

## **Valley City-Barnes County Development Corporation Board Meeting**

**Monday, January 9, 2017**

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

**PRESENT:** JoAnn Hooper, Paige Bjornson, George Gaukler, Bobby Koepplin, Bill Carlblom, Mike Metcalf, Luke Trapp, Josh Kasowski, Wade Bruns, Jennifer Feist and Alicia Hoffarth

**ABSENT:** Leighton Smith, Tony Kobbervig, Mary Simonson and Dean Kinney

**EX-OFFICIO:** Matt Pedersen and Rick Ross, City Commission; Tisa Mason, VCSU; and Jeff Bopp, SVATC  
President Elect JoAnn Hooper called the meeting to order at 6:45 a.m.

**AGENDA:** No Changes

**MINUTES:** George Gaukler moved to approve the minutes as submitted. Josh Kasowski seconded. Motion carried unanimously.

**FINANCIAL STATEMENTS:** Summary and all financial statements for the quarter ending 12/31/16 were provided. Unrestricted Funds include proceeds from our land sale. Luke Trapp moved to approve the financial statements as presented. Wade Bruns seconded. Motion carried unanimously. The Department of Commerce Marketing Grant will be used during the current fiscal year and includes our Texas trip.

**EXECUTIVE SESSION:** 6:55 a.m. Josh Kasowski moved to go into Executive Session. Paige Bjornson seconded. Motion carried unanimously.

**CLOSE EXECUTIVE SESSION:** 7:25 a.m. Paige Bjornson moved to close the Executive Session. Luke Trapp seconded. Motion carried unanimously. Bill Carlblom-absent and not voting.

**EAGLE CREEK:** George Gaukler moved to reconfirm providing \$1,000,000 including a \$500,000 loan from the ND Development Fund and \$500,000 from VCBCDC funds pending Eagle Creek signing the contract with its customer; the payoff structure being further defined; and to move forward with contacting the ND Development Fund. Wade Bruns seconded. Ayes-George Gaukler, Bobby Koepplin, Paige Bjornson, Luke Trapp, JoAnn Hooper, Josh Kasowski and Wade Bruns. Naye-Mike Metcalf. Motion carried. Bill Carlblom-absent and not voting.

**LEGAL SERVICES:** Kennelly charges \$150 per hour for services and a \$100 flat fee for an Opinion of Council. Fremstad charges \$205 per hour for attorney work, \$130 per hour for paralegal, and \$150 flat rate for Opinion of Council. May use both depending on situation. Will continue to use Kennelly for Flex PACE opinions.

**CHAMBER OF COMMERCE REQUEST FOR FUNDS:** Request \$5,000 for administrative support. Retention program is critical and will need to lean on Chamber for help. Engage them in a different way; we can help them financially and they could assist us with the larger plan. Need to review Rosebud operations separate from Chamber's financials and operations. May prefer to fund programs or a specific need versus operations; we did provide \$5,000 for administrative support last year and \$3,000 for marketing. Bobby Koepplin moved to table the request. George Gaukler seconded. Motion carried unanimously. Bill Carlblom-absent and not voting.

**EMPLOYEE RETENTION:** Will schedule interviews this week. Four candidates applied and will interview three (Trinity Potts, works for us now; Randi Bakalar, Open Door Center; and Mike Lentz, Dacotah Insurance).

**YEAR END FINANCIALS:** In prior years, we have had three separate reports for Valley City-Barnes County Development Corporation. Consider one consolidated report which would combine everything but may be more complex; \$2,500 additional cost. Separate reports do not provide the big picture of the Corporation's financial position which would be easier to understand with a consolidated report. Schedules can be included to provide details. Cost will be higher the first year and higher each year but not quite as high. Transfers between buildings and projects should not show as loans. Unrestricted funds of \$543,000 may not be 100% unrestricted if buildings are sold, etc. because it includes Tech II cash and we recently received \$250,000 from the City which is

restricted. We do show total restricted funds that would be repaid to City and County. Monthly reports will continue to provide the detail. Will move forward with a consolidated financial statement for VCBCDC.

**FLEX PACE:** Reviewed summary, \$104,000 available for service/retail and \$162,000 for multi-family housing, \$783,000 total commitments. Will need to draw on Line of Credit this year based on paying existing commitments. Noted \$250,000 received for the land sale; Board approved allocating \$100,000 to the Flex PACE pool. Housing program funds (from initial program) received are being returned to the City sales tax fund. Could submit a request to the City to retain funds for additional Flex PACE projects and show as restricted funds. Need to renew the Line of Credit; rate is 4.9%; \$100 fee. Paige Bjornson moved to declare a conflict of interest and will abstain from voting. Wade Bruns seconded. Motion carried unanimously. Bill Carlbom-absent and not voting. George Gaukler moved to renew Line of Credit. Luke Trapp seconded. Motion carried. Paige Bjornson abstained. Bill Carlbom-absent and not voting.

**DIRECTOR'S REPORT:** Wade Bruns thanked Jennifer Feist for following up with Bernatello's. If there are any questions, let her know. Eagle Creek is having an ice cream social on Wednesday, January 11<sup>th</sup> at 3:00 pm.

There being no further business, President Elect JoAnn Hooper adjourned the meeting.

Respectfully Submitted

Jennifer Feist  
Director of Development