

Valley City-Barnes County Development Corporation Board Meeting
Monday, November 18, 2019
6:45 a.m., Regional Technology Center, 415 Winter Show Road (Training Lab)

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

ABSENT: Luke Trapp, Dean Kinney and Josh Kasowski

EX-OFFICIO: Chad Petersen, KLJ and Wesley Wintch, VCSU

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

AGENDA: No changes.

MINUTES: Mary Simonson moved to approve the October 14th minutes. Bill Carlblom seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Financial summary provided. Class 500 NW Industrial Park-PAIS receivable of \$6,000. George Gaukler moved to approve the financial statements as presented. Mary Simonson seconded. Motion carried unanimously.

EXECUTIVE SESSION: 6:55 a.m. Mike Bishop moved to go into Executive Session. JoAnn Hooper seconded. Motion carried unanimously.

CLOSE EXECUTIVE SESSION: 7:25 a.m. Bobby Koeplin moved to close the executive session. Mary Simonson seconded. Motion carried unanimously.

CORRECTIONAL CENTER UPDATE: City Police Department will not be locating in the Correctional Center. Requested 3.11 acres for a 40,000 sq. ft. building; a drawing was provided. The 3.11 acres will provide enough land so they would be able to add space for the City if needed down the road. Meeting with construction management companies this week; expect to hire one. Requesting soil borings for 13 locations. Klein is working with KLJ to assist the boring locations.

RECRUITING & RELOCATION PROGRAM: See attached draft which was reviewed. Costs would average approximately \$2,500 per person capping at \$5,000 with a total cost of \$125,000 to \$250,000 per year totaling \$750,000 for 3 years. Most economic development entities leave this up to employers and some have done bits and pieces. Devils Lake was pursuing companies to sponsor a student through a two-year program and tapping the State Career Builders program. Can we talk to young, recent hires to see if these types of programs matter? Will it make a difference? Make presentations to student classes at various campuses. How do we get candidates' attention? Should our target be candidates over 30 versus new graduates as they are more likely to move? Simplify process. Document their debt. Student loan repayment is important to graduates; would be for retaining recent graduates. Incentives at long-term care facilities are up to \$8,000 for nurses plus \$4,000 from the State, paid over some period of time. Is this what businesses see as the need? Why don't people accept a job offer? Salary, benefits, time off, flexibility and community are important factors as well. Should bring young people to the table. Incentives would be available to keep people here especially VCSU graduates and those who may not attend college. Need to be an attractive community that's vibrant and appealing. Get young people involved in this discussion and perhaps have someone from the high school or VCSU to serve on the Board. Include Wellness Center and other amenities.

EDUCATIONAL ENHANCEMENT PROGRAM: See draft guidelines. Used \$10,000 per school district to be used at their discretion contingent on their request of funds that meet our goals to enhance our educational partners throughout the county. We did approve \$10,000 for a wide format printer for VC Public School; however, they decided to fund on their own. This is not an immediate workforce driver but rather increasing skills to enhance education long-term similar to the Litchville request. How do incentives benefit the goals of the Development

Corporation and taxpayers? Dual credit helps get students through school more quickly. How do we invest in the potential workforce coming out of our rural schools? Targeted training over/above high school education? Education Foundation? Tie to workforce because the schools represent a potential workforce for us. Have educators present proposal? Set cap per school per year to enhance education. Dual credit and welding are different from someone securing an undergraduate degree. Should funds come from City or County? Will continue to receive requests to help build our educational system. For example, could students earn one year of college at VCSU while in high school and then receive a one-year certificate program in Salesforce and be able to be hired by employers? Design courses to be taken on-line. Litchville Marion School District is in two counties; are other counties participating? We are trying to recruit to Valley City/Barnes County. Where do students come from and where do they go? SVACTC is a key part especially with immediate workforce that we could see. Schools are members of SVACTC.

2019-2020 BUDGETS: Special assessments summary was provided; new project that impacts NW Industrial Park building would be added to the list, total \$94,000 (\$10,000 annually). Annual taxes and specials are about \$85,000. Class 200 Flex PACE-may need to draw on line of credit depending on new projects. Most of our unrestricted funds have gone into this program. Need long-term funding for Retention & Recruiting Coordinator. County increased levy to 3.5 mills which allows \$100,000 for workforce. Class 300 RTC-expect deficit of \$26,000 by the end of this fiscal year; would end with a cash balance of \$20,000. Class 700 Roundtable-increased from \$50,000 to \$60,000 (need City approval) and \$10,000 after obligations. Class 600 Marketing-\$4,700 undesignated. Class 500 Small Projects-increase from \$12,000 to \$14,000 due to increased property taxes. Class 800 Tech II-reflects change of lease by \$2 per sq. ft. effective December 1. Eagle Creek is receiving rent reduction from PACE but we have not notified them of additional rent reduction. PACE benefit at 85% and property tax continues to increase because the PILOT Program decreases each year. I94 RDC-need funds of \$6,000, this is the fifth and final year of property tax exemption for John Deere Seeding. Class 950 Workforce Development-adjust based on approved activities throughout the year. Class 500 NW Industrial Park- building repair costs are substantial. As of October 31, unrestricted funds of \$240,000 and restricted funds of \$210,000, which is subject to change.

NOTE: Bill Carlblom left at 8:00 a.m.

George Gaukler moved to approve budgets as presented. Mary Simonson seconded. Motion carried unanimously.

PERFORMANCE EVALUATIONS: Retention & Recruiting Coordinator-Bobby Koeplin questioned if PTO carryover should be evaluated. Current carryover cap is 160 hours, which is vacation and sick leave. Employees are encouraged to take time off. A 2% increase is a normal pay increase for cost of living increase; 4 % is above that. Not a question of dollars, but how it is viewed. Discussion on what other entities did this year. When comparing other salary increases, also consider retirement and health insurance premiums covered by the employer. Mary Simonson moved to approve a 4% salary increase for Trinity Potts, R&R Coordinator. JoAnn Hooper seconded. Motion carried unanimously. Resource Development Specialist-Jennifer asked for an exception for PTO carryover of 38.5 hours (198.5 total). Paige Bjornson moved to approve additional carryover of the 38.5 hours. Mike Bishop seconded. Motion carried unanimously. We have a use it or lose it policy in place and do encourage employees to take time off. Potential to hire an intern to help with extra hours needed. Have \$15,000 approved for two years with \$7,500 expended this past year. Approximately 25% of RDS time is given to assisting the Foundation; optimistic this would change as the organization grows. Foundation does a tremendous amount of work in the community, which is a tradeoff for our contribution. The Corporation could use 40 hours per week; but at this time, we would be purchasing the least productive hours. Ensuring grant applications are completed have not been an issue. Motion carried unanimously.

2019 – 2020 BUDGETS: Change in health insurance budget from family to single plan resulted in savings of \$7,000. Retain the plan which is a major plus to be competitive as an employer. The cost to the Director is a wash. Continue to find revenue opportunities. Membership drops this year are about \$2,000. Will try to save

them, list of new potential members and Flex PACE projects. Suggested holding an additional meeting in the future to check budget, commitments, operations, how to best manage resources, etc. JoAnn Hooper moved to increase the salary for the Director of Development, Jennifer Feist, by 5% as recommended by the Executive Committee. Paige Bjornson seconded. Award-Governor's Choice Award of the Year, health insurance reduction, requested 2%. Ayes: JoAnn Hooper, George Gaukler, Bill Carlblom, Wade Bruns, Mary Simonson, John Froelich, Paige Bjornson, Matt Pedersen, Mary Lee Nielson, Mike Bishop and Dave Carlsrud. Naye: Bobby Koeplin. Motion carried.

Mary Simonson moved to approve the budgets for Classes 100 and 400. Mike Bishop seconded. Motion carried unanimously.

DIRECTOR'S REPORT: Requested a contact be made with Fingal for the Main Street Program. Other communities have been contacted. Business After Hours reminder, Tuesday, November 19th.

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

Respectfully Submitted

Jennifer Feist, Director of Development