

# **REGION**

## **Board of Directors Meeting Minutes November 19, 2009**

1. **CALL TO ORDER** – Jan McCracken called the meeting to order at 12.18pm.

2. **INTRODUCTIONS** – All those present introduced themselves.

Executive Committee: Jan McCracken Peter Crowell Les Mergelman  
Lynn Black Dick Allison Heidi Albritton Schuyler Denham Kathy Ellis

Board Members: Pat Means Ron Henderson Bill Brougham Jim Peak  
Bill Seuell Bill Miller Rick Miller Stan Whinnery Ted Jiron  
Bob Risch Paula Hebert

Staff: Paul Gray Paul Dunford Lee Bartlett Rhona Keckler Michele Gad  
Barbara Kinion

Visitors: Gary Hansen John Renfrow Mike Seville Kyle Ridgen Glenn Black

3. **APPROVAL OF AGENDA ITEMS**

**Jan McCracken made the motion that the agenda be approved. Les Mergelman seconded the motion. It passed unanimously.**

4. **APPROVAL OF EXECUTIVE COMMITTEE MINUTES of September 24, 2009**

***Les Mergelman made the motion to approve the minutes of the meeting September 29<sup>th</sup> 2009. Peter Crowell seconded the motion. It passed unanimously.***

5. **OLD BUSINESS**

- **Appointment of Elaine Fischer to the Executive Committee**

***Les Mergelman made the motion to appoint Elaine Fischer to the Executive Committee. Bill Miller seconded the motion. It passed unanimously.***

6. **NEW BUSINESS**

- **Enterprise Center Phase 3 Completion** – Paul Gray reported that the final phase of the project had been completed. The project has been 2 years in the process in three phases. Paul pointed out that before remodeling the building

was costing Region 10 over \$46,000 in public money per year to run. There has been approximately \$520,000 invested in the remodel, with no public money used. All but 5 of the 37 spaces are rented, with 18 tenants. This has erased the \$46,000 loss and we are now at break even. In addition, the estimated benefit to our new business and non-profit tenants in the form of reduced rent is \$48,000.

Jan McCracken noted that for-profit tenants have 3 years to move on to regular commercial occupancies.

Thanks were given to John Renfrow of Renfrow Realty who handled leasing, and Mike Seville and Kyle Ridgen of Ridgeway Valley Enterprises, oversaw the remodeling. John Renfrow said that the community previously saw the building as a negative, and now Region10 and the Enterprise center are viewed as a positive community asset.

- **FY2010 Objectives November 19 Progress Report (attached)**
  1. **AAA** – Lee Bartlett reviewed these objectives. There were no questions.
  2. **BLF**- Paul Dunford reviewed the objectives. Jan McCracken signed the Community Development Block Grant documents for us to receive this \$500,000 grant for the loan program. There were no questions.
  3. **UDDTF**- Paul Gary reviewed these objectives since Kristine Bagnara was on vacation. With the failure to obtain a sixth year of federal funding, the program is looking for new funding and a new Lead agency.
  4. **Finance**- Barbara Kinion her objectives. There were no questions.
  5. **Information Technology** - Paul Gray reviewed these objectives. There were no questions.
  6. **Enterprise Zone**- Rhona Keckler reviewed her objectives. There were no questions.
  7. **Enterprise Center** – These objectives were previously discussed.
  8. **Comprehensive Economic Development Strategy** – Paul Gray indicated that this objective is on hold at present.
  9. **Transportation** – Paul Gray reviewed these objectives for Vince Rogalski. There were no questions.
  10. **Admininstration** – Paul Gray reviewed these objectives. There were no questions.
  
- **Financial Report September 30 2009 (Attached)**– Paul Gray reviewed the report. All departments are currently showing positive net margins except UDDTF.
  
- **AAA Director Report** – Lee Bartlett reviewed his report.
  1. There are unused carry over dollars from FY2009 of \$35,000.
  2. State Unit on Aging- There are still issues with the state providing timely reimbursements.
  3. Outreach- AAA has a new up to date brochure.
  4. Budget- Right on track for the year. Service units on track also. Lee reported that there might be state cuts for FY2010 in January.

Schuler Denham commented that this program has the greatest impact on the people in the region, and that it is widely appreciated for the work it does over and above expectations.

- **BLF Report** – Paul Dunford reviewed his report.
  1. Loan Policies -These were defined and approved by the BLF Committee.
  2. CDGB- The Application and all related documents have been approved and signed by all six counties.
  3. BLF Committee- Paul noted several appointments needed to fill vacancies from some counties.

Les Mergelman commented that federal banking regulatory requirements were discouraging local banks from lending. Heidi Albritton asked that Les put together bullet points for information.

- **GVTPR Chairperson Report** – In Vince Rogalski’s absence, Paul Gray asked if there were any questions about the latest Transportation Newsletter. There were no questions.
- **UDDTF Director Report** - Kristine Bagnara was on vacation. No report given.
- **Executive Director Report**- Paul Gray reviewed his report.
  1. Enterprise Center - The property tax exemption request has been submitted to the state Department of Local Affairs property tax exemption division. A decision is not expected for several months.
  2. Membership Assessments for CY2010- Paul reported that these assessments had been invoiced and are due in January 2010. There were no increases in assessments this year. Schuyler Denham said it is vital for Region10 to continue to address costs within the budget at Region 10. Schuyler indicated that Region 10 Member governments have cut costs and Region 10 needs to follow their example, perhaps with regard to salaries, to support our assessment requests. Paul Gray noted that through a combination of new revenues, no salary increases, and rigorous control of other costs, the losses of past years have been eliminated with no increase in member assessments. He also noted that although member assessments make up only about 9% of Region 10’s revenues, those dollars are vital to pay the majority of staff salaries, which are not reimbursed from our grants.
- **Discussion of Change of Region 10 IRS Status from 501C4 to 501C3.**

Paul Gray discussed that Region 10’s federal Income tax exemption status is currently 501C4, a “community benefit” non-profit status that does not allow tax deductions to donors. Most other council of government organizations in the state, plus many economic development organizations and business incubators are 501C3, a status that does afford donors tax deductions. To afford Region 10 access to private foundation funding and private donations, it would be advantageous for R10 to look at changing its status to 501C3 also.

Bill Miller suggested we keep the 501C4 and add a 501C3 as a charitable foundation, the main benefit being tax deductions for donations. Dick Allison

noted he was under the impression that the C4 status was important when Region 10 was established in 1974. Paul indicated that since in his investigations there were no disadvantages to the 501C3 status for an entity like Region 10, the administration of two entities would be unnecessarily burdensome. He also clarified that when federal funding for economic development organizations like Region 10 lapsed in the 1980's, ED organizations in Colorado all became either governmental or non-profit organizations with various designations. Most chose the 501C3 designation, and the reasons Region 10 chose 501C4 are unclear, since that designation carries no advantages and has several disadvantages. Jan McCracken suggested that the Board return to this topic at a later date and asked that the pros and cons of converting be available at that time. Schuyler Denham asked whether this would be a conversion or a dissolution and what the administrative costs and legal fees would be incurred in a conversion. Paul suggested that the Executive Committee discuss this in January and advise the Board at its February meeting.

***A motion to approve the decision to discuss this issue later, with more information, was made by Bill Miller, and seconded by Les Mergelman. It passed unanimously.***

**7. NEXT MEETINGS**

- **AAA Regional Advisory Committee:** (To be announced)
- **Executive Committee:** January 28, 2010, 12:00 p.m. Sneffels Conference Room
- **BLF Committee:** February 25, 2010, 10:00 a.m., Sneffels Conference Room
- **Board of Directors:** February 25, 2010, 12:00 Noon, Sneffels Conference Room

**8. ADJOURNMENT – The meeting adjourned at 1.55pm.**

**9. TOUR OF ENTERPRISE CENTER / OPEN HOUSE**