

REGION

Executive Committee Minutes February 25, 2010

1. NEW REGION 10 WEBSITE

Paul Gray presented a tour of the new Region10 Website during lunch. The Website can be found at www.region10.net. Paul explained that Heather Widlund, the GIS Coordinator at San Miguel County, developed the Website, and that updates to the Site would be handled by several Region 10 staff. Caitlin Switzer commented this was another very efficient way to get the information about Region10 'out there' and that it will become a valuable vehicle. Bill Patterson asked, since there are links to all of Region 10's members' Websites on the Region 10 Site, whether there will be reciprocal links to the Region 10 Website on each of our Member's Websites. Paul Gray said requests for reciprocity will be made to each of our Members.

2. CALL TO ORDER

Jan McCracken called the meeting to order at 12.22 p.m. There was not a quorum present for a Board meeting so the meeting was convened as an Executive Committee meeting.

3. INTRODUCTIONS

All those present introduced themselves.

Executive Committee: Jan McCracken Peter Crowell Jonathan Greenspan
Lynn Black Paula Swenson Heidi Albritton Elaine Fischer

Board Members: Pat Means Ron Henderson Gary Hansen Bill Patterson
Jim Peak Schuyler Denham (by phone)

Staff: Paul Gray Paul Dunford Rhona Keckler Michele Gad Barbara Kinion
Vince Rogalski Caitlin Switzer

Visitors: Mike Nelson (Auditor) Bruce Hovde (Delta County) Linda Sanchez
(Delta Chamber) Marilyn Laverty (SBDC)

4. APPROVAL OF AGENDA ITEMS

The agenda was approved as presented.

5. APPROVAL OF BOARD MINUTES of November 19, 2009

Jan McCracken asked for a motion to approve the minutes of November 1, 2009.

Motion: Elaine Fischer made the motion to approve the November 19, 2009 minutes. Peter Crowell seconded the motion, which passed unanimously.

6. OLD BUSINESS None

7. NEW BUSINESS

- **Presentation of FY2009 Audit** – Mike Nelson reviewed the FY2009 Audit Report and thanked Barbara Kinion for her assistance in getting this completed. He commented that Region 10 was now in a very positive financial situation, but to continue to keep an eye on the collection of business loan payments in the BLF.

Motion: Paula Swenson moved to approve the FY2009 Audit. The motion was seconded by Lynn Black and passed unanimously.

- **Financial Report December 31, 2009** – Paul Gray reviewed the December financials, noting that net income is ahead of the budget, and net of depreciation, in the black.
- **Executive Director Report** - Paul Gray reviewed the report.
 1. Enterprise Center: Paul noted that the building is now 96% occupied with only two offices vacant. Region 10's personal and real property tax liability is still pending a determination by the Department of Local Affairs Property Tax Exemption Division. A review is not expected until May 2010. Meanwhile, the 2009 property tax bill, which is \$18,750, is still pending. Jan McCracken asked if there would still be a question of property tax liability if the building were occupied exclusively by non-profit organizations. Paul responded that the for-profit or non-profit nature of the tenants does not affect our tax liability. The question is whether the leasing of space within the building is an activity that falls under Region 10's tax-exempt purpose, which we believe it does.
 2. 2010 Member Assessments: There are four Members who have paid less than their calculated 2010 Assessments or have made no payment at all. Paul reminded the Committee of the 2006 'Pay to play' resolution and its provisions, which include discontinuing the membership and eliminating some services to the jurisdictions of members that do not pay their assessments. In addition to those provisions, Paul proposed that since it is likely that Area Agency on Aging state funding will be reduced for the fiscal year beginning in July, whether the Committee would consider allocating those reductions to non-paying members.

Jan McCracken asked whether we have obligations that would preclude allocating AAA funding. Lee Bartlett indicated we would explore that with the State Unit on Aging.

Heidi Albritton asked how the assessments were calculated, and Paul replied that Region 10 Member assessments are based on a complex formula developed some years ago based on population, highway lane miles, and HUTF funding, among other factors.

Heidi felt that some reduction of services for non-members is fair. Elaine Fischer commented that if you eliminated AAA services such as a meal site, the seniors will go to another community site where meals are available, and consequently that community will have to bear extra cost in operating their site. Peter Crowell suggested passing a motion to give the opportunity to reconsider this. Lynn Black commented that services to seniors is a very volatile issue, and to be wary of any action. She pointed out that reductions in Enterprise Zone, Business Loan and other services are already provided for in the pay to play resolution.

Paul pointed out that the various grants Region 10 receives for all of its programs do not provide sufficient administrative dollars to manage them, and that Member Assessments were vital for paying salaries and expenses. Paula Swenson suggested tabling the idea of AAA reductions for delinquent members to the next session while more information is gathered about our ability to make such reductions.

Paula Swenson made the following motion:

Motion: Region 10 staff will meet with the councils/boards of all members who have not paid at least 95% of their member assessments for 2010 to encourage them to do so. If the assessments are not forthcoming Region 10 will implement the provisions of the 2006 'Pay to Play' resolution.

The motion was seconded by Peter Crowell and passed unanimously.

3. Montrose Business Incubator Paul reported that this project, currently being facilitated by Montrose Economic Development Center, is basically dead in the water. The consultant's Feasibility Study was equivocal, stating that there is a need, but the one model suggested by the consultant was not feasible. A Business Resource Center, essentially a regional incubator without walls, may be feasible, perhaps in cooperation with the Small Business Development Center, the City of Montrose and MEDC, or perhaps by Region 10 on its own. A number of Board members felt that such a t is worth doing. Lynn Black said she could not support such a Center unless it served businesses in all parts of the region. Paul Gray will further explore the feasibility of this concept.
4. Regional Transit Coordinating Council Development: Paul proposed that the Committee support the concept of the RTCC as a project of Region 10, expressing concern that if every aspect of this project were subject to the independent approvals of four Boards of County Commissioners, it would fail. He explained that Montrose County did not sign the Memorandum of Understanding for this project that was developed last fall, and that concerns among some of the four counties about how to

develop the Council has put the grant funding Region 10 has been awarded for its development at risk.

Lynn Black suggested getting the four counties and Region 10 together to clarify the facilitation role of Region10. Jan McCracken suggested tabling the idea of placing the RTCC under Region 10 until the counties and Region 10 resolve their differences.

Paul Gray indicated that he is interested in facilitating the project and not assuming a purely clerical role.

5. CDGB Grant: Paul noted that our \$500,000 CDBG Grant for the Business Loan Fund has been approved by the state, and that Paul Dunford would have more on this later in the meeting.
6. Tax exempt status: Paul proposed that Region 10 change its federal tax exempt status from 501C4 to a 501C3 charitable designation, primarily to avail ourselves of private grant funding, donations, and the associate membership category that is outlined in our Bylaws. Without the tax deductibility for donations and membership fees, such opportunities are currently closed to us. There are many similar “council of governments” in the state that have a 501c3 designation doing all of the projects that we do. Paul proposed that before we decide on this matter, that a planning retreat should be conducted to help clarify the future development of Region10.

Lynn Black agreed that we should make this decision after the Retreat planned for March 25. Schuyler Denham asked if there was likely to be a quorum at the retreat to enable the Board to make that decision. Jan McCracken responded the retreat was more a workshop for strategic planning, and that the decision on the 501C3 issue would come later. Paula Swenson agreed we should discuss the future direction of Region10 and possibly then look at changing status.

Lynn Black made the following motion:

Motion: Staff is directed to organize a one-day strategic planning retreat for the Region 10 Board, with an appropriate outside facilitator. The objective of the retreat would be to discuss the strengths, weaknesses, opportunities and threats to the organization, improve and clarify the Region 10 mission statement, and define broad areas of strategic direction for the organization.

The motion was seconded by Paula Swenson and passed unanimously.

- **AAA Director Report** – Michele Gad presented the report for Lee Bartlett who was in Denver at State Unit on Aging meetings. The deadline for contractor proposals for FY 2011 is April 1, 2010. Michele explained that the FY 2010 carryover will be greater than expected amounts and that the SUA desk evaluation is complete.
- **BLF Report** – Paul Dunford reviewed his report. He reviewed the loan portfolio. The revolved funds available for lending are still very limited. Making loans from the new CDGB grant are more difficult, considering the requirements for job creation, and matching funds from another source. Since banks are very reluctant to lend money at present, we must actively cultivate banking partners for CDBG loans. Nonetheless, there are two CDBG loans in process now. There is a higher potential for CDBG micro-enterprise loans (less than \$100,000) given the size of businesses in our region, so we need to concentrate on these somewhat easier to qualify loans to help small businesses survive and expand.
- **Gunnison Valley Transportation Region Chairperson Report** – Vince Rogalski reviewed the January Newsletter. He commented that time lines for highway projects are critical and the need to have projects set up and already approved so as to be ready if more federal or state money is made available. Shovel-ready federal stimulus funding covers 100% of the costs of these projects, and there is \$12 million available state wide. No state match is required.

CDOT Engineering Regions 3 & 5 CDOT are both looking for projects for enhancement dollars, and the applications need to be in soon. GVTPR lost enhancement funding in the last round as there were few applications in, because of lack of matching dollars or because plans were not ready.

Hwy 50 over Cerro Summit has \$9 million approved for repairs.

FASTER dollars: Voting on projects is upcoming, and there is a big push on Transit where there is \$15 million available, but not until the spring, and it is not known if matching dollars will be needed.

- **Information Technology Report** – Michele Gad thanked Heather Widlund and Lynn Black for their support in developing the new Website. Michele then reviewed the rest of her report.
- **Enterprise Zone Report** – Rhona Keckler reviewed her report, and added the news of a proposed coal processing plant in the region, with the possibilities of large investments and new jobs.
- **FY2010 Objectives February Update** – The progress report on the Objectives was reviewed by staff. Paula Swenson then moved the following:

Motion: The Committee accepts the FY2010 Objectives Update as presented.

Peter Crowell seconded the motion, which passed unanimously.

8. NEXT MEETINGS

- **AAA Regional Advisory Committee:** May 12, 2010, 10:00 a.m. Gunnison Conference Room
- **Board Planning Retreat:** March 25, 2010, 8:30 a.m. to 4:30 p.m. Sneffels Conference Room
- **Executive Committee:** April 22, 2010, 12:00 Noon, Sneffels Conference Room
- **BLF Committee:** May 27, 2010, 10:00 a.m., Sneffels Conference Room
- **Board of Directors:** May 27, 2010, 12:00 Noon, Sneffels Conference Room

9. ADJOURNMENT The meeting adjourned at 2.43pm.