

# PRAIRIE DEVELOPMENT CORPORATION

## COLORADO'S CENTRAL PLAINS



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### PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES October 21, 2020

#### **Call to Order**

Chairman Ed Rarick called the October 21, 2020, Prairie Development Corporation Board of Directors meeting to order at 7:21PM held as a teleconference due to COVID-19 restrictions. Members attending, in addition to Chairman Ed Rarick, were Jerry Allen, Steve Burgess, Rol Hudler, Robert Safranek, Dorothy Stone and Marilyn Ward. Candace Payne, PDC Administrator, also attended. Grant Thayer was not able to attend. The At-Large position is currently vacant.

#### **Approval of Board Minutes**

The Minutes of the August 19, 2020 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 July, August and September 2020 Advanced Classified Balance Sheet Reports and Check Register Reports were provided in the packet. The checks paid in July totaled \$21,674.65 with \$154.14 debit card purchases; August checks paid were \$5,603.41 and debit card purchases equaled \$80.09; and September checks paid were \$30,738.32 and debit card transactions equaled \$337.09. Payment purposes included loan proceeds, building maintenance, website hosting, scholarship, and typical monthly expenses. Jerry Allen made a motion to ratify the bills and approve the financial report for filing. Marilyn Ward seconded the motion. Motion passed unanimously.

A brief discussion was held regarding bank fees and maintaining account balances since many small rural banks are becoming more like big banks. PDC Administrator Candace Payne explained moving bank accounts would be cumbersome for the fiscal officer and herself but it could be done. With today's online banking options, a new banking relationship could be easier in some respects but more difficult in others. Steve Burgess making a motion for PDC Administrator Candace Payne to compare bank fees and services. Rol Hudler seconded the motion, which passed.

#### **Business Loan Requests**

CO MEP Loan #20200923 was considered for ratification. The \$25,000 Elbert County loan was funded equally between Business Revolved and Colorado Statewide Microenterprise (MEP) funds. The loan is secured and offered loan terms of 4.25% fixed interest repaid over 60 months with \$465 monthly ACH payments. A 1% loan origination fee was assessed.

Loan #20201230 for a Lincoln County Community Development Block Grant (CDBG) loan request for \$153,000 was also considered for approval. PDC's loan would partner with a local bank providing \$350,000 to purchase an existing retail business. Five full-time equivalent positions at the time of purchase may grow to reach eight FTEs in years two or three of operation. Terms: Ten-year amortization with \$1,200 monthly payments with a balloon carried at 3.25% WSJ Prime fixed interest rate. The 1% loan origination fee will be assessed of \$1,500 at closing.

Steve Burgess made a motion to ratify Loan #20200923 using CO MEP funds and Loan #20201230 using CBDG funds. Rol Hudler seconded the motion. Robert Safranek was recused from voting. The vote was unanimous in favor of the two loans.

#### **Housing Loan Requests**

PDC Administrator Candace Payne requested ratification of Loan #20CC9 for \$9,320.00 in Elbert County for a household of two qualified at 82% of median income. PDC's loan partners with USDA's loan for \$208,800 loan at 2.5% interest. PDC's secured loan with a Deed of Trust is to be repaid at \$90 per month for 120 months at 3.0% fixed interest. PDC will

be in second lien position. Steve Burgess made a motion to ratify the loan which was seconded by Rol Hudler. Motion passed.

Note: Only loans exceeding the \$25,000 lending limit established for the PDC Administrator are brought before the board for approval. Loans below the lending limit are staff approved and ratified by Loan Committee.

### **Potential Loan Activity**

PDC Administrator Candace Payne reported two business loans in the pipeline in Elbert and Lincoln Counties.

### **Community Development Block Grant**

PDC Administrator Candace Payne explained the CDBG balance will be \$72,000 for loans and \$11,520 for admin income if the approved loan tonight is funded with CDBG funds. The CDBG-CV funds of \$80,874 are also available for lending. Since our CDBG contract expires in November 2020, a two-year end date extension was made by Lincoln County commission and the boards of East Central Council of Governments and PDC. This extension would allow the funds to roll forward for two more years. An amendment to add funds to the contract has been submitted also to the state for \$350,000 for lending and \$56,000 for admin funds. All three CDBG request will need approved by the state committee by November 30<sup>th</sup>.

### **Statewide Collaborative BLF Report**

This fund is also called the Colorado Micro-enterprise Program and we have fully expended our allocation of funds in the region except for \$900. PDC Administrator Candace Payne released that \$900 to the high demand pool which will be available through December 31<sup>st</sup> to all lenders. At this time, it is unknown if more funds will be offered in 2021 for this character-type loan with less restrictions than CDBG funds require. All loans are currently paying as agreed.

### **Energize Colorado Gap Fund**

A review of the Energize Colorado Gap Fund was provided by PDC Administrator Candace Payne. The grant funds expended in Round 1 totaled \$66,531.73 in six grants earning PDC \$1,995.95 in administrative support. Statewide, over \$20,000,000 will be granted. Round 2 applications are available now and the allocation amount is not yet determined. The loan funds are not ready to be offered yet and no dollar value has been announced. The grant admin fee is calculated at 3% of the money granted.

### **SBDC Update – Quarterly Report from Lisa Hudson**

PDC Administrator Candace Payne shared the report from Lisa Hudson, Greeley SBDC director. Activities in the region as conducted by Troy McCue and Craig Curl in Lincoln and Elbert Counties, respectively, were reviewed. Kit Carson and Cheyenne counties have had no counseling services to speak of through the new hire, Sammy Lee. Counseling service is done remotely due to COVID-19. Capital formation was shown to be \$221,422. PDC contributed \$2,500 year to date for services covering Elbert and Lincoln counties year to date. No further support monies have been requested or offered so far.

### **PDC Scholarship**

The one PDC scholarship was paid to the school on behalf of the Kit Carson County student as she was enrolled in classes. After January, a new scholarship application process will start for May 2021 graduates in the four counties at the board's direction.

### **128 Colorado Ave building**

Bids for repairs on the office building are slow coming in as contractors are busy. PDC Administrator Candace Payne shared maintenance was performed on toilets and heat/ac units recently as shown in the checks paid for the past three months.

### **Other**

Our TravelStorys report was provided in the packet showing 358 downloads of our tour from June to Sept 2020. Most users are from Colorado and Massachusetts using Apple devices. Tours may be watched online or while traveling down the highways. Phase II should be active by year end which covers Highway 86, 40/287 and 24. The El Pomar final report is due in January 2021.

### **Next meeting**

The next meeting date selected was January 27 in Stratton or as a teleconference to start at 5:00 PM with Loan Committee followed by dinner and the regular board meeting at 7:00PM. Subject to change due to COVID-19 restrictions.

### **Adjournment**

Chairman Ed Rarick adjourned the meeting at 8:11 PM.