

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
November 12, 2015
EDC Office, Willmar

Present: Rollie Boll, Robert Carlson, Donna Boonstra, Gary Gilman, Linda Kacher and Kelly TerWisscha

Ex Officio: Doug Reese

Excused: Art Benson and Bruce Peterson

Media: Carolyn Lange, West Central Tribune

Staff: Steven Renquist, Executive Director and Connie Schmoll, Business Development Specialist

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

President Robert Carlson called the meeting to order at approximately 11:00 a.m. Added to the Consent Agenda under Approve was item 4, resignation of Darren Hetland from the Finance Committee and resignation of Jeff Vetsch from the Business Retention and Expansion/Recruitment Committee and under New Business EDC's contribution to payment of staff's health insurance.

IT WAS MOVED BY Linda Kacher, SECONDED BY Donna Boonstra, to approve the revised Agenda and revised Consent Agenda. MOTION CARRIED.

CONSENT AGENDA—

- Approve:
1. Minutes of October 8, 2015 meeting
 2. Financial reports as of October 31, 2015
 3. Payment of invoice for \$2,108.75 from REDstar Creative
 4. Resignation of Darren Hetland from the Finance Committee and resignation of Jeff Vetsch from the Business Retention and Expansion/Recruitment Committee
- Accept: Committee Minutes
1. Agriculture and Renewable Energy Development 9/17/2015
 - a. Ag Investment Planning Subcommittee 9/3/2015
 2. Broadband and Advanced Technology 10/5/2015
 3. Business Retention and Expansion/Recruitment 9/16/2015
 4. Marketing and Public Relations 9/30/2015
 5. Leisure Travel 6/1 and 10/5/2015

PROGRESS REPORTS—

Willmar/EDC/MinnWest Technology Campus. Steve Renquist reported the Historic 313 project continues to move forward and provided information on the EDC's loan to Historic 313 that will soon be disbursed; he met with the owner of the former Erickson building and an outside business consultant with the goal of having the main floor as a multicultural market—the owner currently has two renters in the building and he believes he has all of the office space leased; the EDC is working with Southwest Initiative Foundation on a loan package for a Karen market; he met with representatives of a local trucking company that wishes to expand its Willmar location and purchase 12 acres in the Willmar Industrial Park; he is speaking with a company from a nearby county that is interested in purchasing property in the Industrial Park and could mean the addition of 300+ jobs; he continues to work with Bethesda and two companies interested in purchasing its Heritage building for workforce housing; he continues to work with the Willmar Curling Club on a location to build a facility; and the city of Lake Lillian requested assistance in finding a purchaser for its grocery store. The board discussed the properties owned by Mills that remain vacant.

[Carolyn Lange joined the meeting.]

Connie Schmoll reported a business in New London wants to expand; she is working with a potential buyer of Vegdahl's Hardware in Spicer; she attended a Raymond City Council meeting on plans for an assisted living facility—the city will pursue its development and financing; a Hack₂0 participant, who recently moved to Willmar, is locating his business to WORKUP; November 20 is the deadline to receive applications from those wishing to proceed with developing applications from Hack₂0.

Executive Director search. Donna Boonstra and Gary Gilman reported the search committee will meet Monday morning to review applications. The schedule for the hiring process as previously emailed was provided to the board (see attached). It is believed there are approximately 11 applicants.

UNFINISHED BUSINESS

2016 budget. Renquist reported the Joint Powers Board approved the 2016 budget (see attached). The Joint Powers Board has decided to hold off on a planning meeting until the new director is hired. Renquist informed the board there may be a need to increase the EDC's loan funds from its reserves. The State Auditor recommends the EDC have on hand approximately half of its annual budget in reserves. Discussion was held on the EDC's reserve funds, their use in the long term and increasing the levy.

IT WAS MOVED BY Linda Kacher, SECONDED BY Gary Gilman, to reduce the 2016 levy.
MOTION FAILED.

Kelly TerWisscha suggested a sustainability discussion be held during an annual planning session once the new director is hired.

Other. Schmoll reported those who attended the Inter-City Leadership Tour to Fargo have held two followup meetings and are looking at bringing the 1 Million Cups program to Willmar.

NEW BUSINESS

EDC's contribution to payment of staff's health insurance. Renquist informed the board that the EDC staff's health insurance premium is increasing significantly next year. In the past, the EDC paid 100% of a single health insurance plan, which was changed last year to \$850 per employee, per month toward staff's single health insurance coverage. Because of the significant increase anticipated in 2016, Renquist recommends the EDC pay \$950 per month, per employee toward a single health insurance coverage. A decision must be made in early December. Preliminary research shows an average of \$920 per month for a single policy. The board directed Renquist to ask Jim Ruff if the health insurance should be pre-taxed and if a cafeteria plan would need to be set up to do so. Renquist was also directed to ask the EDC's health insurance sales representative if the EDC can have a group policy. The board questioned what is included in the benefit package for the new Executive Director.

COMMITTEE REPORTS

Broadband and Advanced Technology. Schmoll informed the board the EDC has an opportunity to move forward with a broadband feasibility study and would like to contract with Mid-Minnesota Development Commission (see attached) to complete an application for a grant through the Blandin Foundation, which is due December 4, 2015. The cost for a feasibility study is estimated at \$50,000 and the Kandiyohi County Board of Commissioners recently approved \$25,000 toward the study.

IT WAS MOVED BY Linda Kacher, SECONDED BY Rollie Boll, to approve entering into a Contract for Professional Services with Mid-Minnesota Development Commission to complete an application for a grant through the Blandin Foundation for a broadband feasibility study at a cost of no more than \$2,400 and that the Kandiyohi County and City of Willmar Economic Development Commission be the applicant for the grant. MOTION CARRIED.

Schmoll reported the committee had good conversation on the potential feasibility study.

Finance. Renquist reported the Finance Committee approved an amendment to its motion concerning the loan to Historic 313.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Gary Gilman, to ratify that the amortization on the loan to Historic 313 on Fourth Street, LLC be modified to a ten-year amortization with a five-year balloon under the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund Program. MOTION CARRIED.

Gary Gilman reported the committee had a lengthy discussion on a proposed Karen market. The Karen population is approximately 300 in this area. Renquist noted there are two Karen markets in Worthington. Schmoll offered to provide information on the Karen community if anyone is interested.

Ag Investment Planning Subcommittee. Schmoll reported the Ag Investment Planning Subcommittee approved conducting a survey of potential investors.

Business Retention and Expansion/Recruitment. Schmoll reported the Atwater BRE survey is being completed and businesses are coming forward requesting to participate.

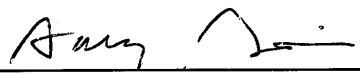
Marketing and Public Relations. Schmoll reported the new deadline to have the website completed is November 17 to allow Johnson Group to make requested changes.

Leisure Travel. Boonstra informed the board she has not been able to attend the Leisure Travel meetings as she has been attending the EDC's Broadband and Advanced Technology Committee meetings, which are at the same time each month.

Other. Schmoll informed the board that one recommendation that came out of the Inter-City Leadership Tour to Fargo was the use of the term "New Americans" when referring to immigrants and she encouraged others to start using this as well.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, December 10, 2015**, in the EDC's board room.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:46 p.m.



Gary Gilman, Secretary

APPROVED: 12/10/2015



Robert Carlson, President

EDC Administrative Support

From: Nancy Birkeland <nancyb@laawillmar.com>
Sent: Wednesday, October 28, 2015 2:02 PM
To: Nancy Birkeland
Cc: EDC Administrative Support
Subject: EDC Executive Director hiring timeline
Attachments: Nancy Birkeland.vcf; Nancy Birkeland2.vcf

Dear EDC Joint Powers and Joint Operations Board members,

Harlan asked that I update you on the timeline that will take place for the Executive Director search process. For the Joint Powers Board, the timeline below includes new dates that coordinate with Sharon Klumpp's schedule.

1. November 6—deadline for applications.
2. November 16 at 9:30 a.m. the search committee meets at the EDC Office to screen the applications and narrow down the list to three or four viable candidates (or more at their discretion) to be interviewed by the Joint Powers Board.
3. November 20 **OR** November 30—the Joint Powers Board and search committee meet to review the final applicants. The exact date and time for this will not be determined until after the search committee's meeting on November 16 so at this time, Joint Powers Board members and search committee please hold open both days.
4. December 14 at 9:30 a.m. at a place to be determined, the Joint Powers Board interviews the selected candidates.
5. At this time, the Joint Powers Board is asked to keep open December 16-18 as alternate interview dates. If any of these dates absolutely do not work for you, please let me know. Thanks.

The Joint Operations Board:

- will be provided information on the candidates who will be interviewed;
- may submit interview questions for consideration by the Joint Powers Board;
- is invited to listen in on and take notes during the interviews; and
- is invited to participate in deliberations with the Joint Powers Board following the interviews, however, the final hiring decision will be made by the Joint Powers Board.

Nancy Birkeland

nancyb@laawillmar.com



Legal & Administrative Assistants, Inc.
Professional support services for small business

**MID-MINNESOTA DEVELOPMENT COMMISSION
CONTRACT FOR PROFESSIONAL SERVICES**

This Agreement, made this _____ (day) of _____ (month), 2015, by and between the KANDIYOHI COUNTY and CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION, hereinafter referred to as the EDC, and the MID-MINNESOTA DEVELOPMENT COMMISSION, hereinafter referred to as MMDC.

WITNESS, whereas the EDC and Kandiyohi County requires assistance in preparation of a grant to the Blandin Foundation for a Robust Broadband Network Feasibility Study, and

Whereas, MMDC agrees to furnish professional services required by the EDC and Kandiyohi County beginning immediately.

NOW, THEREFORE, in consideration of the mutual covenants and promises between the parties hereto, it is agreed:

SECTION I – MMDC’S SCOPE OF SERVICES

Work with the EDC, the EDC’s Broadband and Advanced Technology Committee, Kandiyohi County, and Federated Telephone Cooperative to prepare a grant application to the Blandin Foundation for their Robust Network Feasibility Fund Grant Program. The MMDC will work with the partners in this project to bring together needed information required for the application. MMDC will prepare the application and see that it is sent to the Blandin Foundation on or before the application’s due date. From discussions with staff at the Blandin Foundation the next application deadline will likely be in early December, 2015.

**SECTION II – EDC, KANDIYOHI COUNTY, AND OTHER PARTNER
RESPONSIBILITIES**

- A. Either the EDC or Kandiyohi County shall agree to take on the responsibility of being named as the applicant for the grant application, and pass any action their Board needs to proceed with the application.
- B. It is the responsibility of the EDC and/or Kandiyohi County to guarantee the needed match required by the Blandin Foundation for a successful grant project. The grant calls for at least a one to one dollar match with a maximum grant award of \$25,000. Federated Telephone Cooperative has shown interest in paying for one half of the local share or twenty-five percent of the feasibility study cost. It will be the EDC’s responsibility to secure this commitment from Federated.
- C. The EDC and Kandiyohi County shall provide MMDC with assistance as necessary in the scope of services as described. This includes providing any financial statement information, organizational information, etc. that the grant requires. To put together a strong application Federated Telephone will also need to be fully cooperative in describing the details of what they are looking for in a feasibility study.
- D. The EDC shall compensate MMDC in accordance with Section III of this Agreement.

- E. If funded, the EDC, working with the project's partners, shall take the lead in implementing the grant program.

SECTION III - COMPENSATION FOR SERVICES

The EDC agrees to pay MMDC seventy-five dollar (\$75.00) hourly fee for the services performed in Section I up to a maximum amount of \$2,400. This cost is based upon an estimated time of 32 hours to complete the application. Any cost overruns shall be the responsibility of the MMDC, unless the scope of work is changed as mutually agreed upon by both parties. It is highly likely that MMDC will need to somewhat help subsidize the preparation of the application.

- A. Payment to MMDC will be made by the EDC as follows:

MMDC will bill EDC for one hundred percent (100%) of the contract amount after the completion of the project. It will include any additional authorized expenses. MMDC shall provide a final invoice shall show the hours spent on the project and a short summary of what services were provided.

SECTION IV – GENERAL TERMS

- A. Standard of Care

Professional services provided under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of MMDC's staff currently providing service under similar conditions. No warranty, express or implied, is made.

- B. Change in Project Scope

In the event the EDC changes the scope of the project from that described in Section I, and such changes require additional services by MMDC, MMDC shall be entitled to additional compensation as agreed to by both parties. MMDC shall give notice to the EDC of any additional services, prior to furnishing such additional services. The EDC may request an estimate of additional cost from MMDC, and MMDC shall furnish such, prior to authorizing the changed Scope of Services.

- C. Limitation of Liability

To the fullest extent permitted by law, and notwithstanding any other provision of this Agreement, the total liability in the aggregate, of MMDC and MMDC's officers, directors, partners, employees and agents, and agents of any of them, to the EDC and anyone claiming by, through or under the EDC, for any and all claims, losses, costs or damages whatsoever arising out of, resulting from or in any way related to the Project or in the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability

or breach of contract or warranty, express or implied, of MMDC or MMDC's officers, directors, partners, employees or agents or any of them, shall not exceed the total compensation received by MMDC under this Agreement.

D. Termination

This Agreement may be terminated by either party for convenience by either party upon fifteen (15) days written notice.

In the event of termination, the EDC shall be obligated to MMDC for payment of amounts due and owing including payment for services performed or furnished to the date and time of termination, computed in accordance with Section III of this Agreement.

E. Severability

Any provision or part of the Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the EDC and MMDC, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

MMDC

Kandiyohi County & City of Willmar EDC

Donn Winckler, Executive Director

Name, Title

Date

Date