

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT POWERS BOARD OF COMMISSIONERS ANNUAL MEETING

MINUTES

January 25, 2018
EDC Office, Willmar, MN

Present: Fernando Alvarado, Roger Imdieke, Roland (Rollie) Nissen and Kathy Schwantes

Excused: Harlan Madsen

Absent: Andrew Plowman

Guest: Donna Boonstra, President, EDC Joint Operations Board

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Specialist

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Vice Chairperson Kathy Schwantes called the meeting to order at approximately 11:45 a.m. As a quorum was not present at that time, the agenda was taken out of order.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Backman noted an article on Magnum Trucking was printed in this week's *West Central Tribune*. Backman spoke with Wayne Gadberry of Magnum and was informed they are happy with their facility and he requested information on the Highway 23 Coalition. Backman reported the new retail building on the southwest end of the Kandi Mall's parking lot opened with tenants Aspen Dental opening the first week of December and Starbucks opened this week. In December, the Back Forty Corner Burger Joint opened in the Kandi Mall in the former Yogurt Plus location. Kandi Mall management continues to speak with others about the former Kmart space. Kwik Trip is working on three locations in Willmar: east Highway 12, the downtown Mills location and the 20th block of First Street. How the downtown Mills site will be situated was changed due to utilities on the east side; the building will be located on the east side. Schwieters Chevrolet is working on the inside of its new building. The new PetSmart to be located in the former Best Buy has garnered interest by the community.

Glacial Ridge Hospitality. Backman reported construction of the GrandStay Hotel is moving forward. The loan closed in early October and a groundbreaking ceremony was held October 25 with Rollie Nissen attending on behalf of the EDC. Construction of the first floor of the hotel has started, concrete was poured yesterday, the walls are being fabricated offsite and kitchen equipment is out for bid. The clubhouse and event center will be built next to the hotel.

Highway 23 Coalition. Backman reported Minnesota Department of Transportation (MnDOT) Commissioner Charles Zelle attended the Transportation Rally held at O'Neil's Event Center on

October 13, 2017 and toured local projects, including the gap northeast of New London and the railroad Wye area. Backman was notified by Jason Duinick that Congressman Collin Peterson will attend and speak at the Highway 23 Coalition general membership lunch meeting on Friday, March 9th. A couple of locations are being looked at, one of which is the Great Blue Heron Restaurant in Cold Spring. The Senate Capital Investment Committee met and toured Willmar on January 8th. Backman gave a presentation on the Coalition to the committee. Tim Bruels, Legislative Assistant to Senator Andrew Lang, indicated the presentation went well and useful information was presented. Backman believed it was good to have MnDOT representatives also at the presentation to respond to questions by the legislators. The committee indicated the Coalition may need to also look at other funding options.

[Fernando Alvarado joined the meeting and a quorum was now present.]

Backman used four business testimonials that made an impression with the committee. Online submittals for Corridors of Commerce funding opened last Thursday and the two gaps were submitted on Tuesday and confirmations were received by Mel Odens and Jody Teich, who submitted the two gaps. Local funds will be used for the CSAH No. 2 intersection near Hawick in the south gap and the north gap will also use other funding sources to cover the road near Roscoe that must be redone, but hearings must first be held. The Coalition may find out in March if one of the projects has been funded. Donna Boonstra noted Patrick Weidemann presented information on how the scoring for the funds would be done and indicated this area ranks high.

The Coalition currently has 71 members, 46 of which businesses (17 at the platinum level) and 16 units of government and 14 individuals and organizations. Approximately 54% of the funds are from Kandiyohi County, 33% from Stearns County; 5% from Yellow Medicine County and 8% from Lyon County and others. As of today, paid memberships total \$50,500. Backman feels good as to the Coalition's competition. The Highway 14 Coalition requested a letter of support as to the allocation of Corridors of Commerce funds between greater Minnesota and the Twin Cities as the metro area has requested a higher allocation of the funds. Vice Chair Schwantes extended thanks to the Coalition on behalf of the EDC for the hard work being done. The Highway 23 Coalition website www.highway23coalition.com went live on November 1.

Business Visits and Meetings. Connie Schmoll reported the following:

- attendance at the following events:
 - annual Border-to-Border Conference on broadband hosted by the Blandin Foundation;
 - University of Minnesota Technology Showcase;
 - STARTUP Boot Camp at WORKUP on behalf of West Central Ag Sales Association;
 - Ridgewater College IT Advisory Committee meeting;
 - workforce seminar hosted by the Willmar Lakes Area Chamber of Commerce;
 - community meeting at the Community Integration Center along with Hudda Ibrahim;
 - Broadband Coalition meeting in St. Paul;
 - EDAM Winter Conference along with Backman;
 - West Central Angel Fund I social this week; it is considering funding applications;
 - Lunch 'n Learn on workforce recruitment given by ProCore;
- the EDC joined the Minnesota Rural Broadband Coalition, a new coalition on broadband, which has hired a lobbyist;

- the EDC's Ag Committee heard a presentation by Fritz Ebinger and CERTS about biomass in chicken barns;
- Jamey Cline of Christianson PLLP will make a presentation to the Ag Committee in March;
- attended meetings with Hudda Ibrahim on Somali workshops and assisted the Community Integration Center with some grant applications;
- assisted with fund raising for the 2018 Governor's Fishing Opener;
- did the Open Mic show in December;
- toured the new Lakeland Elementary School in Willmar;
- attended the MN AG EXPO in Mankato and spoke with two businesses; one was a Willmar company planning to expand and the other was a non-Minnesota company looking for an office and distribution center for Minnesota;
- toured DI Labs and saw their new 3D printer, the largest in the state of Minnesota; they have hired new staff and are printing race car parts for Indianapolis;
- the EDC's loan recipient Coffee & More is now open in Spicer;
- toured Simply Shrimp and Lettuce Abound, which will be growing 7,000 heads of lettuce a week once it is fully operational;
- visited Rohners Auto Parts and Minnesota Trapline Products as to their broadband needs;
- worked with Flyleaf Books in New London on possibly opening other locations;
- met with Spicer Castle on potential renovations;
- met with an individual about opening an entertainment center in the Kandi Mall; and
- has been speaking with real estate investors who may want to build a building.

Backman reported the following:

- he participated in a debriefing of the Vision 2040 tour of Mason City, Iowa, on its healthy community initiative;
- he regularly visits Midtown Plaza; renovations were finished in January and the first businesses are moving in;
- he facilitated meetings between Ain-U-Shams and Southwest Initiative Foundation (SWIF), which is now open in the Midtown Plaza, as well as a tailor, who relocated from St. Cloud. A children's clothing store and a perfume and fragrance store are also planning to locate in the Midtown Plaza.
- Erin Hannig, owner of Urban Escape, will be closing on her purchase of the Marketing Concepts building on March 1. Marketing Concepts will be moving to a building on High Avenue in Willmar.
- he attended the Inaugural MNwest CEO Forum & Entrepreneur Summit in Fergus Falls;
- he participated in Vision 2040 Steering Committee meetings;
- met with the owners of Azteca restaurant on a possible expansion
- he serves on the Willmar Airport Master Plan Committee
- he and Schmoll meet monthly with Joanna Schrupp of MinnWest Technology Campus;
- WAM-BC just hired Carina Barrera of the Renville area as its director. Schmoll is working with Barrera on a new business.
- An individual from the Minneapolis area has formed Willmar Child Care Center that will be oriented toward diverse childcare. They are looking at a building on 19th Avenue SW; the African Development Center has committed funds for the project.
- he attended the county Planning Commission meeting on rezoning property on County Road 9 for Black Bear Fish Houses, which was unanimously supported;
- he attended 1 Million Cups presentations;

- he attended the Willmar Planning Commission on rezoning for the 15th Street Flats project, which was approved unanimously;
- he toured DI Labs, which has doubled its business each of the last two years.

MINUTES

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to approve the minutes of the October 26, 2017 meeting of the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board of Commissioners as e-mailed. All present voted unanimously in favor by roll call.

TREASURER'S REPORT—Backman presented the financial reports for periods ending October 31, November 30 and December 31, 2017 and gave a summary of 2017 year-end financials. The largest revenue received was from the county levy. Total income at year-end was \$565,829 and total expenses were \$483,164. Staff has been careful with the expenditures throughout the year and the TIGER II grant funds were not expended. The grant from SWIF for the diverse BRE report was \$15,000 and actual out-of-pocket costs were about \$1,200 plus staff's time. The Balance Sheet shows Revolving Loan Fund receivables of \$205,195. Two loans closed in 2017, New Minnesotan Realty and Coffee & More. Per the Balance Sheet, total liabilities and equity at the end of 2017 was \$878,197 compared to \$777,018 in 2016.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Rollie Nissen, to accept the Kandiyohi County and City of Willmar Economic Development Commission financial reports for periods ending October 31, November 30 and December 31, 2017, subject to audit. All present voted unanimously in favor by roll call.

ANNUAL MEETING

Election of Officers. Vice Chair Schwantes listed the current officers and stated that typically, the chair position has alternated every two years between the county and city representatives with the exception of 2017 when Harlan remained as chair due to the number of new members to the board.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Roger Imdieke, to elect Kathy Schwantes as chairperson of the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board. All present voted unanimously in favor by roll call.

Chair Schwantes stated the vice chair should be a county representative.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Rollie Nissen, to elect Roger Imdieke as vice chairperson of the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board. All present voted unanimously in favor by roll call.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Fernando Alvarado, to elect Rollie Nissen as secretary of the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board. All present voted unanimously in favor by roll call.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Roger Imdieke to elect Andrew Plowman as treasurer of the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board. All present voted unanimously in favor by roll call.

Appointments to Joint Operations Board. Chair Schwantes stated Kelly TerWisscha is interested in being reappointed to the Joint Operations Board and the Willmar City Council has recommended his reappointment for a three-year term. The Willmar City Council also recommends the appointment of Kerry Johnson for a three-year term to replace Gary Gilman, who resigned at the end of his term.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Rollie Nissen, to reappoint Kelly Terwisscha and to appoint Kerry Johnson to three-year terms on the Kandiyohi County and City of Willmar Economic Development Commission's Joint Operations Board. All present voted unanimously in favor by roll call.

Backman noted that Kelly TerWisscha and Kerry Johnson are excited about serving on the Joint Operations Board. Imdieke noted there are now three individuals from financial institutions on the Joint Operations Board and suggested a broad representation be considered in the future.

2018 Standing Committees/Subcommittees and Members.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Rollie Nissen, to approve the following standing committees and subcommittees for 2018:

Agriculture and Renewable Energy Development Committee
Ag Marketing Subcommittee
Broadband and Advanced Technology Committee
Business Retention and Expansion/Recruitment Committee
Finance Committee; and
Marketing and Public Relations Committee
and to approve the members on the attached list. All present voted unanimously in favor by roll call.

Appointment of Official Legal Counsel. Chair Schwantes stated the EDC's current attorney is Mike Burgett of the Burgett Law Firm, who is willing to continue as the EDC's attorney, and his current hourly rate is \$250. Backman indicated Mike Burgett has been responsive even though his main location is Waco, Texas.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Rollie Nissen, to reappoint Mike Burgett of the Burgett Law Firm as the official legal counsel for the Kandiyohi County and City of Willmar Economic Development Commission. All present voted unanimously in favor by roll call.

Selection of Official Newspaper. Chair Schwantes stated the West Central Tribune has been the official newspaper.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to select the West Central Tribune as the official newspaper for the Kandiyohi County and City of Willmar Economic Development Commission. All present voted unanimously in favor by roll call.

Regular meeting time, date and location. Chair Schwantes informed the board the current meeting time, date and location are 11:30 a.m. quarterly on the fourth Thursday in January, April, July and October at the EDC office.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to set the regular meeting time, date and location for meetings of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) Joint Powers Board for 11:30 a.m. quarterly on the fourth Thursday in January, April, July and October at the EDC office. All present voted unanimously in favor by roll call.

Appointment of liaison to the EDC Joint Operations Board. Chair Schwantes stated Roger Imdieke served as this board's liaison to the Joint Operations Board in 2017. The Joint Operations Board holds its meeting at 11:00 a.m. on the second Thursday of each month. The liaison attends the monthly meetings of the Joint Operations Board or appoints an alternate in their place. Imdieke volunteered to continue.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to reappoint Roger Imdieke as the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board liaison to the Joint Operations Board. All present voted unanimously in favor by roll call.

Appointment of representative to the Audit Committee. Chair Schwantes reported she served on the Audit Committee last year as the appointment was made before the treasurer was elected. Rollie Boll and Bob Carlson are the representatives from the Joint Operations Board.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Rollie Nissen, to appoint Andrew Plowman as the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board's representative on the Audit Committee. All present voted unanimously in favor by roll call.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

2018 Employee Health Insurance. Backman reported last year the board discussed staff sharing in some of the cost of the health insurance premiums and he had suggested a cap of 9% to any increase and the amount above that would be covered by staff. Staff's health insurance premiums

increased approximately 13.47% from \$906.13 per person to \$1,028.14 per month. The EDC will pay \$1,000 per month per employee as budgeted and staff will each pay the remaining \$28.14.

Vacation and Sick Leave for Business Development Specialist. Backman stated last year his focus was to increase Schmoll's base salary, which was done, and this year he would like to adjust her vacation and sick leave. Schmoll started employment with the EDC on March 12, 2014. The EDC's Employee Handbook and current policy for vacation and sick leave states the Executive Director's is as set out in an Employment Agreement and all other full-time staff is as follows:

Vacation:

Employees with less than 5 years of full-time employment shall earn vacation at the rate of 3.34 hours per pay period (semimonthly) (80 hours per year); 6 to 7 years of service, shall earn vacation at the rate of 4 hours per pay period (96 hours per year); and 8 years or more of service, shall earn vacation at the rate of 5 hours per pay period (120 hours per year). Changes in the rate of accumulation shall be effective on January 1 of each calendar year and accumulated vacation time shall not exceed 160 hours.

Sick Leave:

Full-time employees shall be granted 1.67 hours of sick leave with pay for each pay period of service (3.34 hour per month). Sick leave not used shall be carried forward from one year to the next year up to a maximum accumulation of 40 hours.

Per Backman's Employment Agreement, he is allowed 20 days of vacation each year and 8 hours per month for sick leave. Schmoll's vacation and sick leave are per the EDC's policy above. Backman stated Kandiyohi County's policy as to sick leave is 3.70 hours per pay period (8 hours a month) and the City of Willmar's is 8 hours.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to table any changes to the Kandiyohi County and City of Willmar Economic Development Commission's vacation and sick leave policy until the April board meeting when comparisons are known from Kandiyohi County and the City of Willmar and if they are based on years of service. All present voted unanimously in favor by roll call.

Ratify Actions by Joint Operations Board. Chair Schwantes reported at its January 11 meeting, the Joint Operations Board voted to recommend James M. Ruff, Inc. to conduct the 2017 audit.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Roger Imdieke, to ratify the Joint Operations Board's recommendation to select James M. Ruff, Inc. to conduct the audit of the Kandiyohi County and City of Willmar Economic Development Commission's 2017 financial records. All present voted unanimously in favor by roll call.

Backman provided information on the refinancing of Peaceful Thymes Gifts & Garden Center's loan with SWIF and noted the EDC's loan is not changing. The Joint Operations Board recommended signing a new Intercreditor Agreement for this refinancing with SWIF.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Rollie Nissen, to ratify the recommendation of the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Joint Operations Board to sign a new Intercreditor

Agreement with Southwest Initiative Foundation for the refinancing of its loan to Peaceful Thymes Gifts & Garden Center. All present voted unanimously in favor by roll call.

Annual Planning Session. Backman announced the boards' planning session will be held on Thursday, March 29, 2018 from 8:30 a.m. to 3:30 p.m. at Prairie Woods Environmental Learning Center. Backman has contacted and requested estimates from Bruce Miles, Linda Mathiasen and Toby Spanier to facilitate the planning session.


Other. Chair Schwantes requested that for future meetings, staff provide the board with a written list of activities rather than a verbal report to shorten the length of meetings.

ADJOURNMENT—There being no further business,

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to adjourn the meeting. MOTION CARRIED.

The meeting was adjourned at approximately 1:17 p.m.

NEXT MEETING—The next regular board meeting is 11:30 a.m., Thursday, April 26, 2018, at the EDC office.



Roland Nissen, Secretary

APPROVED: 4/26/2018:



Kathy Schwantes, Chairperson



2018 COMMITTEES AND MEMBERS

Agriculture and Renewable Energy Development (Ag)

Rollie Boll*	Kevin Halvorson	Kim Larson	Bruce Reuss
Jon Folkedahl	Larry Konsterlie (Vice Chair)	Dan Lippert (Chair)	Dan Tepfer
Ian Graue	Dustin Kotrba	Keith Poier	

Ag Marketing Subcommittee

Dan Tepfer	Dustin Kotrba (Chair)	Jean Geselius
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Broadband and Advanced Technology

Mark Boesch (Chair)	Bruce DeBlieck	Brian Mort	Ramsey Schaffnit
Travis Bonnema	Scott Froemming	Les Nelson	David Sisser
Donna Boonstra*	Larry Kleindl	Gregg Price	Donn Winckler
Dean Bouta	Michelle Marotzke		

Business Retention and Expansion/Recruitment (BRE/R)

Sam Bowen (Chair)	Roger Imdieke	Dean Steinwand
Jim Ellingson	Les Nelson (Vice Chair)	Kelly TerWisscha*
Les Heitke*	Ranae Rahn	

Finance

Matt Behm (Chair)	Les Nelson	Russ Weeks
Robert Carlson*	Bruce Peterson*	Jeff Welker
Nick Dalton	Justin Schnichels	Randy Zinda
Kerry Johnson*		

Marketing and Public Relations

Donna Boonstra*	Jean Geselius	Ryan Thielen
Shari Courtney	Melissa Knott	Brittany VanDerBill
Deb Geister (Chair)	Emily Lien	

*indicates EDC Joint Operations Board member