

Valley City-Barnes County Development Corporation Board Meeting
Monday, December 11, 2017
6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)

PRESENT: Tony Kobbervig, JoAnn Hooper, Paige Bjornson, Wade Bruns, George Gaukler, Josh Kasowski, Bobby Koepplin, Bill Carlblom, Dean Kinney, Mary Simonson, Mary Lee Nielson, Jennifer Feist and Alicia Hoffarth

ABSENT: Luke Trapp and Mike Metcalf

EX-OFFICIO: Chad Petersen, KLJ and Josh Johnson, VCPS

President Tony Kobbervig called the meeting to order at 6:45 a.m.

AGENDA: No changes.

MINUTES: Mary Simonson moved to approve the November 13th and November 30th minutes. Paige Bjornson seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Summary report and all statements for 2017-2018 budget discussions. Class 200-Flex PACE plus \$50,000 for ND Winter Show land purchase. Classes 210 and 220-received \$150,000 each for land purchase. Class 300-cash balance of \$24,105. Class 500-\$75,000 for 2017-2018 commitments and balance of \$6,581. Class 600-cash balance of \$14,035. Class 800-Tech II/Eagle Creek has a cash balance of \$207,463; \$50,000 is restricted. Valley City Development Corporation-Class 500 has a balance of \$4,123. Mary Simonson moved to approve financial statements as presented. Mary Lee Nielson seconded. Motion carried unanimously.

EXECUTIVE SESSION: 7:00 a.m. Bobby Koepplin moved to go into Executive Session. Dean Kinney seconded. Motion carried unanimously.

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

RESIGNATION OF TONY KOBBERVIG: Effective December 31, 2017. Tony indicated it has been a privilege to be on the Board, first serving as ex officio and then board member, president-elect and president. Thanks to Tony for all the work he has done. Bobby Koepplin moved to accept resignation and elect JoAnn Hooper as President as of January 1, 2018. Mary Simonson seconded. Motion carried unanimously. There is now a vacancy on the Board and for the President-Elect position. Tony's term expires May of 2018. Tony Kobbervig moved to appoint Mary Lee Nielson, Paige Bjornson, Wade Bruns and JoAnn Hooper to serve as the Nominating Committee that will work to handle both vacancies. Mary Simonson seconded. Motion carried unanimously.

TRA LEASING/REQUEST FOR FLEX PACE: The request is to provide up to \$20,000 for a 5-year Flex PACE loan. Bobby Koepplin moved to recognize Josh Kasowski's conflict of interest. Mary Simonson seconded. Motion carried unanimously. Paige Bjornson moved to approve up to \$20,000 as a loan. Mary Simonson seconded. Motion carried. Ayes: Tony Kobbervig, George Gaukler, Wade Bruns, Bill Carlblom, Dean Kinney, Mary Simonson, Paige Bjornson, JoAnn Hooper and Mary Lee Nielson. Naye: Bobby Koepplin. Josh Kasowski abstained.

NOTE: Bill Carlblom left at 7:30 am.

2017-2018 BUDGETS: See memo regarding the classes that change based on projects approved. Class 200: Note Flex PACE fees-set according to projects approved and on first come-first serve list. Transfer \$6,500 of unrestricted funds to I-94 Regional Development Corridor. Includes John Deere and Eagle Creek job training funds. To date, 85% of jobs have been created for the I-94 Corridor; need 80 with a January 21, 2019 deadline. If 80 jobs are created, then the \$150,000 received is forgiven. How do we budget Flex PACE fees as it changes

based on projects; look at how we are tracking fees and see if it should change. Request a recommendation from CPA. Fees should go to operating.

1. Class 200: Bobby Koeplin moved to approve the budget for Class 200. Mary Simonson seconded. Motion carried unanimously.
2. Class 210: Bobby Koeplin moved to approve the budget for City funds. Mary Simonson seconded. Motion carried unanimously.
3. Class 220: County funds are in and out; request for I-94 Regional Development Corridor, Wellness Center, and SCDRC membership was approved. Should membership decrease by 30-40% because the Regional Council dropped the SBDC contract? Do we need membership to a different SBDC? Used by businesses in Valley City/Barnes County. Need to visit with County Commission. Bobby Koeplin moved to approve budget for Class 220, County funds. Mary Simonson seconded. Motion carried unanimously.
4. Class 500: Funds of \$75,000 for the current year. City approved \$150,000 from October 1, 2016 to September 30, 2019. Ask City to increase to \$75,000 for this year. Review as part of our long-term planning and determine future funding levels. George Gaukler moved to approve the budget request of \$75,000 from the City for 2017-2018. Mary Lee Nielson seconded. Motion carried unanimously.
5. Class 600: Adjusted as projects are approved, some outstanding marketing items (pictures, etc.) to complete. Mary Simonson moved to approve Class 600 budget. Paige Bjornson seconded. Motion carried unanimously.
6. Class 700: Property taxes for the Technology Park and NW Industrial Park are paid from these funds. Mary Simonson moved to approve the budget for Class 700. Wade Bruns seconded. Motion carried unanimously.
7. Class 900: Unrestricted funds of \$6,500 transferred in to cover expenses. Wade Bruns approved Class 900 budget. Mary Simonson seconded. Motion carried unanimously.
8. Class 100: Includes Tech II asset management fee of \$15,000, \$10,400 rent plus increase for the second floor, \$10,000 cushion. Retention and Recruiting Coordinator-\$12,500 administrative funds plus \$50,000 per year for two years. We have \$39,000 remaining from year 1; budgeting \$50,000 revenue and \$49,000 expense; remove the \$12,500 from year 2. Balance by September 30, 2018 would be \$40,000.
9. Class 300: Prorated Preventice for 9 months starting January 1, 2018 (adjust to 6 months). Will be requesting funds for Preventice expansion from the City, cash deficit of \$10,000. Need to look at fixing up BEK suite and IT services.
10. Class 800: Tech II rent could increase if Eagle Creek ramps up. Asset management fee was increased to \$15,000; not including potential Jobs Training funds. Snow removal has been a challenge to manage. Energy study done last year so this year's budget will be less. Secured \$50,000 which should be returned to City since Eagle Creek is not pursuing contracts with the State of ND. George Gaukler moved to return \$50,000 to City sales tax. Paige Bjornson seconded. Motion carried unanimously.
11. Bobby Koeplin moved to approve budgets for Classes 100, 300 and 800 as presented. George Gaukler seconded. Motion carried unanimously.

DIRECTOR'S REPORT:

1. Approximately 90 days until the move to the second floor; will put together budget.
2. Final report of Community Visioning Initiative is being compiled.
3. Performance Evaluations: Retention and Recruiting Coordinator: Pleased with performance; is learning quickly. Potential for substantial growth. Communication skills are growing. Progress with Young Leaders Group is a big accomplishment. Refining process of helping individuals and businesses. Mary Lee Nielson noted her professionalism and growth. Resource Development Specialist: Grant and Foundation work/VCBCDC financials. Organized and professional grants.
4. Motions for Salary Adjustments. Bobby Koeplin moved to approve a 3% salary adjustment for Alicia Hoffarth. Paige Bjornson seconded. Motion carried unanimously. Wade Bruns moved to approve a 3% salary adjustment for Jennifer Feist. Mary Lee Nielson seconded. Motion carried unanimously. Mary Simonson moved to approve a 2.5% salary adjustment for Trinity Potts. Mary Lee Nielson seconded.

Motion carried. Ayes: Tony Kobbervig, George Gaukler, Josh Kasowski, Wade Bruns, Bill Carlblom, Mary Simonson, Paige Bjornson, JoAnn Hooper, Mary Lee Nielson. Nays: Bobby Koepplin and Dean Kinney.

There being no further business, President Tony Kobbervig adjourned the meeting.

Respectfully Submitted

Jennifer Feist
Director of Development