# KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC) JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING MINUTES

#### August 12, 2021

### Community Room, Heritage Bank, Willmar and via Zoom Video Conference

Present: Art Benson, Jesse Gislason, Les Heitke and Kelly TerWisscha

Ex Officio: Julie Asmus

Staff: Aaron Backman, Executive Director and Sarah Swedburg, Business Development

Manager

Excused: Abdullahi Awale, Rollie Boll and Donna Boonstra

Media: Shelby Lindrud, West Central Tribune

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

President Kelly TerWisscha called the meeting to order at approximately 11:03 a.m. and declared a quorum was present.

**AGENDA**—There were no changes to the Agenda.

IT WAS MOVED BY Les Heitke, SECONDED BY Art Benson, to approve the Agenda and following Consent Agenda. MOTION CARRIED.

#### **CONSENT AGENDA**

Approve: 1. Minutes of July 8, 2021 meeting

- 2. Financial reports as of July 31, 2021
- 3. Payment of bills over \$2,500:
  - a. Connie Schmoll in the amount of \$7,615.04 for July services as Broadband Planning Consultant as budgeted
  - b. Couri & Ruppe, P.L.L.P. in the amount of \$2,915 to be reimbursed by four townships regarding broadband projects

Accept: Committee/Subcommittee Minutes

- 1. Agriculture and Renewable Energy Development 6/17/2021
- 2. Broadband and Advanced Technology 7/12/2021
- 3. Finance 6/22/2021
- 4. Marketing and Public Relations 6/28/2021

Committee member resignations/additions

- 1. Resignation of Michelle Marotzke from the Ag Committee
- 2. Addition of Abdullahi Awale and Michelle Marotzke to the Finance Committee

#### **UNFINISHED BUSINESS**

**Marketing and Communications Specialist Update.** Aaron Backman reported the new position was posted on various websites and eight resumes have been received to date. The position will close August 24<sup>th</sup>. Julie Asmus, Art Benson and Les Heitke volunteered to review resumes and interview applicants.

**Cyber Security Insurance Coverage Update.** Backman reported the EDC is insured by Minnesota Counties Intergovernmental Trust and has cyber suite coverage of \$50,000 annual aggregate limit (see attached). Coverage can be increased, if desired. Backman provided information on obtaining a privacy attorney or breach coach; he will do further research. Backman noted the EDC has contracted with Bennett Office Technologies to monitor and update the server and computers monthly.

#### **NEW BUSINESS**

Resignation of David Ramstad, Willmar Planning & Development. Backman informed the board that David Ramstad, Willmar Planning & Development Director for the City of Willmar submitted his resignation and his last day of work will be August 27, 2021. Backman is concerned about pending projects, has encouraged the city to fill the position as soon as possible and to appoint an interim zoning administrator. Backman indicated it is possible there could be some collaboration between the city and the EDC, but the focus of each entity is different.

Revised Agreement for Services for Broadband Planning. Backman noted Connie Schmoll has spent more hours than originally planned on broadband as there are now four projects in process rather than one. He suggested the total hours in the EDC's agreement with Schmoll be increased (see attached). Backman spoke with Larry Kleindl about Kandiyohi County allocating American Rescue Plan Act funds to the EDC for administration of the broadband projects and he indicated that could be a possibility.

IT WAS MOVED BY Art Benson, SECONDED BY Jesse Gislason, to approve the changes to Exhibit A of the Agreement for Services for Broadband Planning and to increase the 2021 budget for broadband planning to \$16,640. MOTION CARRIED.

#### **REPORTS**

**Economic Development Activity.** Swedburg reported on her attendance at the Consultants Forum Workshop in Detroit, Michigan (see attached). The workshop had modest attendance (around 60 total) allowing her to connect with several site selectors; she was the only representative from Minnesota. Most site selectors who attended represented industrial businesses. Swedburg has followed up with all of the site selectors with whom she met, including through LinkedIn. Swedburg and Joanna Schrupp of MinnWest Technology Campus will attend Community Venture Network presentations tomorrow in the Twin Cities and tonight will meet with a potential business looking at moving to Willmar.

Backman reported the City of Willmar approved the sale of 32.9 acres to the logistics company and approved the Purchase Agreement. There is a resolution to replat multiple parcels into a single lot in the Industrial Park, which requires rezoning to industrial and vacation of a street. The CEO of RDC will be in Willmar to speak about the logistics company to the Willmar City Council. A railroad spur is being discussed for the Industrial Park. Backman gave an update on Highway 23; bidding documents are at MnDOT's central office in St. Paul. Bid opening on the north gap between Paynesville and Richmond will be November 10, 2021. Construction will begin in the spring of 2022. Backman and Swedburg met with two developers this week on potential projects. The Commissioner of the Minnesota Department of Employment and Economic Development was in Willmar August 4<sup>th</sup> where a round table was held at Midtown Plaza; he also toured Chaw's Asian Market. Heitke noted the Willmar Lakes Area Chamber of Commerce recently did a first dollar presentation to Chaw's Asian Market.

**Elevate Business Academy.** Swedburg reported informational sessions are scheduled; the first one was held last night via Zoom. Approximately 20 are interested at this time. Classes will begin September 16, 2021. Swedburg and Scott Marquardt of Southwest Initiative Foundation (SWIF) are researching state funding possibilities. Backman acknowledged SWIF's participation and its reimbursement of program expenses to date. SWIF applied for funding through the Small Business Administration of \$30,000 to contribute to the program. Swedburg attended a meeting in New London to market the program.

**Finance.** Swedburg provided information on loan applicant Groom Zone noting the Finance Committee is recommending approval of a \$38,000 loan.

IT WAS MOVED BY Art Benson, SECONDED BY Jesse Gislason, to approve the Finance Committee's recommendation to do a seven-year \$38,000.00 loan to Groom Zone LLC under the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund Program at 5% interest with a shared second security position with Mid-Minnesota Development Commission in machinery, equipment and real estate contingent upon the applicant's primary residence being located onsite and the business receiving an SBA 7(a) loan or conventional financing from United Prairie Bank. MOTION CARRIED.

Swedburg gave an update on the EDC's loan of \$45,000 to Amin Grocery and financing by other lenders. The Finance Committee is recommending a change in the EDC's security position.

IT WAS MOVED BY Les Heitke, SECONDED BY Art Benson, to approve the Finance Committee's recommendation to revise the security position of the Kandiyohi County and City of Willmar Economic Development Commission's loan to Amin Grocery, LLC to a third security position in the real estate and building and a first secured position on all inventory and equipment. MOTION CARRIED.

[Jesse Gislason was excused from the meeting.]

**Township Broadband Projects.** Swedburg reported Schmoll is working on the National Telecommunications and Information Administration (NTIA) grant application for seven townships, which requires a match that will be provided by Federated Telephone Cooperative.

The Broadband and Advanced Technology Committee is still waiting for more information on the state's Border-to-Border Grant. Communication continues with Charter on projects in the New London area and with Arvig for projects in Prinsburg. Vibrant Broadband is looking at projects along the east border of the county for which Mark Boeschen is seeking clarification. Where a provider participates is based on where it already has service. Backman stated Federated Telephone Cooperative is working with both the NTIA grant and the state Border-to-Border grant.

#### **COMMITTEE REPORTS**

**Agriculture and Renewable Energy Development.** Swedburg is communicating with three individuals who may join the committee. Backman reported 130 participated in the Partners in Ag Conference. The speakers were very good, two of whom spoke on shrimp farming.

Business Retention and Expansion/Recruitment. Backman reported the two subcommittees, Workforce Development and Business Support, are meeting. The Workforce Development Subcommittee will meet August 16 at 2:00 p.m. along with the Job Fair planning committee. A Job Fair at Ridgewater College is planned for October 13, 2021. October is manufacturing month and the subcommittee is communicating with high school representatives about students touring local manufacturing businesses; they want local youth to get familiar with innovative Kandiyohi County businesses. Swedburg reported she is working on a survey to send to businesses that received grants from the EDC asking how their business is doing and to reconnect with them. Bridget Paulson, chair of the Business Support Subcommittee, has introduced them to CareerForce resources for a virtual job fair.

**Marketing and Public Relations.** Backman reported the committee met in July and looked at updating the Opportunity Zone brochure and Ag flyer. He and Swedburg are looking at work that can be done by the new employee. Heitke noted he dropped off a brochure being used by Sioux Falls to attract employees that could possibly be replicated here.

**Leisure Travel.** Backman reported the Leisure Travel meeting was held in a New London park. Chair TerWisscha noted Spicer hotels appear to be busier.

WHAT'S UP? Asmus reported Robbins Island is nearly complete; work has started on the ball fields and event center near the Willmar High School and there have been discussions with the Curling Club to build its facility in the same area. Benson gave an update on the Curling Club project. Asmus stated Invest in Willmar is discussing marketing a master plan of the Civic Center complex. Work has also started on the ball diamond at Swansson Field. Heitke noted he has seen more kayakers at Robbins Island and the Flags of Honor project will be dedicated on September 11, 2021. President TerWisscha reported TerWisscha Construction has 21 new positions open and they are making progress on Simply Shrimp, which converted a farm into a hatchery. Backman reported half of the communities in the county have less than two months of housing inventory available. President TerWisscha stated Willmar has very few single-family lots available. Swedburg indicated New London also discussed the need for housing.

**NEXT MEETING**—The next board meeting is **11:00 a.m., Thursday, September 9, 2021** at the Community Room of Heritage Bank, Willmar and via Zoom video conference.

**ADJOURNMENT**—There being no other business, the meeting was adjourned at approximately 1:00 p.m.

Jesse Gislason, Secretary

APPRIOVED: 9/9/2021:

Kelly TerWisscha, President



## MINNESOTA COUNTIES INTERGOVERNMENTAL TRUST

#### **COVERAGE DECLARATIONS**

#### CYBER SUITE - ARTICLE THREE

DOCUMENT NO .:

PC675021-1

MEMBER:

Kandiyohi County & City of Willmar Economic Development Commission

MAILING ADDRESS:

PO Box 1783

Willmar, MN 56201-1783

COVERAGE PERIOD:

FROM 1/1/2021 TO 1/1/2022 AT 12:01 A.M. CENTRAL STANDARD TIME

#### CYBER SUITE - \$50,000 ANNUAL AGGREGATE LIMIT BREAKDOWN

First Party Annual Aggregate Limit:

\$ 25,000

Third Party Defense Annual Aggregate Limit: Third Party Liability Annual Aggregate Limit: \$ 12,500 \$ 12,500

Cyber Suite Deductible Per Occurrence:

\$ 1,000

#### DATA COMPROMISE RESPONSE EXPENSE (FIRST PARTY COVERAGE)

#### SUBLIMITS:

Forensic IT Review	\$ 12,500	Per Occurrence
Legal Review	\$ 12,500	Per Occurrence
Public Relations	\$ 5,000	Per Occurrence
Regulatory Fines and Penalties	\$ 12,500	Per Occurrence
Payment Card Industry Fines and Penalties	\$ 12,500	Per Occurrence

#### COMPUTER ATTACK (FIRST PARTY COVERAGE)

SUBLIMITS:

Loss of Business \$ 12,500 Per Occurrence
Public Relations \$ 5,000 Per Occurrence

# CYBER EXTORTION

Cyber Extortion

\$ 25,000

Per Occurrence

MISDIRECTED PAYMENT FRAUD

Misdirected Payment Fraud \$ 10,000 Per Occurrence

COMPUTER FRAUD

Computer Fraud \$ 10,000 Per Occurrence

DATA COMPROMISE LIABILITY INCLUDED (THIRD PARTY COVERAGE)

NETWORK SECURITY LIABILITY INCLUDED (THIRD PARTY COVERAGE)

ELECTRONIC MEDIA LIABILITY INCLUDED (THIRD PARTY COVERAGE)

COVERAGE UNDER ARTICLE THREE IS PROVIDED TO THE MEMBER SUBJECT TO THE MINNESOTA COUNTIES INTERGOVERNMENTAL TRUST JOINT POWERS AGREEMENT, BY-LAWS, THIS COVERAGE DOCUMENT AND ANY ENDORSEMENTS ATTACHED HERETO. NOTHING CONTAINED IN THE TRUST JOINT POWERS AGREEMENT, BY-LAWS OR THIS COVERAGE DOCUMENT SHALL CONSTITUTE A WAIVER OF ANY IMMUNITIES CONFERRED UNDER MINNESOTA STATUTE SECTION 466.03, NOR A WAIVER OF THE LIMITS OF GOVERNMENTAL LIABILITY UNDER MINNESOTA STATUTE 466.04. VARIOUS PROVISIONS IN THIS COVERAGE DOCUMENT RESTRICT COVERAGE. READ THE JOINT POWERS AGREEMENT, BY-LAWS AND THIS COVERAGE DOCUMENT CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

COUNTERSIGNED 12/8/2020

(Date)

BY

(Authorized Representative)

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# Kandiyohi County and City of Willmar Economic Development Commission AGREEMENT FOR SERVICES for



Broadband Planning in Kandiyohi County July 1, 2021 – January 31, 2022

THIS AGREEMENT is made and entered into this \_\_\_\_ day of April, 2021 between Kandiyohi County and City of Willmar Economic Development Commission (hereafter EDC), P.O. Box 1783, Willmar, MN 56201 and Constance J. Schmoll (hereafter Contractor), 7001 12<sup>th</sup> Street NW, Willmar, MN 56201. EDC and Contractor agree to the following terms and conditions:

A. <u>Duties, Terms and Services</u>: Subject to the terms and conditions of this Agreement, EDC hereby engages Contractor to perform the services set forth herein for the EDC's Broadband and Advanced Technology Committee and for broadband planning and outreach activities in Kandiyohi County (hereafter "the Project"), and Contractor hereby accepts such engagement.

Under this Agreement, Contractor will provide the services as described in the Scope of Work (attached as Exhibit A) which outlines key work pertaining to the Project including, but not limited to, project planning, coordination of efforts, grant writing, marketing, outreach to businesses and nonprofits, technical assistance and reporting documentation with the Project. The Project scope of work may be modified through electronic and/or written agreement by EDC and Contractor.

This Agreement shall commence on July 1, 2021 and be completed on or before January 31, 2022. Services will be provided as agreed upon and generally described in the Scope of Work (attached as Exhibit A).

- B. Written Reports and Materials: The contract will require that all written documentation compiled within the scope of work be provided on or before March 1, 2022. All documents prepared by Contractor in connection with services rendered under this Agreement, are and shall remain the exclusive property of EDC.
- C. Compensation: EDC agrees to pay Contractor a fee of up to \$9,880 (approximately 152 hours) at a rate of \$65/hour for each hour completed toward the Project. In addition, Contractor may request reimbursement of up to \$800 for travel/mileage and \$100 for supplies and materials. The total compensation shall not exceed \$10,780 unless all parties agree to additional compensation, in writing, within the timeframe of this contract. The EDC or Contractor may request additional compensation should the scope of work be expanded and associated costs be agreed upon by all parties.
- D. <u>Billing/Payments</u>: Contractor shall submit an invoice one time per month beginning on July 31, 2021. A final invoice covering remaining costs shall be submitted by Contractor within 15 days of the contract end date of January 31, 2022. Compensation shall be payable by EDC within 15 days of receipt of the Contractor's invoices. Contractor shall bill and EDC shall reimburse the Contractor for all reasonable expenses that are incurred in connection with the performance of duties. All expenses must be submitted with receipts for specific itemized expenses.
- E. <u>Use of Personal Automobile</u>: Contractor will be reimbursed for mileage at the rate established by the Internal Revenue Service (currently .56 cents/mile) when using her own automobile for travel on authorized activity related to contract completion. Transportation expenses between Contractor's home and the EDC shall be considered personal commuting expenses and not reimbursable under this agreement. Transportation expense for planning meetings from Contractor's home or from the EDC office

shall be reimbursed. The maximum reimbursement for mileage must fall within the compensation limit noted in paragraph C. Contractor shall carry, at her own expense, the minimum insurance coverage for property damage and public liability relating to the operation of her personal vehicle.

- F. <u>Liability and Indemnification</u>: Contractor represents that the services to be provided under this Agreement are reasonable in scope and she has the experience and ability to provide the services. Contractor agrees to indemnify and hold harmless EDC against all claims, suits or judgments made or recovered by any and all persons which are the result of acts or omissions of Contractor, Contractor's agents or employees during performance of services under this Agreement.
- G. <u>Confidentiality</u>: Contractor acknowledges that during the engagement she may have access to and become acquainted with information about the Project and EDC. Contractor agrees she will not disclose any information, directly or indirectly, about the Project or EDC, either during the term of this Agreement or at any other time thereafter, except as required in the course of this engagement or with the approval of EDC. All files, records, documents, letters, notes and similar items relating to the Project, whether prepared by Contractor or otherwise coming into her possession, shall remain the exclusive property of EDC.
- H. <u>Termination</u>: Either party may terminate this Agreement by giving 30 days prior written notice to the other. In the event of any such termination, Contractor shall be compensated for professional fees and expenses incurred with respect to services performed through the effective date of termination, but will not be entitled to any additional compensation. In addition, if Contractor is convicted of any crime or offense, fails or refuses to comply with written policies or reasonable directive of EDC, is guilty of serious misconduct in connection with performance, or materially breaches provisions of this Agreement, EDC at any time may terminate the engagement of Contractor immediately and without prior written notice to Contractor.
- Independent Contractor: This Agreement shall not render Contractor an employee of EDC. Contractor is
  and will remain an independent contractor in her relationship to EDC. EDC shall not be responsible for
  withholding taxes with respect to Contractor's compensation hereunder. Contractor shall have no claim
  against EDC hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security,
  worker's compensation, health or disability benefits, unemployment insurance benefits or employee
  benefits of any kind.
- J. <u>EDC Non-Discrimination Policy</u>: Contractor shall adhere to EDC's non-discrimination policy. The policy states EDC does not discriminate on the basis of race, color, sex, national origin, sexual orientation, disability, age or religion in its employment, or the provision of programs and services.

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Ву:		
Aaron Backman	Constance J. Schmoll	7
Executive Director	Independent Contractor	
Date: April , 2021	Date: April 2021	

KANDIYOHI COUNTY & CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION

# Exhibit A Scope of Work for Contracted Broadband Planning and Deployment Assistance in Kandiyohi County

The following outline proposes tasks and the proposed estimated timeframe for the contract. This outline should be considered a starting point for discussion about the preferred process and timeframe to best meet the desired outcome of this project. The full scope of work will be determined by several factors, including:

- Final decisions made by potential broadband service providers and Kandiyohi County/Township leaders who choose to move forward with broadband planning and potential project implementation.
- 2. Funds allocated for broadband deployment during the 2021 State of Minnesota Legislative Session and other possible funding sources.
- 3. Direction provided by EDC for advancing the current deployment project and beginning or continuing future projects.

JULY 2021—40 hours Actual: 116 hours – concentration on Federated 4-township project, Prinsburg project and possible NTIA grant application planning. Meetings with providers, seven townships and one city.

- Work with Federated Telephone Cooperative to finalize broadband deployment plans, including
  determining number of residential sites, businesses, anchor institutions and other potential consumers of
  broadband in the proposed project area and market the project to constituents to determine
  commitment. The current proposed project area includes the townships of Arctander, Dovre, Mamre and
  St. Johns.
- Coordinate work of the EDC Broadband and Advanced Technology Committee to inform and educate township constituents and promote signing of a petition asking the township supervisors to invest in the project.
- Coordinate planning sessions with representatives of Arctander, Dovre, Mamre and St. Johns Townships in their current pursuit of a broadband deployment project with Federated Telephone Cooperative.
   Decisions will need to be made about bonding, assessing constituents, creating a subordinated service district, service agreements with the broadband providers and paying for or bonding to secure funds to pay for the project.
- Continue to seek funding from various sources, in addition to county funds and township resources and bonding, to bring the cost down for individuals and businesses in the project area. Additional funds may come from Kandiyohi County from American Rescue Plan Act funds and businesses in the project area or that serve the project area.
- Continue discussions with Hanson Communications and Vibrant Broadband on additional broadband projects in the rural areas of Kandiyohi County. Broadband deployment is an eligible expense for use of American Rescue Plan Act funds and the timeframe for that use aligns with broadband deployment projects that can be planned during the year 2021 and finished by December 2023.
- Provide continued communication with providers, EDC, the EDC Broadband and Advanced Technology Committee, townships and Kandiyohi County.

AUGUST 2021—36 hours I now predict a 70-hour month. In addition to state grant, the NTIA grant needs to be completed and extra letters of support secured. Townships need to conduct constituent meetings. Education will be necessary again as some of the people will not have attended the other meetings.

- Continue tasks as in July according to need.
- Secure letters of support for the broadband projects to be submitted with the Minnesota Border-to-Border
  Broadband Development Grant application. Letters are needed from constituents, as well as those serving
  the people in the project area (schools, healthcare, parks, farm services, technology and more).
- Prepare a competitive grant application, in conjunction with Federated Telephone Cooperative, to be submitted by late August or early September 2021 to meet the state grant application deadline.
- Continue securing letters of support, refinement of the competitive grant application, and coordination of planning with providers, EDC, the EDC Broadband and Advanced Technology Committee, townships, Kandiyohi County and other funders.
- Provide assistance to Federated Telephone Cooperative to submit the state grant application and remain in contact with the Minnesota Office of Broadband Development to provide additional information and materials as requested.

September 2021 – January 2022—40 hours Additional projects have been suggested since the start of contract. Vibrant broadband is one that will need to wait for planning until after September. I predict that project will take quite a bit of planning with the provider and townships. The hours for September – January will likely be 70 hours.

- Remain in contact with the Minnesota Office of Broadband Development to provide additional information and materials as requested.
- Further pursue future projects with township leaders and constituents and with potential broadband providers and start the planning process with interested parties.
- Provide continued communication with providers, EDC, the EDC Broadband and Advanced Technology Committee, townships and Kandiyohi County.
- Spend time coaching and training the EDC's Business Development Manager in the area of broadband development.

New Prediction: 256 hours @ \$65 = \$16,640 rather than the original \$10,000

### **Consultants Forum Workshop**

Hosted by AreaDevelopment
Detroit, MI
July 12-14, 2021

In mid-July, Business Development Manager, Sarah Swedburg, attended the Consultants Forum Workshop hosted by AreaDevelopment in Detroit, Michigan. This was a great opportunity to meet and network with site selectors and other economic development professionals.

#### **Attendees**

There were approximately 65 people in attendance, which was advantageous in networking with nearly everyone. Of the 65 people present, 19 were site selectors representing firms such as CBRE, Baker Tilly, Burns & McDonnell, and BDO. The majority of attendees were from the Midwest region of the United States, with some attending from the East Coast and Southeast regions as well. Many of the site selectors currently represent clients in industrial, manufacturing, and food & beverage sectors.

#### **Workshop Sessions**

On our primary day of the conference, July 13<sup>th</sup>, attendees participated in a selection of six workshop sessions that were presented by the site selectors in attendance. Sarah attended the following:

- "Site Preparation, Pre-Capital Planning, and the Site Selection Decision"
- "Comprehensive Capital: How to Pay for Challenging Projects in Your Community"
- "Cost Modeling: Understanding Project Numbers"
- "Leveraging ALL of Your Communities Assets When Competing for a Project"
- "How Sustainability Initiatives are Impacting Site Selection and Economic Development"
- "Reverse Logistics Growth, Opportunities, and Challenges for Communities"

On the last day of the conference, Sarah also participated in two round tables with two additional site selectors.

These workshops provided great insights on what site selectors are looking for when contacting economic development professionals on behalf of their clients. Site Selectors shared their recommended best practices for communities and economic development professions, such as information to have prepared for RFI's and details to consider when providing site/community tours. As to be expected, work force availability was a hot topic. At one of the round tables, there was great conversation about promoting the programs and partnerships that your community is working on, to show that you are actively addressing the needs and concerns of existing businesses, creating a ripe environment for additional companies to locate in your area.

#### Networking

There were numerous opportunities to converse with all attendees between workshop sessions and during meals. Since returning, Sarah has been drafting follow up messages and opportunities to continue conversations with site selectors about Kandiyohi County. We are also looking more into the "Reverse Logistics" sector, as our area aligns well with the description of an ideal location for these emerging facilities.