

PRAIRIE DEVELOPMENT CORPORATION

COLORADO'S CENTRAL PLAINS



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PRAIRIE DEVELOPMENT CORPORATION BOARD MEETING MINUTES April 18, 2023

Call to Order

Chairman Ed Rarick called the April 18, 2023, Prairie Development Corporation Board meeting to order at 7:19PM held as a teleconference. Directors attending included: Jerry Allen, Steve Burgess, Rol Hudler, Ed Rarick, Robert Safranek, Grant Thayer, and Marilyn Ward. Director Dorothy Stone was absent. Candace Payne, PDC Administrator, also attended. The At-Large position is vacant.

Roll Call & Introduction of Guests

PDC Administrator Candace Payne called roll to determine a quorum was reached, which it was. There were no guests.

Approval of Board Minutes

The Minutes from the November 28, 2022, meeting were provided in the packet. Director Steve Burgess made a motion to approve the Minutes as presented. Director Rol Hudler seconded the motion, which carried.

Financial Reports for November & December 2022 and January & February 2023

The Advanced Classified Balance Sheet Report and Check Register Reports for November and December of 2022 and January and February 2023 were provided. Each month's report showing asset and liability balances, check payments, debit card and credit card transactions were reviewed. After discussing balances and payments, Director Robert Safranek made a motion to ratify the bills and approve the financial reports for filing. Director Steve Burgess seconded the motion. Motion passed unanimously.

Housing Loans

PDC Administrator Candace Payne reviewed Loan#23E106 made in Kit Carson County for a household of one for \$2,380 for a new heater. Payments are set for 31 months at \$80. The borrower has paid ahead of schedule. The borrower contributed \$1,000 of their funds toward the replacement heater purchase. Director Rol Hudler made a motion to ratify this housing emergency repair loan. Director Marilyn Ward seconded the motion. Motion carried.

Loan #99JP17 is in foreclosure with approximately \$2,000 owed on this Deed of Trust secured home loan in Kit Carson County. PDC Administrator Candace Payne reported our attorney is managing the foreclosure process. Notification by the family members was received that the borrower passed away on March 29, 2023. This is a joint partnership loan with USDA and typically they pay off PDC to be in first lien position.

Business Loans

PDC Administrator Candace Payne presented two loans funded with Colorado Startup Loan Funds in Kit Carson County. The loan #20230123 was made for business startup costs and equipment for \$22,000 for a service business which employs one person. The business owner is a first-time owner but has strong support through family members in banking and other businesses. She also worked with the SBDC business counselor and invested over \$2,000 for the business startup costs. The payments are set for automatic payments each month of \$420 for 60 months secured by a UCC filing. This loan is eligible for a reimbursement grant of \$2,500 for allowable costs like training, marketing, and other business eligible expenses. This loan earned PDC \$1,100 in admin fee income.

The loan#20230228 for \$22,000 was made for equipment and business startup costs for a service and retail business which employs one full-time and one part-time staff which could expand to 2-3 part-time positions in the future. The loan is secured by a UCC filing. The business owner has experience in operating a retail business which reduces our risk. The payment of \$410 per month will be paid for 60 months. This borrower invested over \$5,000 into the business and should be less risk to

PDC. This borrower is also eligible for \$2,500 in reimbursement grant costs also. This loan earned PDC \$1,100 in admin fee income.

The maximum grant costs considered may be \$5,000 or less of which 50% may be reimbursed with documentation. Director Steve Burgess made a motion to ratify the two loans of \$22,000 each as presented. Director Robert Safranek seconded the motion. Motion passed unanimously. To date, the grant funds have not been accessed by the two borrowers.

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.

Loan Activity

PDC Administrator Candace Payne shared that a potential \$140,000 CDBG service business loan is being considered with a local bank as partner. This loan has been in process for several months with no firm decision at the bank level. Another loan for \$50,000 using Colorado Startup Loan Funds for food manufacturing is under development.

CDBG

The new Community Development Block Grant contract from November 2022 has not been received. Lincoln County and ECCOG/PDC de-obligated \$489,520 in March 2023 as directed by the CDBG manager. The new contract for \$350,000 for loans plus \$56,000 for admin is not executed by the state as they are very behind with all the new contracts.

SBDC Support

Discussion was held regarding \$5,000 sponsorship support for SBDC business consulting services and events in this region. The business development activity in the region has been very limited. The entrepreneurship session from Fall 2022 was postponed to April 2023 but eventually moved to Fort Morgan and La Junta so that event was not in our four counties as planned. After discussion of canceled events and counseling services, the Board opted to table support until a report by county could be obtained from the SBDC Director.

Letter of Support

A letter of support for Lincoln County Economic Development Corporation's application for the Office of Economic Development and International Trade EDO Action Grant of \$25,000 was provided. Grantees will be notified of awards after the state committee meets on April 20th. PDC submitted an application also for funding, which could be used to expand small business services in the region and possibly to help with grant writing.

Other

One PDC \$1,000 Trade School Scholarship was awarded this graduation season to a Kit Carson County student. A recipient and an alternate were selected. A couple applications were received with only three sentences in the essay portion and were received after the scholarship deadline. No applications were received from Elbert, Cheyenne or Lincoln counties. Director Rol Hudler shared Northwest Kansas Technical College has 28 applications for trades so there are young people interested in the trade schools. Direction was given to PDC Administrator Candace Payne that application feedback should be provided to the high schools to improve essays.

Director Rol Hudler reported the Montezuma Hotel has been purchased by a local entity to be rehabilitated into apartments above and retail space below in Burlington.

Next meeting

The next meeting is planned for May 16, 2023, at 7PM as a Zoom call with the auditor. The audit went well.

The next regular Board meeting will be scheduled as needed for loan approval or a regular business meeting.

Adjournment

Chairman Ed Rarick adjourned the meeting at 5:34PM.