

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



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PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES December 19, 2018

Call to Order

Chairman Ed Rarick called the December 19, 2018, Prairie Development Corporation Board meeting to order at 7:06PM held as a teleconference meeting. Members attending, in addition to Chairman Rarick, were: Steve Burgess, Rol Hudler, Robert Safranek, Dorothy Stone and Grant Thayer. Candace Payne, PDC Administrator, also attended. Jerry Allen, Niccie Tanner and Marilyn Ward were not able to attend.

Introductions

Introductions or roll call was made at the beginning of Loan Committee and no changes were noted for the regular board meeting.

Approval of Minutes of October 17, 2018

The Minutes of the October 17, 2018 meeting were reviewed. Rol Hudler made the motion to approve the Minutes as presented. Steve Burgess seconded the motion, which passed unanimously.

Financial Reports

The October and November of 2018 Advanced Classified Balance Sheet Reports provided to the board in their packet were then reviewed. The October checks for \$59,846.19 and November checks \$2,629.22 were reviewed. Check purposes included funded loans, insurance, lawn mowing and typical monthly expenses. After reviewing the checks and the account balances, Dorothy Stone made a motion to ratify the bills and approve the financial reports for filing. Rol Hudler seconded the motion, which passed unanimously. Administrator Payne reported two Certificates of Deposit were re-written to new terms at higher rates. An eighteen-month \$50,000 CD at Community Banks of Colorado was now at 2.20% APY (up from 1.20%) which was going to renew at 0.60%. A 19-month \$100,000 CD at Eastern Colorado Bank of Kit Carson was at 1.46% went up to 2.00% APY.

Business Loan Recommendations

PDC Administrator Payne recapped the loan application for \$25,000 for working capital using the Statewide Collaborative Micro-enterprise (MEP) loan funds for an Elbert County business as discussed in the Loan Committee meeting earlier this evening. Terms of the unsecured loan #20181217 were a 5-year term at 5.50% fixed interest with quarterly payments of \$1,450 with final payment January 1, 2024. The loan included some work that could be called construction which the statewide funds allow easily. Statewide Collaborative Micro-enterprise funds are available until December 31, 2018. Dorothy Stone made a motion to ratify the loan#20181217 as presented. Robert Safranek seconded the motion which passed unanimously.

Housing Recommendations

There were no housing loan applications to approve or ratify at this meeting. One Down Payment Assistance application is pending approval now as we work with the primary lender to bring the loan to closing.

CDBG New Application Status

News this week from Bob Todd on the Community Development Block Grant application was that it was approved for \$250,000 in business assistance and \$40,000 in administration fee income by the Financial Review Committee. The new executed contract should arrive in January 2019. Until we can send qualified loan applications with an Appropriate narrative to Bob Todd to use CDBG funds, but we would fund the loan from Revolved funds until the contract is received.

Reports for closing the old contract are being reviewed by Mr. Todd at this time and then will be sent to Lincoln County Chairman Doug Stone for final signing of the de-obligation of funds letter and final reports of jobs created and retained.

Harvest Heights Housing

Candace reported Stratton Area Foundation is advertising the Stratton agricultural workforce housing units in many newspapers about half the units remain available. Once the final reports are satisfied or when the units are full or one year past opening date, we can expect to be paid off. Candace believes that will be July 2019 as the units are only half full now.

Statewide Collaborative BLF

Administrator Payne shared that through third quarter 2018, funds are still available until December 31, 2018 under this program. With the approval of the loan today, the total funds loaned by PDC using this funding source is \$125,000 which helps re-capitalize our Revolved account when payments are made. There has been no word on if the funds may be available again in the future.

Potential Loan Activity

Candace reported one active loan application is out which could use CDBG monies, but health issues have plagued the potential borrower. Discussion was then held related to hemp lending and it was decided that at this time we would not be comfortable lending to hemp businesses until a future date as there are many unknowns. Obtaining knowledge on the growth, development and processing of hemp would be necessary before considering these loans.

SBDC Update

The Greeley SBDC office has sent their annual request for support of \$5,000 for services in Lincoln and Elbert counties. After a brief discussion, it was decided to continue this level of support. Steve Burgess made a motion to provide the \$5,000 to provide for business counseling services in Lincoln and Elbert counties. Grant Thayer seconded the motion which passed. Jennifer Negley will continue to provide counseling services in 2019 to Cheyenne and Kit Carson counties.

PDC Website Update

The new website should be online in January 2019 as work with Eastern Colorado Technology continues on the new Prairie Development Corporation and Home Sweet Prairies websites. The new versions will make them more user friendly and more current with today's technology. Rol Hudler praised Troy Schultz, the developer and owner of Eastern Colorado Technology, for his knowledge and energy in the local area doing this work. Candace commented Troy is a lot like Jon Smithburg of Flagler – computer savvy and technology literate. Troy will also be updating the Our Journey website to Word Press so ECCOG staff can perform updates for all sites we manage and own including PDC's.

Other

Chairman Rarick asked for additional agenda items which was answered by Candace Payne with a request to sponsor the Economic Development Council of Colorado's local forum to be held in Hugo on March 12, 2019. Explaining the sponsorship levels of gold at \$2,500 and platinum at \$1,000 while marketing PDC's purpose and functions to regional attendees was conducted by Candace. The state has been conducting regional forums along the front range and western slope but this would be the first on the eastern plains. Candace further explained local economic developers from Logan County to Baca County have been working on partnering together to market the plains for over a year. This forum is part of that plan and sponsoring the event will market PDC to businesses, lenders, state offices and local entities on this specific day. Attendees may come from the front range east of I-25 to the Kansas state line in both north and south directions. After some discussion, the board felt PDC's sponsorship was valuable to make the event successful. Steve Burgess made a motion to purchase one of two gold level sponsorship offered at \$2,500. Robert Safranek seconded this motion, which passed wholeheartedly. PDC will have a display table in the registration area, a reserved table for 10 guests, five paid registrations, and our logo on printed materials and the slide show. Grant Thayer suggested Candace reach out to other entities for sponsoring this event which Candace will do. Weekly planning calls will start in January for the event's steering committee. The event is already being marketed through the EDCC's newsletter and database.

Board membership has been confirmed by Lincoln and Elbert counties saying the current members for those areas will not change. Candace is awaiting confirmation from Kit Carson and Cheyenne counties.

Next Meeting Date & Location

Chairman Rarick sought confirmation of the next meeting date offered of January 23, February 27 and March 27. The board selected Feb. 27 in Limon at a place to be determined.

Adjournment

Chairman Ed Rarick adjourned the meeting at 8:02PM when no further discussion was brought forth.