

Valley City-Barnes County Development Corporation

Monday, October 13, 2014

6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)

PRESENT: Paige Bjornson, Tony Kobbervig, George Gaukler, Bobby Koeplin, Margaret Dahlberg, Mary Simonson, Wade Bruns, JoAnn Hooper, Leighton Smith, Luke Trapp, Jennifer Feist, and Alicia Hoffarth.

ABSENT: Phil Leitner, Eldred Knutson and Josh Kasowski

EX-OFFICIO: Chad Petersen, KLJ, Matt Pedersen, City Commission, and Keith Andersen, ICTC
President Paige Bjornson called the meeting to order at 6:45 a.m.

MINUTES: Includes September 8th regular meeting and October 3rd special Board meeting minutes. Bobby Koeplin commented he voted no on BRW motion (September 8th) and Sales Tax motion (October 3rd) rather than abstained and Phil Leitner voted no on City-County Flex PACE motion. He also indicated the discussion for the Wellness Center potential funding of \$500,000 was \$200,000-City and County each and \$100,000 Food & Beverage. Bobby Koeplin moved to approve both sets of minutes with these corrections. Wade Bruns seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Financial statements as of 9/30/2014 were submitted-Tech II Construction balance-\$24,526, available to fund detention pond improvements, Tech II Operating-A/R, Marketing-\$31,789, Small Projects-\$7,619, Roundtable-\$26,000 on hand less \$13,000 for Sheyenne Valley Growth Alliance/2013-2014 allocation. I-94 Regional Development Corridor-still need to handle the soft costs funded internally, determine source of funds and submit requests. VCDC-Malach project is closed out. Bobby Koeplin moved to approve the financial statements as submitted. Mary Simonson seconded. Motion carried unanimously.

CHAMBER OF COMMERCE: Chamber is requesting \$5,000 for general support. Received \$2,500 last year funded through the Barnes County economic development mill levy fund. The County Commission may request financial statements. The 9/30/13 year-end financial statement is on file. Request is not for County general funds. Mary Simonson moved to approve the request of \$5,000. George Gaukler seconded. Need better information so we can support the request publically. Motion and second were withdrawn. The request will be considered at the November meeting.

SOUTH CENTRAL DAKOTA REGIONAL COUNCIL: The Regional Council is requesting \$18,218 for 2014-2015 membership funded through the Barnes County economic development mill levy fund. SCDRC provides technical support and financing programs used to provide matching dollars for grants and loans. The statewide economic development group is promoting legislative funding for the regional councils through the Department of Commerce budget; historically, the State provided operating funds to them. George Gaukler moved to approve membership of \$18,218. Tony Kobbervig seconded. Motion carried unanimously.

MEMBERSHIP: May want to wait and not increase this year due to increases implemented last year. Some specific businesses may have room to increase. New members-JLG and Moore Engineering. George Gaukler moved to provide Jennifer Feist authority to adjust individual members as deemed appropriate, leave the rest the same, and review annually. Leighton Smith seconded. Motion carried unanimously.

CAFETERIA PLAN: The benefit was previously available through the Chamber; however, we need to establish our own plan now that we are separate from the Chamber. Medical-IRS limit is \$2,500, can set our own limit and document allowable expenditures. Can we implement the program every six months or at 50% of the amount allowed? Allow pre-tax insurance premium. Development Corporation would need to fund Medical Flex upfront and be reimbursed through employee payroll deductions. Wade Bruns moved to implement Cafeteria Plan as presented. JoAnn Hooper seconded. Motion carried unanimously.

BUDGETS: Open meetings laws require salaries and performance evaluations to be open records. Budgets for eight classes are set as decisions are made and therefore, not included. Budgets reviewed for the following:

1) Administrative-City/County \$27,000 each. Added Tech II asset management fee-\$5,000 to cover expenses associated with accounting and project/building management, which is standard business practice. Adjusted administrative assistant line item to provide additional hours and potential pay increase. Chamber requested rent adjustment to \$890/month, a 20% increase. Agreed to \$810/month based on removing \$3,500 in building repairs that should be funded through the building reserve. Rent does not include budget for a new accounting system; information provided in packet. Moved by Mary Simonson to approve the administrative budget as stated, with the following revisions: A raise in base pay of \$2,000, with a 4% performance increase, or \$3,000, for a total adjustment of \$5,000 per year shall be granted to the Director of Development. The funding for the salary adjustment shall come from the contingency line item as noted in the budget. Tony Kobbervig seconded. Ayes: Paige Bjornson, Tony Kobbervig, George Gaukler, JoAnn Hooper, Wade Bruns, Leighton Smith, Margaret Dahlberg, Luke Trapp and Mary Simonson. Naye-Bobby Koepplin.

PTO Carryover-Mary Simonson moved to approve carryover of PTO hours in excess of 160 hours (current balance is approximately 20 hours over) for both Alicia Hoffarth and Jennifer Feist, to be utilized by 9/30/2015. Motion carried unanimously.

George Gaukler moved to approve the administrative budget as stated, with only the previously approved revision and including a fifty-cent per hour (\$.50/hour) pay increase for the administrative assistant position. Motion approved unanimously. Note: Margaret Dahlberg was no longer present to vote.

2) RTC-Currently charge \$12.50/sq. ft., the rate has not changed since 2007-consider increasing the rate. There is more value than we are charging plus our costs have increased; we can provide a reasonable discount. State Fire & Tornado insurance premium was not paid because the Fund has a strong balance and a 100% credit was received. Special assessments will be levied in 2015. Projected loss for 2014-2015 is \$31,000, which could change based on rent increase and/or potential extension of leases with short-term tenants. BEK is not expected to lease long term. We can cash flow building operations for one more year with no new tenants. Wade Bruns moved to approve the RTC budget as presented and consider rent adjustments. Tony Kobbervig seconded. Motion carried unanimously.

3) RDS- Sheyenne Valley Community Foundation was contributing funds for staff support but uncertain as to how much longer funds will be received. Need to renew funding for the position by 9/30/15. Current year balance is a negative \$2,500. Request \$5,000 adjustment for this year. Money approved by City noted on bottom of the preliminary budget-should be \$50,000 until 9/30/15 unless changed. Mary Simonson moved to approve the RDS budget as stated, with the following revisions: submit a request to the City, a revision to increase the current year allocation as approved through 9/30/2015 of \$5,000 from the City Sales tax, and further request the City to renew the commitment for a new three-year period to begin 9/30/15 in the amount of \$55,000. Of this increase, a raise in base pay of \$1.30/hour and performance increase in pay of 4%, or \$1.00/hour, for a total adjustment of \$2.30 per hour shall be granted to the Resource Development Specialist. Funding for the salary adjustment shall come from the contingency line item as noted in the budget. Tony Kobbervig seconded. Motion carried unanimously.

4) Tech II Operating- Rent adjustment is effective December 1st. Includes extra interest for PACE funds not received due to job creation requirements. A/R of \$68,700 as of 9/30/14. Eagle Creek agreed to pay a lease rate at the high end of the market in lieu of the Corporation assisting with building maintenance and operating and handling administrative work. The company reimburses the Corporation based on actual costs. Mary Simonson moved to approve an asset management fee of \$5,000 to be paid to the administrative budget of the VCBCDC. Tony Kobbervig seconded. Motion carried unanimously. Bobby Koepplin moved to approve the Tech II operating budget as presented. Mary Simonson seconded. Motion carried unanimously. Absent/not voting-Margaret Dahlberg.

The meeting of the Valley City-Barnes County Development Corporation was adjourned by President Paige Bjornson.

A meeting of the Valley City Development Corporation was called to order by President Paige Bjornson.

5) JD North- We will receive one month's rent in new fiscal year. ND Jobs Training funds will pass through to John Deere except for a 3% administrative fee. The company will reimburse 10 months of 2014 property taxes. If the building remains empty, projected deficit is \$32,700. Need to consider regulating heat and draining and winterizing the building. Do not want to turn heat off. Building loans will be paid off in about four years. Will lose PACE if we have no jobs to report; the amount is not material. Bobby Koeplin moved to approve the budget as presented. Wade Bruns seconded. Motion carried unanimously. Absent/not voting-Margaret Dahlberg.

There being no further business, President Paige Bjornson adjourned the Valley City Development Corporation meeting.

President Paige Bjornson called back to order the meeting of the Valley City-Barnes County Development Corporation.

FILE STORAGE/MANAGEMENT OPTIONS/UPGRADE TO DYNAMICS: Options for file management and accounting system were reviewed. Need to identify plan for security. Discussions need to be continued-have a special meeting or sub-committee (JoAnn, Matt, others) and a recommendation provided to the Board.

I-94 RD CORRIDOR: Bobby Koeplin provided an update of construction items.

WELLNESS CENTER: George Gaukler provided an update of the project.

DIRECTOR'S REPORT: Brief review of the report.

OTHER: Given the substantial documentation provided in the Board packets this month, number pages prior to scanning and emailing.

Board meetings will be held in the RTC, large conference room. Request that coffee, juice, light breakfast bar be catered by MO Eats or Sodexo and the Corporation be invoiced.

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

Respectfully Submitted

Jennifer Feist
Director of Development