

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

**Monday, August 8, 2022**

**6:45 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)**

**PRESENT:** Mary Lee Nielson, Matt Pedersen, George Gaukler, Bill Carlblom, Bobby Koeplin, Pete Paulson, Luke Trapp, Wade Bruns, Josh Kasowski, Jennifer Feist and Trinity Nelson

**ABSENT:** Dick Gulmon, Paul Diegel, Mary Simonson, David Beierle, Dean Kinney and Mike Bishop

**EX-OFFICIO:** Chad Petersen, KLJ; Bruce Hoyt, Valley Realty; and Nate Zerface, Dacotah Bank

President Mary Lee Nielson called the meeting to order at 6:45 a.m.

**AGENDA:** No changes.

**MINUTES:** Bill Carlblom moved to approve the July 18<sup>th</sup> minutes. Luke Trapp seconded. Motion carried unanimously.

**FINANCIAL STATEMENTS:** Bank accounts-\$565,000 balance; \$476,000 restricted, \$89,000 unrestricted less Flex PACE and Summer Nights on Central; \$15,000 unrestricted/undesigned. FCCU Loan reset at 3.75% in September 2021. Maturity date May 31, 2031. Roundtable-Balance of \$36,600. Tech II-Cash balance of \$67,669. Matt Pedersen moved to approve financial statements. Bill Carlblom seconded. Motion carried unanimously.

**EXECUTIVE SESSION:** 6:48 am George Gaukler moved to go into Executive Session. Josh Kasowski seconded. Motion carried unanimously.

**CLOSE EXECUTIVE SESSION:** 7:19 am Matt Pedersen moved to close the Executive Session. Bobby Koeplin seconded. Motion carried unanimously.

**FLEX PACE GUIDELINES & FINANCIAL INFORMATION:** Each community can establish their Flex PACE guidelines. Suggested edits include updating interest rate to Corporation's current Line of Credit rate. Flex PACE ends when any of the following circumstances occur: Loan is paid off prior to the end of the buydown schedule, end of the buydown term is reached (not to exceed 10 years), and business closes regardless of building ownership. Within 60 days of business closure, local Flex PACE loan would be due and payable in full or loan terms renegotiated. Flex PACE for Affordable Housing-remove dollar amount from reduced rent amount, would be determined project by project. Townhouses/twin homes qualify under affordable housing contingent on project having a minimum of 4 rental units, savings is passed on to tenants reducing rent and meets BND requirements. If townhomes are sold, Flex PACE would be prorated. Keep 75% vacancy and 60-day notification period. Add language to reflect that projects are per borrower/per project per State biennium. Bobby Koeplin moved to approve changes to Flex PACE guidelines. Matt Pedersen seconded. Motion carried unanimously.

**845 HOLDINGS, LLC:** George Gaukler moved to approve two Flex PACE loan requests for the purchase and renovations of former Woodland Lodge facility totaling \$66,666 with review after first phase. Bobby Koeplin seconded. Note: \$33,333 advanced after July 1, 2023, which is the start of the State's new biennium. Motion carried unanimously.

**NW INDUSTRIAL PARK – NEW BUILDING:** Jennifer contacted Brian Durgin regarding construction of new building. Freedom Machine Group lease ends October 2023. Plat of NW Industrial Park land was not recorded at the County. City is going through process with preliminary plat ready to submit to City Friday. Plan construction start spring 2023. Is this project being completed regardless, or will it be based on having a tenant? Continue moving building process forward.

**SHEYENNE RIVER WATER TRAIL:** With an increase in prices, the project is \$49,000 short and an application for \$20,000 has been submitted for a \$20,000 grant through ND Tourism. George Gaukler moved to reallocate from leftover Bush Prize funds of \$29,000 for this project. Wade Bruns seconded. Motion carried unanimously.

**2022-2023 BUDGETS:**

Flex PACE: Provided a 5-year cash flow. As of July 31<sup>st</sup>, cash balance of \$69,409. In August and September \$85,341 will be paid to Bank of ND. Expect to receive \$29,380 from S&S Electric leaving a \$13,447 balance. Payments to Bank of ND over the next year is \$219,901 with \$239,512 paid from customers whose loans are due. We have reached our RDFC loan limit, need to pay down loan balance; RDFC's comfort level was \$250,000, current balance is about \$400,000. Need to draw on Line of Credit to fund new Flex PACE projects.

Reviewed 2022-2023 budgets:

1. City-Salesforce Program and Wellness Center plus other standard requests.
2. County-Showing 2.5 mills and revenues of about \$217,500. Historically provided 2 mills or \$200,000
3. Regional Technology Center-Projected ending balance of \$3,584. Proposed budget has an operating loss of about \$32,000; current cash of \$35,855, less repayment of \$7,500 to Flex PACE, \$25,000 restricted, adjusted balance of \$3,300. Capital improvements are needed and loss does not include cost of striping parking lot, windows, painting, carpeting, etc.
4. Reviewed initial budgets for Roundtable (\$50,000/year for 3 years), Marketing, Small Projects (\$20,000 request to the City), Tech II, I-94 Regional Development Corridor and Workforce Development.

Bobby Koeplin moved to approve the budgets and changes to Tech II (increased principal payment to \$80,000 rather than \$72,000). Josh Kasowski seconded. Motion carried unanimously.

**PERFORMANCE EVALUATIONS:** R&R Coordinator-Tremendous work accomplished this year. Kara played a significant role in marketing for the sales tax renewal, RWIP Grant (which Jennifer has high hopes for), community calendar and Summer Nights on Central. CHI Mercy Health published a press release about their success in recruiting thanks to her work. She goes above and beyond the call of duty to help businesses and individuals. RDS-Assisted in securing \$3.1 M for SVACTC, over \$500,000 for Water Trail, RWIP of \$36,000 and processing Flex PACE projects. Assisted with sales tax renewal, community calendar, Summer Nights on Central, and continues to mentor R&R Coordinator. Proposed salary increases of 4% along with a \$1,000 bonus for both.

**DIRECTOR'S REPORT:** See report provided.

**PERFORMANCE EVALUATION FOR DIRECTOR:** Positive

Moved by George Gaukler to provide a 4% salary adjustment for Director, RDS and R&R Coordinator effective October 1, 2022. Bobby Koeplin seconded. Motion carried unanimously.

There being no further business, President Mary Lee Nielson adjourned the meeting.

Respectfully Submitted

Jennifer Feist, Director of Development