

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

MINUTES

January 20, 2016  
EDC Office, Willmar, MN

Present: Denis Anderson, Marv Calvin, Tim Johnson substituting for Ron Christianson, Roger Imdieke, Harlan Madsen and Jim Butterfield substituting for Doug Reese

Guest: Donna Boonstra, Joint Operations Board member; Mike Burgett, Anderson & Burgett; Sharon Klumpp, Waters & Company

Media: Carolyn Lange, West Central Tribune

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

Chairperson Harlan Madsen called the meeting to order at approximately 12:00 p.m. followed by self introductions. Madsen informed the board he invited Donna Boonstra and Gary Gilman, members of the search committee from the EDC's Joint Operations Board, to attend today's meeting. Chairperson Madsen welcomed Donna Boonstra and noted Gilman was out of town on business. Chairperson Madsen also welcomed attorney Mike Burgett, who he asked to attend to address any legal questions that may arise. Chairperson Madsen noted this is an exciting day for the community and asked Sharon Klumpp to provide a synopsis of the search process, to review the employment proposal and to make suggestions on any EDC personnel policies she observed from her professional experience.

Sharon Klumpp reviewed with the board her January 20, 2016 Memorandum (see attached), which provided the process done by her and the search committee in seeking candidates for the EDC's Executive Director position, including a salary comparison of individuals in this field. Klumpp informed the board that Aaron Backman has signed the Employment Agreement. Klumpp pointed out the area of her memo as to variations in the EDC's personnel policies that should be reviewed, including vacation and sick days, noting many entities have changed to a bank of dates rather than defining it as vacation or sick days.

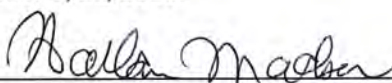
IT WAS MOVED BY Denis Anderson, SECONDED BY Roger Imdieke, to accept the Employment Agreement with Aaron Backman as presented for the Executive Director position for the Kandiyohi County and City of Willmar Economic Development Commission. MOTION CARRIED UNANIMOUSLY BY ROLL CALL.

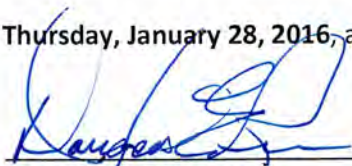
Chairperson Madsen extended his appreciation to Klumpp for her commendable work on behalf of the EDC in this search process. Denis Anderson, who was on the search committee, also extended his appreciation to Klumpp for working with the search committee and indicated his excitement in moving forward.

**ADJOURNMENT**—There being no further business, the meeting was adjourned at approximately 12:37 p.m.

**NEXT MEETING**—The annual board meeting is **11:30 a.m., Thursday, January 28, 2016**, at the EDC office.

APPROVED: 1/28/2016:

  
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Harlan Madsen, Chairperson

  
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Doug Reese, Secretary

## MEMORANDUM

**TO:** Kandiyohi County and City of Willmar EDC  
**FROM:** Sharon Klumpp  
**DATE:** January 20, 2016  
**SUBJECT:** Search Process Overview

Executive recruitments for economic development directors are always challenging. The position calls for a broad array of skills—strategic, big picture thinkers who are at the same time skilled in executing the steps and managing the details of an economic development project; financial analysts who can explain complex financings to policy makers, business leaders, developers and the general public; and relationship builders and networkers who are adept at leveraging resources. In the Kandiyohi County and City of Willmar EDC Executive Director search experience in completing successful economic development projects, a collaborative management approach, and the ability to address the needs of all of the County's municipalities were additional requirements.

The Search Committee began working on the Executive Director search in August. Major steps in the process are summarized in the following table:

August	Met individually with Search Committee members to gather information to develop the recruitment brochure
September	Reviewed salary data for comparable positions; completed the recruitment brochure with input from the Search Committee;
October -November	Placed ads, developed a database of prospective applicants and sent out direct mail letters; sent e-mail notice to all EDAM members about the position; accepted applications. Personal phone calls were made to economic development professionals throughout the state to invite interested persons to apply for the position.
November	Received 15 applications, 8 applicants were asked to provide additional information in the form of a candidate questionnaire and an application addendum. Reviewed applicant information with the Search Committee and invited six candidates to participate in first round interviews.
December	Search Committee conducted first round interviews with six candidates; four candidates were forwarded to the JPB. Conducted reference checks and completed a background records check for the four candidates.

January	JPB conducts interviews with two finalists (two of the candidates withdrew prior to the final interview) and selects a top candidate. Obtained information on the top candidate's existing terms of employment and identified terms of employment that needed to be addressed in a new employment agreement. Worked with legal counsel; provided updates and requested input from JPB members to develop the employment agreement. Presented the employment agreement to the top candidate.
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The top candidate for the Executive Director position has extensive experience, including 20 years of in community and economic development. He has worked for the cities of Windom and Mounds View, Minnesota and Jamestown, North Dakota, brings a wealth of experience that can be used to further strategic goals that are important to the EDC, such as recruitment of businesses for the industrial park, broadband and tourism. The EDC position was attractive to him because it offered the opportunity to bring his skills and experience to a regional center and continue his professional growth. He made a point of physically visiting nearly all of the County's municipalities—a strong indication of his interest in the Executive Director position.

When news that Mr. Backman was a finalist in the EDC search reached the City of Windom, the City wasted no time in doing all that it could to retain him. While there is precedence for existing employers to provide increased compensation to retain employees, the City of Windom was most impressive in the intensity of its efforts.

Employment discussions with Mr. Backman focused on developing a competitive employment package commensurate with the role and responsibilities of the Executive Director position. Major provisions of the agreement are outlined below:

- **Starting Date:** February 22, 2016; however, Mr. Backman is finding that February 24 would be a better start date.
- **Term.** Renewed from year to year as provided for in the EDC's personnel policies.
- **Salary:** A starting salary of \$98,000 effective on February 22, 2016. Subject to a satisfactory performance review, Mr. Backman's salary would increase to \$100,000 in 2017 on his anniversary date. If Mr. Backman's performance exceeds expectations, the EDC could at the discretion of the Joint Powers Board increase his salary above \$100,000.
- **Pension:** Participation in PERA.
- **Vacation:** Vacation accrual at the rate of 20 days per year and a bank of 80 hours effective on Mr. Backman's first day of employment. Maximum accumulation is up to two years' the amount of annual accrued vacation.
- **Sick Leave:** Sick leave accrual at the rate of 8 hours per month (12 days per year) with the ability to carryover a maximum of 80 hours.
- **Holidays.** Holidays will be consistent with those identified in the personnel policies.
- **Health Insurance:** Single health insurance.
- **Mileage Reimbursement:** Use of Mr. Backman's personal vehicle for EDC business will be reimbursed monthly at the IRS effective rate.

- **Moving Expenses.** The EDC will reimburse Mr. Backman for up to \$1,250 in moving expenses from Windom to Kandiyohi County upon presentation of receipts documenting his expenses.
- **Professional Memberships/Conferences:** The EDC will cover the cost of Mr. Backman's membership in EDAM and attendance at the winter and summer conferences. Other member dues and attendance at other conferences and seminars will be determined consistent with EDC policy.
- **Performance Review.** Performance review after y six months and twelve months on the job and annually thereafter.
- **Deferred Compensation.** The EDC will establish a deferred compensation program, similar to the MSRS program, for Mr. Backman's use and for use by other EDC employees.
- **Termination.** 30 days' written notice. If termination of the Executive Director is not for cause, then the Executive Director will receive six months' salary payable in a lump sum or 13 biweekly installments and continuation of health insurance until new insurance is obtained or six months, whichever comes first.

Transition has been a theme throughout this search process. It has been rewarding for me to work first with the Search Committee and then with the Joint Powers Board as new ideas and opportunities have been discussed. As I have worked with the EDC on the employment agreement, several transition items related to the EDC's personnel policies have come to my attention. These items are listed below for your future reference.

- **Coverage of Personnel Policies.** Personnel policies should provide a consistent framework for all EDC employees. There appear to be significant differences in the benefits employees have received with some benefits defined in the personnel policies and others defined in employment agreements. Employment agreements do not typically define different levels of vacation and sick leave benefits. Consider a review of these policies.
- **Deferred Compensation.** Set up a deferred compensation program and make it available to all employees.