

**Valley City-Barnes County Development Corporation Board Meeting
Monday, October 12, 2015
6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)**

PRESENT: Paige Bjornson, Tony Kobbervig, George Gaukler, Tisa Mason, Wade Bruns, Mary Simonson, Josh Kasowski, Leighton Smith, JoAnn Hooper, Jennifer Feist and Alicia Hoffarth

ABSENT: Bobby Koepplin, Luke Trapp, Mike Metcalf and Bill Carlblom

EX-OFFICIO: Bob Werkhoven, City Commission; Chad Petersen, KLJ; Keith Andersen, ICTC

GUEST: Dean Kinney

President Paige Bjornson called the meeting to order at 6:45 a.m.

AGENDA: No Change

MINUTES: Mary Simonson moved to approve the September 4th minutes as submitted. Josh Kasowski seconded. Motion carried unanimously.

Mary Simonson moved to approve the September 25th minutes as submitted. George Gaukler seconded. Ayes-Paige Bjornson, Tony Kobbervig, George Gaukler, Wade Bruns, Mary Simonson, Josh Kasowski, Leighton Smith and JoAnn Hooper. Tisa Mason abstained. Motion carried.

FINANCIAL STATEMENTS: Financial statements for the September 30 quarter ended and year-end were provided. Summary financial statement shows Valley City Development Corporation-\$151,936 loan payoff; total loan is \$353,336.

Valley City Barnes County Development Corporation

Class 100-Administration-Account 4140-\$16,400 is \$11,400 one-time transfer from Tech II loan to VC Development Corporation plus \$5,000 from Tech II asset management fee. Revenue includes income of \$6,000 from Roundtable and \$3,600 RDS rent.

Class 200-Flex PACE loan fees of \$16,766 plus receivables and prior year collections; and ND income state tax withholding received for Eagle Creek.

Class 210-City Sales Tax for projects, \$50,000 paid to VC Park Board for Wellness Center

Class 220-County project funds

Class 300-RTC \$34,987 balance plus City note receivable of \$25,000, no asset management or admin fee

Class 400-RDS \$3,600 rent, funds approved by City for 3 years at \$55,000 per year

Class 500-Roundtable \$6,000 of expenses goes to administration

Class 600-Marketing received \$25,000 donation from Valley Realty/Valley Rental.

Class 700-Small Projects balance \$3,800; will need to submit a request of \$10,000 to the City for 2015-2016. Tech Park and Industrial park land taxes are paid from this fund.

Class 800-Tech II expected balance \$10,027 construction and operating of \$65,000; net expense includes asset management fee of \$5,000.

Class 900-I-94 Corridor, no activity

Valley City Development Corporation

Class 100-Corporate expenses

Class 500-NW Industrial Park Building-\$11,400 not expensed, administration included in Tech II loan to VCDC.

George Gaukler moved to approve the financial statements as presented. Josh Kasowski seconded. Motion carried unanimously.

EXECUTIVE SESSION: 6:55 a.m. Mary Simonson moved to go into Executive Session. JoAnn Hooper seconded. Motion carried unanimously.

CLOSE EXECUTIVE SESSION: 7:25 a.m. Mary Simonson moved to close the Executive Session. Leighton Smith seconded. Motion carried unanimously.

MARKETPLACE EXPRESS & MARKETPLACE WINES & SPIRITS: JoAnn Hooper moved to approve \$33,333 Flex PACE loan. Mary Simonson seconded. Loan is contingent on Bank of ND approval and the project moving forward. Ayes-Tony Kobbervig, Wade Bruns, Mary Simonson, Josh Kasowski, Leighton Smith, JoAnn Hooper and Tisa Mason. George Gaukler and Paige Bjornson abstained. Motion carried.

2015-2016 BUDGET ITEM CHANGES: Flex PACE fees are 4% and average \$700 per project. Funds are unrestricted and tracked separately. Should funds be kept for future interest expense or transferred to administration? Program requires heavy administrative support so a transfer to administration recognizes the work. Average fees for last two years were \$7,000 per year. There is sufficient unrestricted revenue and is a matter of how funds are allocated.

George Gaukler moved to transfer \$5,000 from Flex PACE fees to administration and to move \$11,400 from Valley City Development Corporation interest to administrative budget. Tisa Mason seconded. Motion carried unanimously.

Tech II Asset Management Fee is currently \$5,000. Asset management is to handle the financial end of a property. Property management is to handle needs of the property and varies depending on how much work is needed. This will be reviewed at the upcoming planning meeting.

2015-2016 Membership invoices will be mailed this week. Rates will be left the same except some individual changes that Jennifer Feist may negotiate.

Budgets will be approved at regular November meeting.

VCSU STEM GRANT: VCSU is not submitting the STEM Grant to NSF at this time. JoAnn Hooper moved to release \$50,000 from obligation. Josh Kasowski seconded. Ayes-Paige Bjornson, Tony Kobbervig, George Gaukler, Wade Bruns, Mary Simonson, Josh Kasowski, Leighton Smith and JoAnn Hooper. Tisa Mason abstained.

CHILDCARE PROGRAM: Flex PACE-are we charging a Flex PACE fee similar to other Flex PACE loans? Program is a grant with claw back, not a loan. Projects require monitoring each year for 5 years. It would be difficult to award a grant and then charge fees. Board directed that fees will not be charged. Regarding internal approvals for projects-can the Director and President handle approvals for smaller requests rather than bringing a request to the full Board especially if there is a timing issue?

BYLAWS: Currently the Bylaws do not address ex-officio members. The Board can change the Bylaws with proper notice and has the authority to add ex-officio positions as needed. Bylaws should have language to specify the process. Tisa Mason indicated that VCSU should hold an ex-officio, non-voting position. Language will go out prior to November meeting for approval at that meeting.

PLANNING MEETING: Scheduled for 7:00 am-9:00 am, October 21

Housing Incentive Fund-Bank of ND is expected to reach \$130 Million in profits. ND Housing Finance expects \$5 Million to go to the Housing Incentive Fund. Review SW Design Build's multi-family housing project. Sale of 3.44\2.87 acres-George Gaukler stated he is securing specific information on Indian burial mounds and property lines; a survey of the area is being done. He will share this information with the Development Corporation. Paperwork is in progress to list I-94 RD Corridor on Multiple Listing Service.

MARKETING: It is important to review workforce availability to know what we can really market and to determine how best to market our land and buildings. What would it take to get commuters to work in Valley City? How many under employed are there? What businesses would provide the jobs they need? This may also take employees from existing businesses. What is an acceptable wage? Governor's Economic Summit-Companies want to be in the 60th percentile of labor market rates. It is also about flexibility and quality of life.

Wages need to be high enough so money is a non-issue. Want it to be about the other things. Staying interviews are conducted-why are you here, why do you stay and how can we retain you? We require \$14 per hour plus medical benefits to receive public funds. This requirement is about 10 years old. We do not specify the level of medical benefits. Should the minimum wage be increased and do we specify medical benefits?

NEXT MEETING: Payroll discussions-Paige Bjornson indicated she will provide background information prior to discussion so Board can be prepared.

There being no further business, President Paige Bjornson adjourned the meeting.

Respectfully Submitted

Jennifer Feist
Director of Development