

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

PRESENT: Mary Lee Nielson, George Gaukler, Dick Gulmon, Wade Bruns, Bobby Koepplin, Paige Bjornson, Luke Trapp, Mary Simonson, Dean Kinney, John Froelich, Mike Bishop, Bill Carlblom, Jennifer Feist and Alicia Hoffarth

ABSENT: Josh Kasowski, Matt Pedersen and JoAnn Hooper

EX-OFFICIO: Paul Diegel, Six D Construction

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

AGENDA: Add Barnes County Correctional Center and move Preventice up.

MINUTES: Mary Simonson moved to approve the July 20th minutes. Bill Carlblom seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Class 220-County, about \$125,000 available less \$50,000 commitment. Flex PACE-received RDFC funds. Class 800-Tech II, about \$25,000 of credits for CAM as approved, cash balance of \$120,000. Class 500-NW Industrial Park building, PAIS rent paid up thru June and July for J&S Marketing. Bobby Koepplin moved to approve the financial statements as presented. Mike Bishop 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: 7:15 a.m. Mike Bishop moved to close the Executive Session. Bill Carlblom seconded. Motion carried unanimously.

ZACHARY PETERSON: Paige Bjornson moved to approve a Flex PACE loan up to \$12,000 under the Multi-Family Housing Rehab program. Dick Gulmon seconded. Motion carried unanimously.

PREVENTICE: Currently employs 27 people and hiring more. Added 5 new positions to the Valley City Center. Katie Kohler, site manager, is responsible for hiring here. Working on setting up additional cubes. Company needs to limit use to every other cube due to COVID-19; installed 16 cubes to seat 8 employees, current suite would then be full. Work with them to lay out additional space utilizing the Training Lab with the wall removed, electrical, data, etc. Cost of about \$10,000 to renovate without electrical/data. Offered space in Suite 1 for immediate use if needed; space in Suite 3 is also available. Would need to relocate the training lab. May be easier to manage with all employees in one location. Give the company options and cost for each option so they can make an informed decision. Ultimate goal is for them to outgrow the RTC and move into their own building. Valley City has the ability to be the backup hub for Houston 24/7. Experienced loss of phone service when Dakota Carrier Network's service went down last week due to fiber issue, even though the RTC is supposed to be redundant from both the east and west. If Dakota Carrier Network goes down, they are the only carrier to go out to the rest of the world.

BARNES COUNTY CORRECTIONAL CENTER: Received a request from VC Public Works to provide a 10 ft. electrical utility easement, which would be on the property line between the Corporation's land and the land for the jail in the I-94 RD Corridor. Would have power to the north end of our lot. Would not encroach on any building setbacks; however, not sure if the street would go over the easement with the electrical service underneath. George Gaukler moved to authorize an easement of five (5) feet on either side of the property line to the City of VC/VC Public Works for the electrical line. Bobby Koepplin seconded. Motion carried unanimously.

SHEYENNE VALLEY COMMUNITY FOUNDATION: Request of \$10,000/year for 3 years funded though the VDG Roundtable. The Foundation has worked hard to build endowment funds; while raising funds for operating.

George Gaukler noted that the focus on fundraising for operating needs additional effort to maintain operations. Consider annual funding to encourage aggressive fundraising efforts. We also provide staff time and office space. What is the long-term sustainability plan for the Foundation? Fundraising for operating is the hardest ask. George Gaukler moved to approve \$10,000 for this year and come back for future requests. Luke Trapp seconded. Motion carried unanimously. Questioned if the focus shifts too much on year to year and away from other important work of the Foundation that is needed. Requires relationship building which is challenging with the pandemic. Should the Foundation provide reports more regularly?

DIRECTOR'S REPORT: Flex PACE Financial Statement: Bank balance of \$100,350 as of 10/01/2019. Commitments are evaluated annually; 60% of receivables are 10 years, several more at 7-9 years. Projections include 10 new retail/service projects and 1 multi-family rehab per year and 2 new multi-family projects in the next 4 years; showing 48 new projects and \$1,183,300 of local commitments. RDFC is getting close to the \$250,000 that they initially planned to fund. See cash flow needed each year by the end of 2024. Would need to draw on the Line of Credit, which could increase if RDFC does not provide funds. Projections show \$320,800 needed through 2024 plus and additional \$600,000 after 2024. Need to balance payables and receivables of actual projects and then add in new projects as projected. Need to add accrued interest.

NOTE: Bobby Koeplin left at 7:45 am.

Economic Resiliency Grant: Emails sent to membership; receiving calls from across the state. Application is expected to open sometime this week. There is a 45-day limit to spend funds, which may be an issue for businesses and contractors. Otto Bremer: Applied for a workforce development grant. Barnes County Commission: Schedule a meeting regarding Educational Enhancement and funding for Barnes County Projects. RDFC Projects: Will be featured in ND REC magazine. RTC: Issues with air conditioning units, cost of about \$4,000. Educational Enhancement Program: Looking at options to assist Litchville. Workforce Training: Soft skills class to start in September. Welding-not currently able to hold at the SVACTC due to COVID-19. Annual Banquet: Postponed, will go ahead with annual meetings. Performance Evaluations: Please complete and submit to Josh. Sales Tax Renewal: Current sales tax expires 12/31/2029. Consider when an extension would be requested. Need long-term financial and development planning.

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

Respectfully Submitted

Jennifer Feist
Director of Development