

Valley City-Barnes County Development Corporation Board Meeting

Monday, October 14, 2019

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

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

ABSENT: Luke Trapp, Wade Bruns and Dean Kinney

EX-OFFICIO: Chad Petersen, KLJ and Paul Diegel, Six D Construction

President Josh Kasowski called the meeting to order at 6:45 a.m.

AGENDA: No changes.

MINUTES: Mary Simonson moved to approve the September 9th minutes. Bill Carlblom seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Fiscal Year End September 30, 2019-Reviewed cash balances: Administrative-(98)plus BC/BS credit due to policy change; Retention & Recruiting Coordinator-\$962; Class 200-received Rural Development Finance Corporation funding of \$109,446; Class 210/220-moved workforce funding to new Class 950; RTC-\$61,504, however, we have outstanding obligations for general operating, generator purchase and carpet replacement; RDS-\$3,705; VDG Roundtable-\$6,321; Marketing-\$7,769; Small Projects-\$6,365; Tech II-made interfund transfer to Wells Fargo for cash flow purposes. Workforce Development-\$21,217 balance. VCDC-Product Acquisition and Integration Services \$4,800 rent receivable, 4 months; \$13,291 current balance. Flex PACE summary report-paid over \$736,000 to Bank of ND from unrestricted funds; total commitment of over \$1.5 Million. Bobby Koeplin moved to approve the financial statements as presented. Mary Lee Nielson seconded. Motion carried unanimously.

LAW ENFORCEMENT CENTER & CORRECTIONAL FACILITY: Waiting for site layout and parking spaces from the architect. Financing is pending until cost estimates are received. RHR Architects looked at the Corporation's remaining land to determine if we have viable sites for future development. The Correctional Center needs between 2.47 and 3 acres. Building on remaining land could be 30,000 to 40,000 sq.ft. (the Regional Technology Center is 20,000 sq.ft. and National Guard building closest to the road is 25,000 sq.ft.). RHRA's cost so far is about \$3,600. The road would be completed by the National Guard per the lease agreement with the City. George Gaukler moved to approve up to \$5,000 to cover architectural costs. Paige Bjornson seconded. Ayes: JoAnn Hooper, George Gaukler, Bill Carlblom, Mary Simonson, John Froelich, Paige Bjornson, Matt Pedersen, Josh Kasowski, Mary Lee Nielson, Mike Bishop, and Dave Carlsrud. Naye: Bobby Koeplin. Motion carried.

LITCHVILLE SCHOOL: Request submitted for 50% of the \$27,500 cost for a teacher to secure their STEM/Tech Ed degree. The teacher would cover fees, books, and out-of-pocket expenses. Provided \$10,000 per year for 2 years to Valley City Public Schools for two teachers who want to teach dual credit courses; may have 2 more next year. Questioned if 50% is too much. Who is teaching STEM/Tech Ed courses until the degree is earned in 3-4 years? George Gaukler moved to approve \$3,500 per year for 3 years for Litchville School. Motion withdrawn. Mary Simonson noted that the clawback needs to be solid. Supporting continuing education shows support for our small towns. Precedent was set when Valley City Public Schools was awarded funding. Enhances the workforce; both the teacher and ability to teach students and provide opportunities. Need to establish guidelines first. Considerations such as Bachelor's Degrees vs Master's Degrees, dual credit capabilities, etc. need to be made. Once parameters are determined, area schools can be informed of the program. Questions raised as to how the schools can operate with so few students. Find a way to be supportive of our rural schools while using tax funding. Will a lesser amount still be helpful? Option to provide funding to each school and let them decide how to best support teacher development. Do not want to fund a revolving door.

MALACH BUILDING: Land on the northwest corner of the building is sinking even after being grveled. The soils study would cost about \$35,000 plus repairs. Flex PACE could assist with project; wrap cost of study and fix into financing with Flex PACE. Cost for study is in line with other studies, need a good answer to know how to fix the issue correctly. May affect manufacturing space as well as cold storage (cold storage building could possibly be moved). Consensus was for Malach to do the study and we could assist with Flex PACE or similar program.

FUNDING FOR RETENTION & RECRUITING COORDINATOR: Bobby Koeplin moved to allocate \$12,000 from unrestricted funds. Paige Bjornson seconded. Would like to establish permanent funding from City/County; interim funding would be included. Motion carried unanimously.

RECRUITING AND RELOCATION FOR PRIMARY SECTOR: Consider establishing a relocation package for primary sector employees to assist with recruiting. Assumptions were made based on potential number of employees. Consider relocation funding, student loan stipend, incentives, etc. Require a 2-year commitment from employees. Cost per person would range from \$500 to \$5,000. Expected cost per year of \$210,000. Park District and City incentives are still active; however, they are tied to new home construction. Apartment owners have rent incentives. Consider setting a minimum wage for this; could be based on what we use for company incentives which is \$15 per hour plus health benefits. Thief River Falls offers \$1,000 relocation plus other health benefits. Should rent deposit be paid for them instead of providing them with cash? Stutsman County was giving incentives; some companies provide some incentives. Limited funds, need to keep people here as long as possible. Greater incentives for longer time commitments; provide front-end funds to get them here. Program would be on a first come-first serve basis; provide \$500 to \$2,500. Partner with primary sector businesses; will they match with their incentives? Rental companies could provide \$500, Development Corporation could give \$500. What do the primary sector businesses, Parks and Recreation, and the City do? Should amounts vary depending on the distance? Mary Lee Nielson moved to proceed with forming a relocation package based on feedback received with funding coming from workforce budget. Matt Petersen seconded. Motion carried unanimously.

DIRECTOR'S REPORT: TrainND-Conference call to review training they offer. They are asking to establish a community partnership and financially support operations; would like to tap into their services but not provide funding. November Board Meeting-Reschedule to Wednesday, November 13th or Monday, November 18th; the 11th is Veterans Day. Budgets-Ready except personnel review. Long Term Cash Flow-County increased from 2.24 to 3.5 mills. Funds listed for technology and manufacturing companies are a budgeted number, not obligated. Workforce-\$125,000 from City for 2 years has been approved. Will be adding \$50,000 per year for Retention & Recruiting Coordinator, \$100,000 per year from City and County each. RTC-Projecting a \$20,000 deficit this year; may need to utilize funds not committed (\$290,000 per year). Preventive-incentive funds will be paid in full (18 employees). Awards-Jennifer is receiving the Governor's Choice Award for Economic Developer of the Year and the Board is receiving Project of the Year for the I-94 RDC and John Deere expansion. Award ceremony is Tuesday, October 22nd in Dickinson.

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

Respectfully Submitted

Jennifer Feist
Director of Development