

**Southwest Colorado Council of Governments**  
**September Board Meeting**  
**Friday, 2 September 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  
Shane Hale – City of Cortez (via phone)  
William Tookey – San Juan County  
Mark Garcia – Town of Ignacio (via video)  
Greg Schulte – Town of Pagosa Springs  
Dick White – City of Durango  
Joe Kerby – La Plata County (via phone)  
Julie Westendorff – La Plata County

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:

Roger Zalneraitis – La Plata Economic Development Alliance  
Eric Pierson – City of Durango IT  
Diane Kruse – NEO Fiber (via video)  
Ann McCoy-Harold – Senator Gardner's Office  
Morgan Murri – Pagosa Springs Community Development Corporation  
Chris Stebner – CEDAR Networks  
Ed Morlan – Region 9 (via phone)

**I. Introductions**

The meeting was called to order at 1:39pm, everyone introduced themselves.

Diane Kruse with NEO Fiber presented on the broadband planning project. She reported on discussions with CDOT involving CDOT asking NEO Fiber to send a letter detailing the broadband opportunity and NEO Fiber asking CDOT to provide a commitment contingent upon grant funding. NEO Fiber has added on remaining anchor institutions to the plan, created an FTTP pricing for the counties, and have updated pricing for the Silverton to Durango route. Diane then discussed the update to the capital cost projections for the middle mile. The cost estimation is with the assumption that the Bayfield to Ignacio route will be included in the Rural Healthcare grant at \$29 - \$52 million total costs, depending upon the construction method. Currently, the construction method is assumed to be fiber versus wireless. With the Rural Healthcare grant program, cost outlay can be reduced to \$10 - \$18 million where CDOT may be willing to pick up most of this cost except for non-priority routes. Diane said there is a possibility of partnership for the route from Rico to Telluride. Next steps include: finishing the written plan; providing a financial model; capital costs and funding opportunities; scheduling meetings with individual communities/counties for further discussion about last mile options; and creating a scope of work close out. Andrea Phillips asked if there have been any conversations with the 7

RFI respondents. Diane said no, that direction from the COG and additional information from the communities is needed for RFI response preparation.

## II. Consent Agenda

### a. 5 August 2016 SWCCOG Meeting Minutes

Dick White emailed Miriam prior to the meeting with grammatical corrections to the August meeting minutes. Being absent for the August meeting, Dick requested some clarification on 4CORE proceedings. With a 4CORE item further in the agenda, this conversation was held until later in the meeting. Dick asked why the fiber leasing revenues presented in the 2017 budget were reduced to all community participation for just ¼ of the year. Miriam said that item was reduced because it was unrealistic to expect all communities to be participating as of January 1, 2017; therefore, a very conservative approach was taken to prevent a budget shortfall.

### b. 5 August 2016 Broadband Meeting Minutes

There were no questions or comments.

### c. July 2016 Financials

Julie Westendorff said she met with Miriam Gillow-Wiles and Sara Trujillo to talk about her concerns from the August meeting surrounding the accounts that are over budget and how those items will be managed. Julie requested a follow-up to that meeting and asked what is being done to ensure the budget is balanced. Sara said she is currently working on a 2016 budget projection document to present at the October meeting that will include a comparison of the 2016 approved budget, budget actuals as of September 2016, and budget projections through December 2016. This document will show the board where some accounts are over budget and some are under, where money has shifted, and prepare the board for the 2016 final budget amendment that will be presented in January 2017 for approval.

**Julie Westendorff motioned to approve the consent agenda items, Michelle Nelson seconded, Dick White abstained as he was not present at the August meetings, all other members unanimously approved.**

## III. Reports

### a. Director's Report

Miriam reported that staff purchased a Grant Finder and Grant Tracker application that will be reimbursed by the DoLA 9038 shared services grant. There will be one login for interested members that can be shared with staff. When all point people are known, Miriam will send out login information. The application contract was signed for 3 years. The Grant Finder allows for a search of federal, state, and foundational grants. There will be a webinar available to demonstrate how the application works.

### b. 4CORE Report

Dick asked what the COG's intention is with 4CORE in regards to absorbing the organization or simply building a working relationship prior to an acquisition. Julie said with the City of Durango and La Plata County being large funders of 4CORE, this decision seems to heavily fall towards the city and county. The county would like to see 4CORE under the COG; however, 4CORE does not seem to have the same vision as the COG in regards to an acquisition. Dick said by having a government entity like the COG and a non-profit collaborate, there would be significant benefit to members through grant opportunities. 4CORE has concerns over losing their non-profit status. Greg Schulte commented that 4CORE has had difficulty in the last couple of years with staff and the day-to-day operations; coming under the COG would give them the administrative stability that they need. 4CORE seems to be hanging onto what it used to be and they are not able to do so. Miriam said she has not inquired with legal about the non-profit status with an acquisition because that cost was not budgeted for and with 4CORE's reluctance, it makes spending further time or

money on this endeavor less desirable. Miriam stated that 4CORE is having another 4CORE/COG discussion September 15; however, past conversations seem to be the same as the last 9 months and very circular. Dick said 4CORE has hired a lawyer and is expecting to receive a legal opinion on the non-profit status issue next week. Dick mentioned the fee for service previously proposed. Julie said she does not want COG staff to be hired out to do admin work unless the intent is for 4CORE to be acquired as the COG is not a bookkeeping service for non-profits and this would not be a good use of COG resources. When the bookkeeping was contracted with the AAA, there was an assumption that the AAA would eventually move under the COG. Greg said this item seems to be becoming more about turf and asked what the City of Durango and La Plata County considers value for their money. Joe Kerby pointed out 4CORE's lack of stability, lack of effectiveness, and financial sustainability without city and county funding. The county is supportive of 4CORE to partner with COG as this would increase 4CORE's effectiveness and a better partnership could expand programs. The financial picture is frustrating with heavy reliance on city and county funds. Joe said he felt we were working towards a partnership but it has turned adversarial. 4CORE's commitment of working with the COG is questionable. Andrea asked if there needs to be an action on this item. Julie said this item was simply a status update.

c. Broadband Report

This report was given by Diane at the beginning of the meeting.

d. Transportation Report

No questions or comments.

e. VISTA Report

Dennis Wegienek introduced himself as the new VISTA to do work for the COG over the next year. He described his background and education with CSU in Fort Collins in sustainability, reducing waste and recycling. Dennis reported that he is making a forward move with the website and has been talking with the marketing consultant as well as reaching out to the various recycling task force members. He is also working on grant writing.

f. Community Updates

This item was moved to the end of the agenda.

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

a. Meeting Location Rotation

Andrea discussed the past talk about moving meetings to other communities; however, with the video conference system, people no longer need to travel or have difficulty attending meetings due to weather. She asked what other members would like to see happen in 2017. All members who spoke said there are no issues with travel and they are willing to continue coming to the Durango location or move the meetings. Michelle said perhaps just moving the annual board retreat. William Tookey suggested the retreat be hosted by that year's board Chair. Andrea confirmed the regular meetings will be held in Durango with the retreat being hosted by the year's board Chair.

b. Fund Balance Policy Update with TABOR

Sara reported that she was in touch with David Liberman, COG legal counsel, about the inclusion of TABOR language in the Fund Balance Policy. Based on a series of questions and answers, legal suggested adding the TABOR language found in the past audit documents, which was the same general statement about the COG not be subject to TABOR. Sara updated the policy with this verbiage. Mark Garcia asked that the last sentence be struck as TABOR does not apply to the COG and is not something we need to be compliant with. Ron LeBlanc stated that the policy should say what we are doing and not what we are bound by. TABOR applies to taxation measure and the COG has no taxing power; therefore, this verbiage should

not be included in our policy. Julie asked staff to inquire with legal as to why this language should be added and if it can be taken out.

## **V. Decision Items**

### a. July 2016 SWCCOG Executive Committee Minutes

**Julie Westendorff motioned to approve the July Executive Committee Minutes, Andrea Phillips seconded, unanimously approved.**

### b. Transit Planning Grant

Jessica Laitsch reported that CDOT is accepting applications for federal monies to update transit plans. COG staff is looking to apply for a broad look at transportation in the Four Corners region including Utah, Arizona, New Mexico, and across tribal boundaries. Miriam said she talked to CDOT and received a positive response. Andrea asked if there will be a match requirement from member organizations. Miriam said no. Julie asked where the match would come from. Jessica replied \$80,000 will be the total request with \$20,000 match from DoLA and \$20,000 match from partner agencies. Miriam said COG staff would be working with other state's COGs on this grant and match funds. A consultant would be hired and there are funds for M&A for COG staff.

**Julie Westendorff motioned to approve COG staff apply for funding from the CDOT Transit Planning grant described in the staff report, Dick White seconded, unanimously approved.**

After the motion, Ron added that CDOT has proposed to change the formula for which 5311 funds are allocated that will be at the expense to the western slope and benefit transit between Colorado Springs and Fort Collins. This reallocation change would mean an approximate loss of \$800,000 - \$900,000 in annual funding for the Durango Transit system. This could mean the end of Durango Transit. Ron suggested that the COG take a stance against this proposal from CDOT. Miriam said that CDOT is looking at 4 different funding options and that the current proposal could damage Durango Transit and SUCAP's Roadrunner Transit; however, the change could positively impact Dolores, Archuleta County, and Dolores County. She added that at the state level, funds are limited coming from the federal government and as Colorado has gained transit agencies, there is less funding. Miriam said it seems like the transit agencies who have a history of receiving 5311 funds are on an auto renew each year for the same funding while new agencies are repeatedly denied funding, hence the change in formula so all transit agencies will receive funds and the distribution process more equitable. Jessica reported that she is serving on a focus group to talk about this change and she will be attending a transit conference later this month where the options will be presented. A decision will not be made until early next year to determine the allocation of funds. Greg suggested COG staff request our local CDOT representatives to present to the COG and TPR as to what the decision process is. Greg asked if CML or CCI are taking a position. Miriam said she is not sure about CML or CCI because the proposal is coming from within CDOT and is not at a legislative level. Sara said she can put this item on the next TPR agenda. Julie said it would be helpful to receive a recommendation from the TPR as far as a suggested stance.

### c. Contract for Marketing with Marketing Concepts Squared

Miriam said COG staff will be in charge of all marketing content and ensure the consultant visits each community and is aware of individual community situations. Andrea asked if there is a cash match requirement. Miriam said no and that she would update amendment B in the contract to read "COG" versus "contractor" to prevent confusion.

**Dick White motioned to approve the contract with Lucky Services dba Marketing Concepts Squared, Greg Schulte seconded, unanimously approved.**

d. DoLA Technical Assistance Program

Miriam said the application for the 2017 DoLA Technical Assistance Program is due October 14, 2016; therefore this item can be tabled or the board can elect to move forward now. There is \$500,000 for COGs in this funding. In the past, the SWCCOG has received \$75,000 - \$100,000; however, knowing that DoLA will be tightening up funds, Miriam plans to request between \$50,000 and \$75,000 with match requirements and put these funds to COG goals of broadband, recycling, transit, and shared services. Miriam said she would like to bring on a part-time broadband person to keep the broadband moving forward and to provide members with a point person. Julie requested a broadband person/program director detailed job description that member IT personnel can review and provide input. Andrea said this position could also be contracted versus making a person COG staff, will need a scope of work. Andrea requested that more detail be brought to the October meeting. This item was tabled until October.

e. New policy and Policy Updates

i) Capitalization Policy

Sara reported that the auditor suggested having a Capitalization Policy after the last audit. Sara created this policy and requested review from legal and the auditors who said it looks good.

ii) Purchasing Policy

(1) Credit Card

Sara reported that the previous verbiage addressed one credit card; however, the COG now has two, so the verbiage was updated as appropriate.

(2) Business Preference

Sara reported that during the last Homeland Security grants monitor visit, she was instructed to remove the local preference section of the policy as a local preference is not allowed by the federal government; therefore, the verbiage from the federal regulations replaced the local preference section. Ron said Durango is going through the same updates, if funds touch the federal level, you cannot use a local preference.

iii) Personnel Handbook updates

(1) Fraud Prevention

(2) Time Sheet

Sara explained that these updates were presented and board reviewed at the April meeting; however, quorum was not met so a decision was not made to accept the updates.

**Michelle Nelson motioned to approve the new policy and all policy updates, William Tookey seconded, unanimously approved.**

**I. Other Items**

Community Updates

Greg reported that Pagosa Springs is having the best sales tax summer. Dick said Durango's sale tax is down but started recovery in July. Durango did get funding for the sewer plant at 1.6% interest. Ron said the loan is considered a "green loan" with sustainability type of improvements. Durango did receive the maximum award available.

**End 3:28pm**