

**Upper Arkansas Area Council of Governments
Board of Directors Meeting
June 21, 2023 at 10:00 am**

Call to Order – Buck called the meeting to order at 10:02 am

Board Members: Buck Wenzel, PT Wood, Dwayne McFall, Greg Labbe, Kevin Day, Ryan Stevens

Staff Members: Heather Evans, Carol Gindro, Max Hanson, Leslie Benschling, Dave Paul, Jeanne Piper

Guests: Beth Lenz, Ron Goodrich

1) Consent Agenda – Action Item

- a) Minutes UAACOG Board of Director meeting April 26, 2023
- b) Financial Statements
- c) Loan Reports

Ryan moved to approve the agenda; Dwayne seconded. No discussion. Motion approved.

2) Additions/Changes to Agenda

None

3) Program Manager Reports – Director’s overview of Program Managers’ Reports:

CSBG – a large bump in funding was dispersed to all four counties in May. Fremont County was able to help a few more households with the small amount that was distributed before May. Custer County is having a steady flow of applications and payments for their clients. Chaffee County has slowed down; most applications are for minor car repairs and dental. Lake County is slow with applications, one possible barrier being applicants in the community who don’t have legal residency. That is being investigated to see if we can help more people in Lake County.

Head Start – received their notice of award for their baseline grant and assigned a new grant number for the next five-year funding cycle. They currently have four openings for lead teachers. Two of the three new hires declined the position because of higher paying offers elsewhere. They also want to hire a Family Service/Behavior Support Assistant and a part-time Disabilities Coordinator. Safety Town was a huge success and brought in approximately \$87,000 worth of in-kind revenue.

Housing Counseling – has had a significant increase in the number of calls regarding foreclosure assistance.

Housing Navigator – continues to reach out to the homeless population and wants to start a street outreach program in Chaffee County. Lyndsey is also scouting and networking in Fremont and Chaffee County to recruit landlords to provide more affordable housing options. She recently arranged shared housing for three individuals facing housing barriers.

Section 8 – is now the transfer agency for all voucher holders in the state wanting to move their voucher to El Paso County and will continue to coordinate with the Colorado Springs Housing Authority as necessary. This will relieve some of the burden that has been on El Paso County plus bring in additional revenue to us.

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Self Help Housing – three new homes are being completed ahead of schedule. The Self Help Housing Coordinator recently attended a USDA 502 loan packaging certification course.

Once all qualifications have been met, he will be certified to assist qualified local applicants.

WIC – caseload is still increasing monthly. Hybrid operations will begin October 1, 2023.

UAADC – has completed a new loan application for approximately \$195,000 in conjunction with the CSFS for a logging company acquisition of a new specialized truck and trailers.

They are in the process of combining two existing delinquent loans under Mountain Pine Manufacturing and Rogue Resources. Marchand Ranch has an application pending for the installation of bathrooms at their new wedding venue. The entirety of the portfolio has made a payment in the last 45 days with the exception of one loan and the two loans that are being combined. They have successfully reduced the prior year “at-risk loans” from over \$250,000 to less than \$50,000. An application for CDBG funds is in progress. Once approved by the UAACOG board, a presentation and request for approval will be scheduled for the 6/27/23 Fremont County Board of County Commissioners meeting.

No discussion of Program Manager’s Reports.

4) New Business

- a) Auditor’s Report was presented by Ron Goodrich.

We have an Unmodified Opinion this year which is the best we can get. It means that all financial statements that follow are accurate in all material respects.

Management’s Discussion and Analysis was prepared by Carol to compare finances from 2021 and 2022. Next was the Statement of New Position or Balance Sheet listing our Government Line Assets and Liabilities. Something new this year is the lease receivable from the State of Colorado for WIOA. The Statement of Activities is entity-wide and lists all fixed assets and removes payments on debt. The bad debt expense from UAADC was pointed out and should improve this year. The Statement of Fiduciary Net Position Custodial Funds is new this year and lists the Self Help loan activity – Assets and Liabilities with a Total Net Position of \$0. The auditors are still working on the report for the loans, but everything looks good so far. He discussed the Notes to Financial Statements and said there were changes on pages 15-18 regarding the Lease Receivable. He said most of the other pages were pretty much the same, but he pointed out Note 9 regarding Deferred Inflows of Resources. Note 10 discusses the TABOR Amendment. He believes UAACOG is exempt from the amendment. Page 24 is the Summary of Independent Auditors’ Results and shows no findings. Prior Year Findings were on page 25 and showed no repeat findings for 2022. Pages 26-29 is the Schedule of Expenditures of Federal Awards. He pointed out the Coronavirus Relief Fund on page 29 that passed through us directly to our clients. The Independent Auditors’ Report stated that they had no other findings. He then asked if there were any questions. Once it is finalized and accepted, it will be made public and posted on the website.

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Buck asked for a motion to approve the audit. Dwayne moved to approve it. Ryan seconded it. Buck asked if there was any further discussion. Hearing none, he asked for a vote to approve. Audit approved.

- b) Ron then discussed IRS Form 990-EZ for UAADC. Nothing new was found except for the bad debt expense. He pointed out the 990 for the Upper Arkansas Regional Service Council. Buck asked if there were any questions regarding the Forms 990. Being none, he asked for a motion to approve. Motion made, seconded, and approved.
- c) Ron informed the board that his firm has decided to discontinue doing single audits. They are working with a firm in Denver that has agreed to do the single audits, and his firm can continue to do the rest if we so choose. They can also be our financial consultants and help us close our end of year books. The other firm has agreed to charge the same fee we have been paying so there will be no price increase. Heather suggested they schedule a meeting to discuss this matter further.
- d) Buck introduced the FCHS Enrollment Policy. Heather introduced Jeanne Piper from Head Start to discuss this. During their self-assessment, they found that there wasn't a procedure in place that describes actions against staff who intentionally violate the regulation and the program's eligibility rules. The regulation was developed by their staff and now needs to be approved by the Board. Buck asked if there was any discussion. No discussion. Motion made to approve, seconded, and approved.
- e) CDBG Business Loan Fund application introduced by Dave Paul. The fund is for \$300,000 plus administrative fees. Parameters for businesses using this funding source are a lot more stringent than other funding sources. The proposed leverage from banks or other sources against \$300,000 in assistance to businesses is \$600,000. Applications must be approved by the loan committee as well as the administrator for this fund. Partial or full funding is available, depending on circumstances. He discussed the past year's performance and hopes to get the numbers more in line with a 2:1 ratio moving forward. He would like the Board's approval today and will take it to Fremont County Commissioners next week for their approval. Once approved, he will schedule a public hearing that will be posted on Teller, Park, Lake, Chaffee, Custer, and Fremont Counties' websites for ten days. The previous grant will then be closed out and the new grant approved at a public meeting on Zoom. Buck asked if there were any questions. Hearing none, he entertained a motion to approve the application. Motion made to approve, seconded, and approved.
- f) Max discussed the current grant contract for Self Help. They are about to start building three units here in Canon City. They need to build six more houses to finish out the current grant with USDA. They had hoped to build six new houses in Custer

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County, but the moratorium for sewer taps made it unfeasible under this current contract. They have been trying to get land for the next build. They will need to apply for a time extension on the current grant. He discussed the lending institutions they tried to go through to get funding to buy six lots for this project. C-DOLA is not an option because their deed restrictions do not comply with USDA's requirements. Sunflower Bank needs a minimum of \$1,000,000. They offer a revolving line of credit, below 1% interest rates, and an interest-only option for specific time periods. Max does not like their offer because of the minimum of \$1,000,000. The Housing Assistance Council wants a minimum of \$255,000. They have a 24 month plan at 5% interest with a 1% loan fee. They also offer interest only payments until we close on the property. They expect to have the property closed with homeowners by the end of the year. HAC allows up to \$10,000 per lot in grant funding. CHFA wants a minimum of \$255,000 with a 24 month term, up to 4.5% interest, 1% origination fee, and interest only payments are possible. At this point, one person is completely qualified for this program, two others are currently applying through USDA, and three others ready to submit their applications with USDA. All six applicants are expected to be approved by the end of August. The current build of three homes should be finished in September. Max is asking for the Board's approval to secure a loan to acquire six lots for the next Self Help housing build. He also has put in a request to our congresswoman's office for a community project fund for \$255,000 that is exclusive to Fremont County. He doesn't expect to hear anything about that until the end of this year which puts it beyond the time they need to start a build. If this community project fund is awarded to them, it would be used for the build after this next one. The funding he is working on now will be used to build in Florence. He has already been working with the developer, and six lots are available to build on now at approximately \$42,500 each with utilities. Heather commented that Max had explored every other option available before turning to the debt financing option because he was trying to avoid that. His preference is the Housing Assistance Council because of the \$10,000 grant option, and they specialize in providing funding for non-profit governmental housing agencies specifically for Self Help programs. Buck asked if Max wanted the Board's approval to pursue financing through the Housing Assistance Council. He then made the motion, and Greg Lobbe seconded it. Hearing no further discussion, the motion was approved.

- g) Heather presented the two mini grants to be voted on this time for round three. Westcliffe would like energy efficient windows for their town hall, and Custer County would like a roof project for their recycling office. Those are the only two applications she has received for round three. She has been in contact with Florence Town Manager, Amy Nasta, who hopes to have an application in for the next Board meeting. There is still plenty of funding left. Heather recommends that the Board approve the two mini grant applications that were submitted. Buck asked if there

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were any questions. Hearing none, he asked for a motion to approve. Ryan Stevens made the motion. It was seconded and approved.

- h)** Advisory Committee update: Max is collaborating with Congresswoman Pederson's office to start a Housing Advisory Committee. He recommended two people from each of our six participating counties to be on the committee. The first meeting was on June 9, 2023, with thirty-one people in attendance. They will be advising Congresswoman Pederson's office on numerous housing issues related to the district. He was also asked by her office to make recommendations for early childhood and mental health advisory committees. He referred them to Chris Henager, the Head Start director, for those recommendations. No vote was needed since it was an update.

As mentioned earlier in the meeting, there has been a significant increase in calls to our office for foreclosure counseling. Our Housing Counselor, Laura, is booked almost every hour for the next three weeks to give foreclosure counseling. Foreclosures in the area are expected to increase due to higher property taxes. Max relayed two success stories for the Housing Counselor which included Laura helping two struggling families apply for grants that caught them up on their mortgage payments.

5) Old Business

None

6) Director's Report

Heather reported that there are ten mini-grants in progress in the four county area, and they are pretty evenly distributed. Two are complete, and two more were just approved. There is a small amount of funding remaining, so she will continue to reach out to local governments starting with those who have not yet applied. That way the money will be distributed as fairly as possible.

The Regional Infrastructure Summit was held on June 12 at the Abbey. It was a collaborative event between Regions 13 and 14, OEDIT, the State Recovery Office, and the State Resiliency Office. 78 people attended. It was the most successful summit put on so far. Representatives from all four counties in our region were in attendance. Many people reached out to Beth afterwards with requests for assistance, which is just what they wanted to happen. She will write grants or provide technical assistance to them. She is currently working with a multi-jurisdictional alliance of the communities of Brookside, Williamsburg, Coal Creek, and Rockvale for a Safe Streets for All grant. The next push will be in Lake County and Leadville, and then she'll be working on Climate Action Plans in preparation for funding distributions. Heather reminded the Board that Beth has created a needs document that has been shared with DOLA to help identify funding opportunities. Beth is also helping other regions create their own needs documents.

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Heather discussed the Strategic Planning Committee's Community Partner Focus Groups in all four counties. They met on June 20th to begin synthesizing and analyzing the information. The Program Managers will soon begin conducting SWOT analyses with each other's staff which will lead to identifying priorities and goals.

Staffing changes – Carol has resigned from UAACOG effective August 31, 2023. Her position will be divided into two positions. We now have openings in multiple departments: Administration, Head Start, Housing, and Aging.

Program and Staff Recognitions: Chris Henager and the Head Start staff made it through an especially demanding year, with the highest number of challenging behaviors the staff had ever experienced. Chris wrote her first Department of Health and Human Services Administration for Children and Families Federal Head Start Baseline Grant, which was approved.

7) County/Community Reports

- A) Custer County Kevin Day reported they have several positions to be filled: Administrative Assistant and (inaudible) Service Officer. Their landfills are being filled up quickly. They are painting their offices.
- B) Silver Cliff – Buck Wenzell reported they have many open positions. They just hired a parks assistant. They have enough work to keep eight people busy, but they can only afford 2 ½. Two of their people, who have almost 100 years' experience between them, are leaving later this year. Even when they fill the positions, the city will not have the experience they're used to. They are not getting applications for their open positions. The attendance at the museum has been good on weekends. They are going to apply for a grant to replace the fifty year old plumbing system.
- C) Cañon City - Ryan Stevens talked about the current projects: Loaves and Fishes, Les Schwab, and the City Market fueling station are all moving along nicely. City approved a contract with Visionary Broadband to provide broadband to the greater Cañon City area. Should be able to reach 90% of the school district's connections to homes. The city approved a sale agreement to purchase New Method Laundry which will involve a lot of environmental cleanup; it will probably be a parking lot for a long time. Trying to demo the Skyline Steel sites for future river developments. Offering a \$10,000 hiring incentive for police officers with five years plus experience. The city pool closed after 57 years of operation. A citizen committee is being formed to address the issue.
- D) Lake County and Leadville – Greg Labbe talked about the moratorium on short-term rentals. The City of Leadville is looking for a police chief. They recently hired a number of local people to go to the police academy and work for the police force. Inflation is really hurting their budget. Many property valuations have doubled or tripled in the past four years, and many are struggling to pay their property taxes. County has established a regional housing authority that is hoping to build some affordable housing soon.

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- E) Chaffee County – PT Wood talked about their highlights: opening for an HR Director; module two of their land use code should be ready soon; sustainable development plan; rec plan; moving ahead with a lot of forest health projects. A wet spring and dry summer are concerning. Now have a plan and the funding to replace the bridge in Granite. CPW is removing the low head dam west of Salida.
- F) Fremont County – Dwayne McFall said the sheriff wants to offer an incentive for hiring, but they have to find funding for it. The second building at Pathfinder Park is almost complete. Opioid governance committee meeting held in Salida yesterday. The Boys and Girls Clubs in Chaffee County and here were each awarded \$500,000. The club here is going to use it to purchase and expand their building. Working with the city on the broadband project. Trying to redo their building regulations so they're not a barrier to housing.

Buck asked for a motion to go into Executive Session. Ryan moved; Dwayne seconded. Motion carried.

8) Executive Session

9) Adjourn Board Meeting

Buck asked for a motion to approve the request from the Executive Session. Dwayne moved that because of an employee's mother's death, said employee be granted a hardship withdrawal of her 457B. Buck seconded. No discussion. Motion carried. Meeting adjourned.