

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



Box 202 • Stratton CO 80836 • (719) 348-5562 • FAX (719) 348-5887 • www.prairiedevelopment.com

PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES May 27, 2020

Call to Order

Chairman Ed Rarick called the May 27, 2020, Prairie Development Corporation Board of Directors meeting to order at 7:08PM 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, and Grant Thayer. Candace Payne, PDC Administrator, also attended. Auditor Lori Hendrick of May, Jackson Hendrick LLC, our audit firm, was also on the call as a guest. Dorothy Stone and Marilyn Ward were not able to attend. The At-Large position is currently vacant.

Audit Presentation by Lori Hendrick of May, Jackson Hendrick LLC

Lori Hendrick was welcomed to the teleconference by Chairman Ed Rarick and then she was given the floor to report on the PDC 2019 Audit. Mrs. Hendrick thanked the board for the opportunity to perform and report on the audit again in 2019. The report was performed over a four-week period remotely from March into April due to COVID and the state restrictions on travel and working remotely. The auditor gave an unmodified or clean opinion to PDC which is the highest rating allowed. There were no issues or areas of concern during the audit period. Mrs. Hendrick reviewed the audit page by page with the board explaining the transactions with or without donor restrictions which is relatively new to the audit terminology. Note 11 Subsequent Event calls attention to the COVID-19 situation and its unknown impact on operations or financial performance of PDC. Bad debt allowance was increased due to expected loan write offs. Five adjusting journal entries were required including the accumulated depreciation. The auditor thanked the board for their time and gave praise to the fiscal officer and administrator during the audit under the strain of the virus. As there were no questions, Chairman Ed Rarick thanked Lori Hendrick for her work for PDC. Auditor Hendrick disconnected from the teleconference at 7:43PM.

A motion to accept the 2019 Audit Report with one title correction was made by Rol Hudler. Jerry Allen seconded this motion. A unanimous ballot was cast to accept the report with the one modification.

Approval of Board Minutes of March 5, 2020

The Minutes of the March 5, 2020 meeting were reviewed. Jerry Allen made the motion to approve the Minutes as presented. Steve Burgess seconded the motion, which passed unanimously.

Financial Reports

The February and March 2020 Advanced Classified Balance Sheet Reports were reviewed with the board. The checks paid in February totaled \$9,413.94 and debit card purchases of \$56.93; March checks paid were \$62,346.81 and debit card purchases equaled \$764.41. Payment purposes included loan proceeds, audit fees, board mileage, scholarship ads, software subscription, and typical monthly expenses. Steve Burgess made a motion to ratify the bills and approve the financial report for filing. Jerry Allen seconded the motion, which passed unanimously.

Business Loan Requests

A recap of the loans presented in Loan Committee earlier this evening was given by Administrator Candace Payne as follows:

Loan #20200318 was presented for a Lincoln County small business that created three full time. The \$25,000 loan was used to purchase inventory, supplies and equipment was funded 50% by the Colorado Micro-enterprise Program and 50% by Revolved funds. This unsecured loan will be repaid at 5.5% fixed interest over 60 months with \$475 monthly ACH payments.

Loan #20200319 was presented for a Kit Carson County body shop business. The business would use the \$25,000 of funds for working capital, payroll addition, and equipment purchases funded at 50% by the Colorado Micro-enterprise Program and 50% by Revolved funds. This loan will be repaid at 5.5% fixed interest over 72 months with \$280 monthly payments and is secured with vehicle titles.

Grant Thayer made a motion to ratify the two loans presented in Loan Committee known as Loan #20200318 and Loan #20200319. Robert Safranek seconded the motion. Motion carried unanimously.

Housing Loan Requests

Administrator Candace Payne recapped the Emergency Loan #20E101m1 from the Loan Committee meeting tonight. Loan #20E101m1 for an emergency repair loan in Elbert County for a household of two people to replace a failing heater and air conditioning unit, water line leak and tree removal was reviewed. The original loan for \$11,986 carried the terms of 52 monthly payments of \$250 at 3.0% fixed interest was modified to include \$2,500 more for repairs needed during installation. The loan amount increased to \$14,486.00 to include this emergency repair addition. Rol Hudler made a motion to ratify this loan as modified. Robert Safranek seconded the motion. A unanimous ballot was cast to ratify the loan as modified.

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 there are no business loans in the pipeline, but a couple housing loans are in the works.

Statewide Collaborative BLF Report

This fund is also called the Colorado Micro-enterprise Program. PDC Administrator Candace Payne reported a balance of \$13,400 is available to lend after the two loans approved made in March used \$25,000 (\$12,500 each loan) that was matched with equal amounts of Revolved funds. These funds are only available until December 31st and any loans made with these funds carry less restrictions than CDBG or other funds. The board was encouraged to send potential borrowers to Candace to use up these funds which revolve back into the region when paid.

SBDC Update – Quarterly Report from Lisa Hudson

Administrator Candace Payne reported on activities in the region as conducted by Troy McCue and Craig Curl in Lincoln and Elbert Counties, respectively. The quarterly report shared from Greeley SBDC Executive Director Lisa Hudson was in response to our previous meeting discussion on the need to see performance from the counselors we support in this region. After a quick review of the information, it was determined the report would be helpful to see quarterly and to show activity in each county. Administrator Candace Payne explained a phone call with Mrs. Hudson should give us the information we need to continue our support of the SBDC services. New counselor, Sammy Lee, was hired to cover Kit Carson and Cheyenne counties but so far, no activity has been reported to our office on Ms. Lee's engagement with businesses. A request was also expressed to Mrs. Hudson for more webinars or workshops in Kit Carson and Cheyenne counties in addition to Lincoln County to strengthen our services and value.

COVID-19

A quick review of the effects and protocols staff have been using for COVID-19 mitigation was given by Administrator Candace Payne. Since March 17th, staff have been working remotely and coming to the office only when necessary. Protocol includes temperature checks twice per day and a questionnaire of symptoms. Operations have continued for loans and assistance to borrowers even though the lobby has been closed to the public. Starting in June, more normal operations will begin for the PDC and East Central COG staff. Meals and transportation has remained functioning though it be modified for safety.

PDC Scholarship

Three scholarship applications were received and awarded this year. However, one recipient notified PDC staff today that he had changed schools and his major and would not be eligible for the PDC trade school scholarship. One recipient was selected from each county of Lincoln, Cheyenne, and Kit Carson. Their high school was notified of the award and each recipient received a certificate and letter from PDC. The scholarships will be paid in fall or winter semester with the proper documentation of the qualified expense.

Discussion was conducted on the associated costs of advertising each year and the applications received. The suggestion was made to contact the trade schools directly to allow them to promote the scholarship to potential future students. So noted for the next year's process.

128 Colorado Ave building –

A bid for four new air conditioning units was shared as R22 coolant supply has changed. A contractor was at the office to compile an individual list of parts and prices for the insurance company so a lower expense to the insurance company may be forthcoming. At this time, the hail damage repairs still include the deck and pergola cleaning and reseal, window caulk and paint, building repainting and stucco repairs but the gutters and downspouts are finished. The gutters were so important as roof leaks to the ground floor were being noticed internally.

Other

Enterprise Zone news – Administrator Candace Payne explained the state EZ program has been placed on hold while budget cuts due to COVID are discussed in the state budget office. Until July, no new contribution projects may be presented or approved as the state plans for cuts and reductions to fill the hole caused by emergency funding of COVID-19 concerns. We have one project in the region ready for approval and one waiting in peer review status. Once the hold is lifted we should see these simple projects be approved.

Director Steve Burgess reported that Limon's Alco building is being purchased by a Denver company which should clean up the east side of Limon. The Flying J property is getting a beautiful brick pillar fence along Highway 24 on the east end of Limon. Hotels are reporting 20-25% occupancy in the Limon area.

Chairman Ed Rarick shared High Plains Bank has worked for six weeks on Payroll Protection Program loans for businesses and feel they are caught up for now.

Next meeting

The next meeting date selected was July 22 in Limon or as a teleconference to start at 5:00 PM with Loan Committee followed by dinner and the regular board meeting at 7:00PM.

Adjournment

Chairman Ed Rarick adjourned the meeting at 8:33 PM.