

**Valley City-Barnes County Development Corporation Board Meeting**  
**Monday, October 12, 2020**  
**6:50 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)**

**PRESENT:** Josh Kasowski, Mary Lee Nielson, Bill Carlblom, Luke Trapp, Mary Simonson, Dean Kinney, John Froelich, Paige Bjornson, Matt Pedersen, Mike Bishop, Dick Gulmon, Paul Diegel, Wade Bruns, Jennifer Feist and Alicia Hoffarth

**ABSENT:** George Gaukler and Bobby Koepplin

**EX-OFFICIO:** Chad Petersen, KLJ and Dr. Alan LaFave, VCSU  
President Josh Kasowski called the meeting to order at 6:50 a.m.

**AGENDA:** No changes.

**MINUTES:** Mary Simonson moved to approve the September 14, 2020 minutes. Matt Pedersen seconded. Motion carried unanimously.

**FINANCIAL STATEMENTS:** Reviewed financial statements for the year ended September 30<sup>th</sup>. Cash balance is lower this month due to Flex PACE payments made. Class 100-Administrative \$3,440 less in membership and \$6,000 remaining of Bush Prize funds carried over to next year. Class 210-City Funds, Bush Prize funds are tracked here. Class 300-Regional Technology Center cash balance of \$21,800. Class 500-Roundtable cash balance of \$19,274. Class 700-Small Projects has a deficit of \$400. Class 800-Tech II includes an intercompany transfer of \$38,000 for cashflow purposes to be repaid. Current cash balance of \$81,318 plus the \$38,000 to be returned to this class. Class 500-NW Industrial Park building, received insurance payment for damage. Will see details with budgets when presented next month. Dick Gulmon moved to approve financial statements as presented. Dean Kinney seconded. Motion carried unanimously.

**EXECUTIVE SESSION:** 7:00 a.m. Mary Simonson moved to go into Executive Session. Mike Bishop seconded. Motion carried unanimously.

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

**EJ ENTERPRISES:** Matt Pederson moved to recognize a conflict of interest for Josh Kasowski. Paige Bjornson seconded. Motion approved unanimously. Mary Simonson moved to approve Flex PACE loan up to \$13,500 for the building purchase. Matt Pederson seconded. Motion carried. Josh Kasowski abstained.

**EMPTY INC:** Dick Gulmon moved to recognize a conflict of interest for Paige Bjornson, Luke Trapp and Wade Bruns. Mary Lee Nielson seconded. Motion carried unanimously. Mary Simonson moved to approve Flex PACE loan up to \$26,000 for Empty Inc. Mike Bishop seconded. Motion carried. Paige Bjornson, Luke Trapp and Wade Bruns abstained.

**MOVIE THEATER:** Met with owner of Bison 6 and Valley Twin Cinema; connected with a several rural theaters. The distance to other theaters helps them; often set up as a nonprofit with all or majority of work by volunteers, but this type of operation requires structure behind it. Need to identify who will oversee operations and establish a separate organization if need be. Equipment ownership may need to include some startup costs; server, seats, cleaning, etc. See what the community interest is. Cory Keim indicated he would work with us, but not until a major film is released. Find slightly used equipment and seats. Casey Stoudt would continue to work with us if the community is interested. Building issues need to be fixed. Would a high school or college class benefit from overseeing operations? Need a committed instructor. Needs to be worth the time and effort from the private sector side. If that does not work, could look at a 501(c)3 or similar. Supportive but need better estimate of costs. Anticipates \$10,000 for the server repairs and no solid estimate for seat replacements.

Potential to utilize the Sheyenne Valley Community Foundation to raise funds from the community. Could also be an opportunity for someone to establish a fund/movie buff for example. Other uses could be considered. Do not know if Cory has experience with that.

**NW INDUSTRIAL PARK LEASE RENEWALS:** J&S Marketing countered our 20% rent increase with a 10% increase totaling \$52,800/year (\$4,400/month). Not certain about buying a building or building new at this time. PAIS lease at \$18,000/per year (increased from \$1,200/month to \$1,500/month). CAM cost is running at \$2/square foot, paid by us; see summary of expenses. Intercompany loan has accrued interest of \$220,223 (6%-should the rate be reduced?). Best interest of tenants is lease for the next 12 months and see how business goes. Leasehold improvements to create open space would not necessarily help J&S. Mary Simonson moved to renew PAIS and J&S leases as noted above. Dick Gulmon seconded. Motion carried unanimously.

**RURAL BARNES COUNTY PROJECTS:** Guidelines noted in memo. Commissioners do not have concerns. May have exceptions on case by case basis. Mike Bishop moved to approve the guidelines. Dean Kinney seconded. Motion carried unanimously.

**EDUCATIONAL ENHANCEMENT PROGRAM:** Guidelines drafted to assist schools. Ties into what we are looking to do with the Career Academy. Target technology, advanced manufacturing, etc. Difficult to combine adult training with primary/secondary education. Funding undergraduate degrees is not the purpose of this program. Master's degree programs would be great. Litchville School request to assist para-educator to earn a Bachelor's degree; the individual can secure low interest loans (turned them down), but not a scholarship due to part-time status. Complete degree in 3 years – want them to be down the path, show commitment and teach at rural schools. Encourage schools to recruit from within and work to upskill existing teachers in each school. Program is not designed for undergraduate degrees at this time. Claw back provisions included (5 years) but may not work. If currently employed, it keeps the numbers down and commitment higher. Requires dollar for dollar match from school or other source. Mary Lee Nielson moved to approve as written. Paige Bjornson seconded. Need to show they can complete their degree in 3 years. Does the school system certify this? Change item 3b to 2 years with reimbursement upon completion of degree and after commitment is made to the school district. School submits request each year. Mary Lee Nielson moved to amend the motion to state the guidelines would be adjusted to include payment upon completion and funds distributed on a reimbursement basis. Paige Bjornson seconded. Dr. Alan LaFave commented that it helps when combined with VCSU/Rural School Partnership Program. Not sure if it is a good enough incentive for students who do not have the resources. Prorating per year completed would make it more difficult to manage/track. Mary Lee Nielson and Paige Bjornson rescinded motions. Should the school be required to contribute? Luke Trapp moved to approve guidelines as a reimbursement program after degree is acquired. Wade Bruns seconded. Motion carried. Ayes: Bill Carlblom, Luke Trapp, Dean Kinney, John Froelich, Paige Bjornson, Matt Pedersen, Mary Lee Nielson, Mike Bishop, Dick Gulmon, Paul Diegel, Wade Bruns. Nays: Mary Simonson and Josh Kasowski.

**DIRECTOR'S REPORT:**

1. City Sales Tax: County approved 2.5 mills. City approved \$33,000 funded through economic development sales tax funds.
2. Jail: Warranty deed, title opinion-complete.
3. Career Academy: Met with partners. Currently looking for models that will work based on resources in our area. Need to show school boards how this will help the school districts. Difficult to combine adult education with public school. Open to ideas and the discussion. Finances are a major challenge.

NOTE: Bill Carlblom left at 8:00 am.

4. Valley Plains Equipment: closed on land. Parties need to get together including Barnes Rural Water District. Water and sanitary sewer would be bored under the interstate and extended to the site. Loan secured through the Bank of ND to support TIF.

5. Concrete Company: Call scheduled for today.
6. Preventice: Currently employs 34 people with 3 in the pipeline.

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

Respectfully Submitted

Jennifer Feist  
Director of Development