually and seeking specific funding for programs tailored to those individual communities.

**Greg Schulte motioned to incur no additional legal fees from David Liberman on this endeavor with 4CORE. William Tookey, seconded, Mark Garcia opposed. All other members unanimously approved.**

d. Executive Committee Selection

Andrea announced that it is time to nominate and select a COG Treasurer as the Executive Committee will be shifting positions as of January 2017. In the past, Ron and Shane headed up a nominating committee. Andrea asked if Ron and Shane would be willing to again recruit board treasurer candidates for selection by the board at the December 2016 meeting. Both said yes.

**Greg Schulte motioned that Ron LeBlanc and Shane Hale be appointed as the nominating committee to recruit COG Board Treasurer candidates for 2017. William Tookey seconded, unanimously approved.**

**VII. Other Items**

Andrea announced that she will be sending out an email to all primary board members requesting input for the Executive Director annual evaluation. The primary and alternate members of each jurisdiction should collaborate and provide feedback. Andrea will put feedback information together that will be discussed with Miriam by the Executive Committee at the scheduled review. With a successful evaluation, the Executive Committee will suggest a merit increase for board approval at the December meeting up to 4%.

**End 3:55pm**