

Valley City-Barnes County Development Corporation Board Meeting
Monday, February 10, 2020
6:45 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)

PRESENT: Josh Kasowski, JoAnn Hooper, George Gaukler, Bobby Koepplin, Luke Trapp, Wade Bruns, Paige Bjornson, Mary Simonson, Dean Kinney, John Froelich, Matt Pedersen, Mary Lee Nielson, Mike Bishop, Jennifer Feist and Alicia Hoffarth

ABSENT: Bill Carlblom and Dave Carlsrud

EX-OFFICIO: Chad Petersen, KLJ; David Beierle, John Deere; Paul Diegel, Six D Construction and Wesley Wintch, VCSU

President Josh Kasowski called the meeting to order at 6:45 a.m.

AGENDA: No changes.

MINUTES: Mary Simonson moved to approve the January 13th and January 29th minutes. Luke Trapp seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Unrestricted funds of \$675,000 including Bush Prize, unrestricted - unobligated funds of \$189,900. Class 800-Tech II, \$160,904 cash; Class 500-NW Industrial Park, \$17,000 cash not including outstanding building improvements. Paige Bjornson moved to approve the financial statements as presented. Mary Simonson seconded. Motion carried unanimously.

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

CLOSE EXECUTIVE SESSION: 7:30 a.m. Matt Pedersen moved to close the Executive Session. Mary Simonson seconded. Motion carried unanimously.

CHRIS LUNDE: Flex PACE request of up to \$2,600. Bobby Koepplin moved to recognize a conflict of interest for Josh Kasowski and Dean Kinney. Paige Bjornson seconded. Motion carried unanimously. Paige Bjornson moved to approve Flex PACE loan request up to \$2,600. Mary Simonson seconded. Motion carried. Josh Kasowski and Dean Kinney abstained.

YEAR END FINANCIAL STATEMENTS: Valley City Development Corporation: Long-term debt due to Valley City Barnes County (Pg 6) and Dacotah Bank. Rent received is from Product Acquisition and Integration Services (PAIS). Rent lease terms are detailed on Pg 7. PAIS is on a month-to-month lease and J&S Marketing's lease runs until 9/30/2020. Expenses are standard. Net loss of \$37,000. Bobby Koepplin moved to approve Valley City Development Corporation year-end financial statement as presented. Mary Lee Nielson seconded. Motion carried unanimously. Valley City-Barnes County Development Corporation: Required to adopt new standard that shows liquidity (Pg 10). Unrestricted and undesignated funds of \$146,806 for general expenses. Revolving loan fund of \$70,000 received from original Flex PACE will be utilized for future projects. Flex PACE receivables of \$587,000; detailed in notes. Note receivable from affiliate (VCDC) \$410,336. Investments of \$201,989 (Data Tranz, Theater and Land) totaling \$2 M, most of which is restricted. Long-term liabilities of \$1.218 M (mostly Tech II plus RDFC for Flex PACE). Most of undesignated funds is not liquid. Statement of Activity is split between restricted and unrestricted funds. Tech II operations resulted in a net loss due to depreciation. RTC shows income but includes \$150,000 subsidy from City. Projects funds of \$633,000, management and general operating of \$200,000, net assets of \$39,000 without restrictions is less than \$57,000. Expect to spend money on renovations for the RTC though there are no specific commitments other than those included in the \$150,000; detail on financial statements. Depreciation really shows the buildings are wearing out; a fact that cannot be dismissed or seen as unimportant. There is no building reserve for upgrades. Improvements are often tied to rental income. RTC Cash is considered restricted for future improvements. Cash flow-Flex PACE major

activity plus principal paydown on Tech II loan. Great job on tracking and reporting. Next year will add a note for jail land which is contingent on project going forward. Due to motion approved, it probably should be noted. George Gaukler moved to approve VCBCDC year-end financial statements as presented. Mike Bishop seconded. Motion carried unanimously.

RUSTY SPUR: Small start-up in Litchville in need of building improvements. Hoping to break even in the first year; expect savings on heat if improvements are completed. Rent is going towards the purchase of the building. Other projects generally funded between \$5,000 and \$10,000. Require receipts and reimbursements. Total building improvements for energy efficiency of \$8,655. Provided \$5,000 grant and \$5,000 loan to competitor, Uncle Dean's Tavern. Should we grant funds to a competing business? We regularly do Flex PACE in these instances. Why do we provide grants in the rural communities which may create inconsistencies? Historically, grants have been awarded for the first request and loans for subsequent requests. Have provided funds for competing businesses. Can do history/summary. May be a need to step back and consider process. Set precedent to help small communities. Criteria for the program needs further development that follows the wishes of the County Commission. Communication goes to the rural community on a regular basis; but is difficult to educate. Funds are limited for grants. A basis for decisions is needed. Will provide history and draft guidelines in collaboration with the County. Bobby Koeplin moved to request \$5,000 in grant funds from the County for this project. Paige Bjornson seconded. Motion carried. Ayes: JoAnn Hooper, Luke Trapp, Wade Bruns, Mary Simonson, Dean Kinney, John Froelich, Paige Bjornson, Matt Pedersen, Mary Lee Nielson and Mike Bishop. Nays: George Gaukler, Bobby Koeplin and Josh Kasowski.

SOUTH CENTRAL DAKOTA REGIONAL COUNCIL MEMBERSHIP: Update on financial position. Request of \$22,040 is the same as last year. Financial position is strengthening and operations are more stable. Bobby Koeplin moved to approve \$22,040 for SCDRC membership from County funds for 4/1/2020 thru 3/31/2021 fiscal year. Mary Simonson seconded. Motion carried unanimously.

BUSH PRIZE: Memo from the Sheyenne Valley Community Foundation requested commitment of funds to be set aside for microgrants to support ideas coming from the Longest Table. Could serve as revitalization of the Roundtable/Visioning initiative. See promo materials. See memo from Jennifer Feist with update on funding requests of \$647,000. Establish a committee to review projects and make recommendations to the Board for approval. Should the committee receive ideas and then approve funding or approve funding and solicit ideas? Volunteers can be found, but when they feel they cannot get anything done, the volunteers and their passion are lost. Utilize as matching funds for other programs. Image, Food & Beverage, etc. If the Longest Table is successful, a plan for continuation is needed. Could be funded through fundraisers.

NOTE: Mike Bishop left at 8:00 am.

The Longest Table is a grass roots initiative and different from the Foundation's current grant round which is aimed at established organizations coming forward with ideas. The Longest Table is a partnership event and not necessarily a Foundation event. Long-term educational for community. George Gaukler moved to set aside \$10,000 for micro-grants. Mary Simonson seconded. Motion carried. Ayes: JoAnn Hooper, George Gaukler, Luke Trapp, Wade Bruns, Mary Simonson, Dean Kinney, John Froelich, Paige Bjornson, Matt Pedersen, Josh Kasowski and Mary Lee Nielson. Naye: Bobby Koeplin. Framework needs to support visioning process. Funding may not be enough. Committee needs to review Bush Prize funds and establish criteria. Members: Luke Trapp, JoAnn Hooper, George Gaukler, Mary Simonson, Alicia Hoffarth and Jennifer Feist.

DIRECTOR'S REPORT: A conversation regarding Valley City Equipment took place late Friday afternoon. Will continue to work on site and utilities development.

There being no further business, President Josh Kasowski adjourned the meeting.

Respectfully Submitted

Jennifer Feist
Director of Development