

**Southwest Colorado Council of Governments  
October Board Meeting  
Friday, 7 October 2016, 1:30pm  
1188 E. 2nd Ave., Carnegie Building, Durango, CO 81301**

In Attendance:

Ron LeBlanc – City of Durango  
Michelle Nelson – Town of Bayfield  
Andrea Phillips – Town of Mancos  
Rick Smith – City of Cortez (via phone)  
Mark Garcia – Town of Ignacio (via video)  
Scott Lewandoski – Town of Pagosa Springs (authorization letter as alternate on file)  
Dick White – City of Durango  
Michael Whiting – Archuleta County  
Julie Westendorff – La Plata County (part time via phone)  
Lana Hancock – Town of Dolores

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

**I. Introductions**

The meeting was called to order at 1:30pm, introductions were skipped as all knew each other.

**II. Consent Agenda**

a. 2 September 2016 SWCCOG Meeting Minutes

**Dick White motioned to approve the 2 September 2016 SWCCOG meeting minutes, Michelle Nelson seconded, unanimously approved.**

b. August 2016 Financials

While on the phone conference system, Julie asked how the 2016 budget is looking with the third quarter of the year complete. Miriam said the budget overall is very tight. Part of the budget will be dependent upon additional funding from DoLA; the DoLA budget amendments will be presented further in the agenda. Julie asked if the budget is tight due to overspending. Miriam responded that the budget is tight mostly due to the broadband grant. The amendment presented later in the agenda will ask DoLA to cover all costs of the NEO Fiber contract. Julie asked if DoLA does not give the additional funds requested, what will that mean. Miriam said Diane Kruse with NEO Fiber is willing to work with the COG and spend only what DoLA is willing to pay. DoLA has no issues paying for the Ute Mountain Ute amendment. Julie asked if the budget as a whole is on track. Miriam replied no, and that staff will work with the Executive Committee for more detail. With additional questions from Julie on financials, inadequate cell phone reception, and Julie nearing the meeting location, Andrea postponed the financials discussion and vote to later in the agenda when Julie would be physically present.

### **III. Reports**

Andrea asked if there were questions regarding any reports presented in the board packet. Miriam asked for all members to be sure and read the director's report on DoLA funding specifically and the restrictions with respect to match and paying for staff. Michael asked if the COG should look into strategies to be more competitive for grants. Miriam said the SWTPR prioritizes projects that impact the region and that the COG could do the same. Miriam also requested that when an email goes out to the board, to remain in compliance with Colorado open records laws, the "reply all" button should not be used but rather a single reply to Miriam. No other questions or comments were made on the reports section.

### **IV. Discussion Items**

#### **a. CDOT Transit Funding Discussion**

Jessica reported that CDOT is looking to change the distribution method for transit funding to be more equitable as more entities are requesting funding. There is concern regarding the distribution formula, and the hope is to have a final formula in place by 2018. Andrea asked the SWTPR's feeling on the subject. Miriam said the SWTPR provided feedback but did not make recommendations or take action.

#### **b. 19 August 2016 Executive Committee Road Trip Notes – Ignacio & Bayfield**

Mark thanked Miriam and the Executive staff for the meeting and said it was beneficial. Andrea asked when the next road trip is scheduled. Miriam said no other trips will be scheduled until after the elections.

#### **c. Fund Balance Policy Update**

Andrea reported that staff contacted legal regarding TABOR language in the Fund Balance Policy. Legal confirmed TABOR language is not needed. Andrea asked if there should be a motion. Sara confirmed no, that the policy verbiage did not change; this update was to inform the board that TABOR language, per legal, is not required.

### **V. Decision Items**

#### **a. 4CORE Under the SWCCOG**

Miriam reported that at 4CORE's September meeting, their board voted to come under the COG if 4CORE is able to keep their 501C3 status. Miriam asked for board direction as next steps will come at additional staff time and legal costs that were not budgeted for. With an already tight budget, these expenses may have to wait until 2017; however, Miriam said she is hoping to confirm with DoLA that legal expenses can be put under the DoLA 9038 shared services grant. Laurie Dickson with 4CORE confirmed that 4CORE spent approximately \$2,000 on legal services. Andrea recalled that 4CORE's memo regarding the legal opinion obtained indicated that 4CORE would lose their 501C3 status if acquired by the COG but not if an MOU or service agreement were in place. However, with Miriam's research and communication with the NWCCOG, she found that a 501C3 program is under the NWCCOG and did not create any loss of the non-profit status. Miriam confirmed that she reviewed NWCCOG's Form 990 that did show a 501C3 is housed under the COG. Julie confirmed that La Plata County sees benefit and would like to see additional steps taken with 4CORE. Mark said if both COG and 4CORE needs can be met, he is in favor. Michael asked if an MOU or agreement means each organization retains current autonomy and boards as he does not see why the organizations would not just remain separate and operating as they are now. Julie replied that an affiliation would help bring stability to 4CORE where more focus can be given to programming that will benefit the region, one such program being CNG. Dick suggested staff find the critical elements of the NWCCOG that allows a 501C3 and how the boards operate. He also said if 4CORE ceases to exist, we

would have to reinvent it, which would be more costly. Scott suggested incorporating some performance metrics into an MOU if that is the route taken and doing an MOU for 2-3 years. Michelle stated that she thinks bringing on 4CORE and ensuring the 501C3 is maintained will be beneficial. Andrea and Lana agreed that more 4CORE presence needs to be seen on their side of the region. Andrea asked how staff feels. Miriam said she envisions the first year being under an MOU to make sure the partnership will work. If the COG is not satisfied, an MOU provides a way out. Rick Smith remained neutral as he was not briefed on this subject when stepping in for Shane Hale.

Michael said staff needs to communicate with legal to begin developing a structure, identify the moving parts, performance measures, and exit strategy. Miriam said staff can do a proposal that will include an organizational chart, performance metrics, funding flows, and what staffing will look like in conjunction with reaching out to legal counsel.

**Michael Whiting motioned to instruct staff to work with DoLA for legal services cost reimbursement and legal counsel to form the structural framework for this arrangement to help maintain the 501C3 status under which there is presumption that both organizations retain their current corporate structures, Dick White seconded, Rick Smith abstained, all other members unanimously approved.**

b. 2017 DoLA Technical Assistance Grant

Andrea reported that this grant will focus on transit planning and a broadband contractor. Three different match scenarios were provided in the board packet. Miriam suggested keeping the current broadband contractor, NEO Fiber, to prevent additional costs of an RFP and training someone. The \$25,000 in grant match that each member puts aside each year can be used as match or the \$30,000 that is in the restricted fiber equipment repair fund can be used. Michelle said the fiber fund should not be spent on anything other than what is it designated for and is against using the fiber fund for match. Julie agreed. Andrea asked if Jessica would be the transit planning person. Miriam said no as DoLA is not allowing staff to do the work; a contractor would have to be hired. Miriam confirmed that \$10,000 of the \$25,000 cash match would go to pay for staff time. Michelle asked if there would be an increase in staff hours for this grant as the \$10,000 match seems to just add to salary that members are already paying for in their dues. Miriam said the \$10,000 would supplement the dues that are paid for staff. Julie asked if the match members pay for staff time would create fewer obligations for dues. Miriam said no, dues would not reduce. Staff time can be put towards in-kind; however, in-kind is a cost that is not recovered. Sara explained that a certain amount of salary is designated towards each grant and that dues largely go towards administrative staff time and not grant time. If staff time designated towards a grant is not reimbursed by the grant or match, it has to come out of the general funds, essentially dues, and those funds are already allocated. Julie said her preference is to put the \$10,000 for staff as in-kind and asked if Miriam's time on broadband would be less with a consultant. Miriam confirmed that yes, less of her time would be spent on broadband.

**Julie Westendorff motioned that the COG pursue option 1 as proposed in the staff memo and that the cash match for staff be used as in-kind as opposed to cash contribution from members, Michael Whiting seconded, unanimously approved.**

c. NEO Fiber Contract Amendments

Miriam asked that the board approve the amendments presented in the board packet conditional upon the DoLA funding for additional work.

**Michael Whiting motioned to approve the NEO Fiber contract amendments conditional upon the DoLA funding, Michelle Nelson seconded, unanimously approved.**

d. DoLA Broadband Planning Contract Amendment

Andrea asked for confirmation that this request is for an additional \$28,000 and does not require any additional funds from members. Miriam confirmed that is correct and that per a request from Ken Charles, some of the letter's wording will be changed but the amount will remain the same. **Michelle Nelson motioned to approve the request to apply to DoLA for additional funding for broadband planning in the amount of \$28,000, Lana Hancock seconded, unanimously approved.**

e. Purchasing Policy Update

Andrea reported that with the speaker equipment upgrade, the older speakers need to be disposed of and policy verbiage allowing Miriam authority to dispose of equipment valued under \$500 to member communities or local nonprofits is proposed in the board packet. Julie asked that member communities take precedence over local nonprofits.

**Michael Whiting motioned to approve the Purchasing Policy update with member communities to receive precedence over local nonprofits for donation of equipment, Dick White seconded, unanimously approved.**

f. 17 August 2016 Executive Committee Meeting Minutes

With John Egan not present and two votes required, this item was moved to the next meeting in November for approval.

g. 2017 CEBT Renewal

Miriam reported that no H.S.A. accounts would be requested in 2017 as staff would prefer lower deductibles and lower co-pays. Moving to a lower deductible plan saves the COG \$1,000 annually. Staff will continue paying for ¼ of dependent care.

**Dick White motioned to approve the 2017 CEBT renewal with change in deductible plan, Michael Whiting seconded, unanimously approved.**

h. DoLA TA 2016 Grant Amendment

Miriam reported that when this grant was applied for, \$100,000 total was requested with \$66,000 going to the consultant and \$34,000 for staff. However, DoLA wrote the contract with the entire \$100,000 for consulting only. The amendment is requesting funds for staff, as the application requested, but with a \$7,000 decrease from \$34,000 to \$27,000.

**Julie Westendorff motioned to approve the amendment to the DoLA 2016 TA grant as outlined in the staff memo as of 10/7/2016, Michael Whiting seconded, unanimously approved.**

With the decision section complete, the discussion went back to the August 2016 financials as postponed earlier in the agenda until Julie's physical presence to the meeting. Julie asked if we will have enough money to do what we need to do for the rest of the year. Miriam said it will be very tight and the additional DoLA funding is needed. Michelle asked if the 2017 budget has a contingency. Miriam said no as the only stable funding source is dues. Miriam said she feels confident that DoLA will approve the amendment for the 2016 TA grant for \$27,000. She is concerned there may be pushback on the broadband amendment; however, Miriam talked to NEO Fiber who is willing to work with the COG on contract expenses contingent upon DoLA funding. The goal is to not dip into the fund balance, but this may need to happen. The budget projections will be presented at the November meeting. Andrea said another option would be to furlough staff.

**Julie Westendorff motioned to accept the financials, Michael Whiting seconded, unanimously approved.**

I. Other Items

No other items.

**End 3:13pm**