

Valley City-Barnes County Development Corporation Board Meeting
Wednesday, July 18, 2018
6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)

PRESENT: JoAnn Hooper, Paige Bjornson, George Gaukler, Mary Simonson, Mary Lee Nielson, Matt Pedersen, Bobby Koepplin, Bill Carlblom and Jennifer Feist

ABSENT: Wade Bruns, Josh Kasowski, Mike Metcalf, Luke Trapp, Dean Kinney and Alicia Hoffarth (excused)

EX-OFFICIO: Jeff Bopp, SVACTC; and Mike Bishop and Dave Carlsrud, City Commission

President JoAnn Hooper called the meeting to order at 6:45 a.m.

AGENDA: Add signatories after number 4 and I-94 RD Corridor before Director's Report

MINUTES: Bill Carlblom moved to approve the June 11th minutes as submitted. Mary Simonson seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Restricted funds-\$85,280 and unrestricted funds-\$268,910; Class 100-advanced Tech II asset management fee and Roundtable funds in July; Class 210-\$18,409 spent for Preventice set up; Class 300-\$19,543 including first year of rent for Preventice of \$41,160; Class 800-\$106,025 and AIR of \$58,677; VCDC-\$18,094 cash available. Mary Simonson moved to approve the financial statements as submitted. Mary Lee Nielson seconded. Motion carried unanimously.

FLEX PACE SUMMARY: Rural Development Finance Corporation (RDFC) funding requests pending and approved broken out by service/retail and multifamily housing rehab. RDFC funds are over/above local funds; we are responsible to repay RDFC and collect from the customer. Turnaround time is about 30 days; processing takes some additional time.

LONG TERM FINACNIAL PLAN: Copy provided for reference.

SIGNATORIES: Reviewing documentation with all of the banks. President, President-Elect, Past President and Secretary/Treasurer are authorized signatories for the VCBCDC and VCDC with current officers held by JoAnn Hooper, Josh Kasowski, Paige Bjornson and Jennifer Feist. Bobby Koepplin moved to approve signatories as presented and that two signatures are required. Mary Simonson seconded. Motion carried unanimously.

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

CLOSE EXECUTIVE SESSION: 7:15 a.m. Bobby Koepplin moved to close the Executive Session. Paige Bjornson seconded. Motion carried unanimously.

Note: Add I-94 RDC after Executive Session

LITCHVILLE: Jack and Mark Formo (guests). Litchville demolished two City-owned buildings that cost \$25,000 more than expected. Jeff and Erika Beyer, own the old Arvis & Nelson building, that needs to be torn down. The building is a safety issue and was tested for asbestos (\$500 cost) with some asbestos found. The building does not qualify for a brownfield grant because it was a commercial building. The estimated cost of demolition is \$10,000 with the owner paying 1/3 of that amount. Beyer's also own the bar and do not have funds to complete demolition; they would retain ownership of the lot. Written authorization to demolish the building is needed that includes that the City or Community Development is not responsible. We would be setting a precedence by assisting with this project but the community does not have funding after incurring other demolition costs. Funding will go to the Community Development Corporation which is a 501(c)3 non-profit. Litchville has invested in the community and we have participated in some projects. Bill Carlblom moved to

approve \$1,000 with funds from the Barnes County Economic Development Fund. George Gaukler seconded. Motion carried unanimously.

NOTE: Bill Carlblom left at 7:20 am.

SOUTH CENTRAL DAKOTA REGIONAL COUNCIL: Requesting membership renewal at \$22,040, an 11% increase from \$19,908. Barnes County received \$494,500 for six projects from 2016-2018 and \$150,000 for I-94 Regional Development Corridor. John Deere has hired 32 people; will request CDLF close out immediately after income surveys are completed. Projects have generated nearly \$60,000 in administrative fees for them. The 2018-2019 budget shows \$50,000 from Reserve, \$385,854 for 2½ people salaries/fringe; however, wages provided by the SCDRC total \$189,000 plus \$101,000 fringe or \$290,000 which is \$95,854 less than the amount budgeted. Reserve was \$170,000 less \$50,000 for 2018-2019 budget; decrease in net assets of \$99,000 for 3/31/18 year end. In about 18 months, the reserve will be gone and SCDRC would need to shut down if something does not change. Request tabled until budget questions can be clarified. Need a viable Regional Council to apply for Federal funds. We do expect the County Commission to approve the request.

WORKFORCE: John Deere and Malach will be doing 100% of the training for the first round. Training details provided along with a preliminary budget of \$64,000 (\$50,000 DC and \$14,000 from SVACTC). Blue Cross Blue Shield is advertising job openings. Malach is working with Lynnes Welding and will be making a presentation to the class. John Deere trainees are current employees and Malach's are new hires. Equipment at SVACTC is outdated; need to purchase new equipment. Jeff Bopp said they are working with Praxair. Currently, there are three phases of welding equipment/training; beginning, intermediate and advanced. John Deere utilizes pulse welders for wire welding and Malach utilizes pulse arc welders. John Harvey, John Deere, is donating 40, 1,200-pound spools of wire to the SVACTC because they are changing the kind of wire being used in their welders. Air compressor is needed for plasma cutting. Develop a MOU to include testing requirements must be met, trainer's skill level must be accepted by the companies and equipment would be available to be used by outside trainers who can help individuals gain skills so they can pass tests and become certified. New equipment would be available for fall classes. If training is for a specific company, would negotiate providing a stipend and provide matching funds. Need to find people to enroll in the class and establish the program; need funding for marketing and recruiting for the class. Recruiting will be focused on current students/graduates and adults. John Deere and Malach look for experience; however, this program would help generate welders needed. Information on prevailing wages and about what other communities are doing was gathered and can be reviewed. George Gaukler moved to approve \$50,000 with up to \$32,500 for equipment purchases for the SVACTC with SVACTC providing half of the funds and request funds from the City and County Economic Development funds (50% each) and firm up the training program with regular reports to the Board. Mary Simonson seconded. Ayes: JoAnn Hooper, George Gaukler, Mary Simonson, Paige Bjornson, Mary Lee Nielson and Matt Pedersen. Naye: Bobby Koeplin. Motion carried. Bill Carlblom absent and not voting.

PREVENTICE: Employs 20-25, 4 passed EKG test. Hires have been from Valley City/Barnes County with only two living outside of Barnes County. Requested information about next round of hires (when and how many) and training (in house or in partnership with VCSU). Invested \$18,409 for set up. Trinity is meeting with Sarah Thursday to learn more.

I-94 CORRIDOR: Inquiry for a proposed project located in the I94 Corridor does not meet zoning requirements and proposed wages are insufficient. George Gaukler moved to notify the party that their project does not meet zoning requirements. Mary Simonson seconded. Motion carried unanimously. Indicate land at the middle interchange could be a viable location and our goal is to increase wages. Bill Carlblom absent and not voting.

DIRECTOR'S REPORT: Budget Requests-County presentation July 17 (Paige Bjornson and Wade Bruns attended). City is July 30th at 7:20 am. Performance Evaluation for Director-Submit comments to JoAnn Hooper by

Wednesday, July 25th. PACE/Flex PACE-Can accrue interest, RDFC would likely accrue if we do, plus fees, would impact effectiveness of program.

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

Respectfully Submitted

Jennifer Feist
Director of Development