

Valley City-Barnes County Development Corporation Board Meeting
Monday, April 13, 2020
6:45 a.m., Zoom Meeting

PRESENT: Mary Lee Nielson, JoAnn Hooper, George Gaukler, Bill Carlblom, Bobby Koeplin, Luke Trapp, Mary Simonson, John Froelich, Paige Bjornson, Matt Pedersen, Mike Bishop, Dave Carlsrud, Wade Bruns, Jennifer Feist and Alicia Hoffarth

ABSENT: Dean Kinney and Josh Kasowski

EX-OFFICIO: Chad Petersen, KLJ and Dr. Alan LaFave, VCSU

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

AGENDA: Remove Executive Session and Eagle Creek listed after it (Items 12 and 13)

MINUTES: Mike Bishop moved to approve the March 9th minutes as submitted. Matt Pedersen seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Class 100-Outstanding membership of \$8,170; new membership receivables of \$1,000. Flex PACE fees are on track for the first 6 months, but expect the next 6 months to be down. Expect to be \$15,000-\$18,000 short on the revenue side; expenses are on track. Class 200-Nothing unusual except decrease in project fees. Class 300-Cash balance of \$32,900; recently purchased batteries for UPS and heating system repairs totaling \$6,030. Class 800-Cash balance of \$138,000; expect net income of \$20,000 by year end. Class 900-I94 RDC; nothing unusual. Class 950-Costs for soft skills training. Bobby Koeplin moved to approve the financial statements as presented. Mary Simonson seconded. Motion carried unanimously.

SIX MONTH BUDGET REVIEW/POTENTIAL CHALLENGES: Operating budget is as shown in financial statements. Submitted EIDL Advance requesting \$10,000 on behalf of VCBCDC. Questioned and did not apply for VCDC. Paige Bjornson feels we should not. Discussed how much of the \$10,000 we could receive-\$1,000/employee. If applying for PPP loan, could be forgiven. As a 501(c)6, we may not qualify for PPP. PAIS requested 4-month rent deferment. Not much difference than before when rent was not paid on time. Bobby Koeplin noted it is important to discuss how their business is going. Mary Simonson moved to request authorization to apply for PPP if eligible for 8 weeks of payroll, rent and utilities. Dave Carlsrud seconded. Motion carried unanimously.

NOTE: Bill Carlblom joined the meeting at 7:00 am.

BUSH PRIZE: Review Committee submitted recommendations. All funds except \$17,700 have been allocated. Projects will be monitored and may be impacted due to COVID-19. When would the funds be dispersed and when would the projects need their matching funds? Ask applicants to submit changes in the projects when funds are awarded. Paige Bjornson moved to acknowledge conflict of interest for Bobby Koeplin and Mary Lee Nielson. Mary Simonson seconded. Motion carried unanimously. George Gaukler moved to notify groups of grant approval as recommended, note any changes and disperse checks accordingly. Luke Trapp seconded. Motion carried. Bobby Koeplin and Mary Lee Nielson abstained.

COUNTY MILL LEVY: Mary Simonson moved to request 4 mills from the County for 2020-2021. JoAnn Hooper seconded. Motion carried unanimously.

CORRECTIONAL CENTER: KLJ will work with the County in terms of soil pile separation and location so we can potentially sell material. Bill Carlblom stated that the projected budget is about \$2.3 Million higher than anticipated. Project is being adjusted to reduce the price; waiting for final numbers. Project will be financed through a bond. Expect to bid project in May. John Froelich stated that they are working to keep the cost within the 10 mills allowed by law.

LINE OF CREDIT: Renew \$750,000 Line of Credit at Dacotah Bank, which is tied to our Flex PACE Program. Mary Simonson moved to recognize a conflict of interest for Paige Bjornson and JoAnn Hooper. Bobby Koeplin seconded. Motion carried unanimously. Mary Simonson moved to renew the \$750,000 Line of Credit at Dacotah Bank. Mike Bishop seconded. Motion carried unanimously. Paige Bjornson and JoAnn Hooper abstained.

EAGLE CREEK: Rent adjustment effective December 1, 2019. Email received over the weekend stating employees have been working remotely. Tentatively planning to reopen May 4, subject to change. Asking community to support social distancing efforts at the workplace; will require them to use the first floor to spread employees out. Asking for hand sanitizers to be placed at appropriate locations throughout building and to communicate community guidelines in a timely manner. The company will provide employees with face masks, hand sanitizer, wipes, etc. Previous approval to provide rent adjustment for remaining term of lease is tied to overall package. Consider utilizing entire building at no additional cost and allow CAM adjustment as of December 1, 2019. Financial impact: No additional rent or CAM would result in a loss of \$40,000-\$45,000 (December 1, 2019-September 30, 2020) funded from our cash balance leaving us with a balance of about \$92,000 by year end. George Gaukler stated that a larger discussion/larger package continues to be worked on. George Gaukler moved to proceed as outlined and provide rent adjustments including absorbing CAM cost and utilization of additional space with no additional rent from December 1, 2019 to November 30, 2020. Matt Pedersen seconded. This would be part of the larger package. Would work to go back to lower rent, but charge for space used after virus issues are over and company is growing and adding people. Goal would be to look at additional rent at the beginning of their lease year (December 1, 2020). Continue to be conscience of our cash flow as we move forward. Normal operations with growth and additional rent for space used are expected to begin December 1, 2020 thru November 30, 2021, subject to change. Going back to December 1 is the beginning of lease year versus starting February 1. Dave Carlsrud is concerned that the virus is just starting and questioned reopening a business and are we doing enough to make sure we are stopping the virus? May 4 is a tentative date that may be changed based on what is best for the company and community. Ayes: Hooper, George Gaukler, Bill Carlblom, Luke Trapp, Mary Simonson, John Froelich, Paige Bjornson, Matt Pedersen, Mary Lee Nielson, Mike Bishop, Dave Carlsrud and Wade Bruns. Naye: Bobby Koeplin. Motion carried.

DIRECTOR'S REPORT: Annual Banquet: In agreement with the Chamber to cancel the banquet this year. VCBCDC Annual Meeting/Election: Bylaws state we are required to hold the annual meeting prior to June 1 with 15-day notice to the public. Depending on situation, it would be face to face or online. Can the Board dispense with the requirements of Bylaws to delay until fall? Bobby Koeplin moved to delay the annual meeting to a later date due to COVID-19. Luke Trapp seconded. Motion carried unanimously. Official process needs to be followed or change Bylaws-clarify requirements and flexibility to delay meeting. Staff Report: Preventice is working remotely and is under a hiring freeze. Currently have 25 employees in Valley City.

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

Respectfully Submitted

Jennifer Feist
Director of Development