

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

MINUTES

July 26, 2018

EDC Office, Willmar, MN

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

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)

Chairperson Kathy Schwantes called the meeting to order at approximately 11:30 a.m.

MINUTES

IT WAS MOVED BY Rollie Nissen, SECONDED BY Harlan Madsen, to approve the minutes of the April 26, 2018 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 April 30, May 31 and June 30, 2018 and gave a mid-year review of the financials. Backman recommended the 2018 budget be revised to include an expense line item for the summer intern of \$3,000-\$3,500.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Fernando Alvarado, to adjust the Kandiyohi County and City of Willmar Economic Development Commission's 2018 budget by adding a line item under expenses/employee compensation for the summer intern in the amount of \$3,500 to be funded from reserves. All present voted unanimously in favor by roll call.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Rollie Nissen, to accept the Kandiyohi County and City of Willmar Economic Development Commission financial reports for periods ending April 30, May 31 and June 30, 2018, subject to audit. All present voted unanimously in favor by roll call.

[Betsy Bonnema joined the meeting.]

PRESENTATION ON WORKUP. Betsy Bonnema thanked the board for supporting WORKUP and for the loan she received from the EDC. Bonnema noted the EDC is one of seven founding members of WORKUP. There are currently 17,000 co-working spaces across the world and it is anticipated that number will double by 2022. Minnesota has 34 co-working spaces, 3 of which are nonprofits and 8 of which are located in out-state Minnesota. Bonnema noted Bemidji's co-working space is run by its economic development agency. Bonnema provided information from her 2015 goals when she started WORKUP. WORKUP has a half-time employee and its income is generated from rent from REDstar, member fees and the STARTUP training program. The STARTUP program is two years old and serves entrepreneurs, startups and existing businesses. It is a 15-20 hour workshop that 37 companies have been through. Each of the companies have had very positive comments after attending STARTUP. Bonnema estimated that 22-25 jobs were created by the businesses that attended STARTUP; 3 manufacturers were developed; 2 businesses expanded and changed locations; and 13 established a location or improved a location. Southwest Initiative Foundation (SWIF) pays for its loan recipients to attend the STARTUP program. The attendee coming the farthest was from Delano. Bonnema distributed a flyer on WORKUP (see attached). Membership is on a sliding scale for companies. WORKUP is a social company that is being subsidized by REDstar Creative. Events, such as 1 Million Cups and Social Media Breakfast, are hosted at WORKUP and it is included on community tours, which have been good marketing tools. Roger Imdieke noted the new GrandStay Hotel has a business center where travelers can work, if needed when traveling. Bonnema stated WORKUP has great internet service and encouraged EDC board and committee members to use the space under the EDC's founding membership.

[Bonnema was excused from the meeting.]

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Backman reported the Minnesota Department of Transportation (MnDOT) released design build proposals for the Wye project and has reached a tentative agreement with BNSF on the Master Agreement. The project time line includes bid letting for September 26, 2018; road construction to begin in April 2019 and be completed by June 2021; and railway construction to begin in the spring of 2021 and be completed by fall of 2022. Imdieke suggested a Save the Date be sent to current legislators once a groundbreaking ceremony is set. Backman reported EDC staff and Bruce Peterson are working with CBRE, a national real estate company, to build a 100,000 sq. ft. warehouse/shipping facility for a logistics company in the Willmar Industrial Park. The company is looking for easy access to four-lane roads and will need parking for 80 cars and many trailers. Backman reported he and Peterson have also been working with a company that would like to build a \$10 million pasteurization facility south of MinnWest Technology Campus near the bypass that would have around 20 employees.

Highway 23 Coalition. Backman gave an update on the Highway 23 Coalition and the inclusion of \$105 million in the bonding bill to complete the two gaps between New London and Richmond. Backman, Rollie Nissen and Donna Boonstra, along with nine other local representatives, traveled to Washington, D.C. where the group met with the congressional delegation. While in Washington, D.C., the Coalition was encouraged to include a border-to-border focus from Duluth to Sioux Falls. The Coalition currently has 90 members. Construction of the first gap is to be concluded in 2022 and the second gap in 2024. Patrick Weidemann, Program Director of Capital Planning for MnDOT,

recently attended a Coalition board meeting to give an update on the corridor. Backman reported he has started making presentations to governmental units for membership renewal. Possible new members include Benton and Pipestone Counties and Schmoll has had conversations with Duluth. Backman will be presenting to the City of Raymond in early August. Imdieke reported the safety realignment by the Country Stop in New London is scheduled for 2022 and, at that time, Kandiyohi County will also realign County Road 40. Imdieke recommended Peterson Parkway be included in future road expansions.

Little Crow Golf Resort. Backman reported Little Crow Golf Resort held a membership meeting last night and they are pleased with the results of the project. Events have been held in the event center and the hotel will have a soft opening tonight with overnight guests.

2018 Goals.

Childcare. Schmoll reported UCAP (United Community Action Partnership) received a grant from First Children's Finance for technical assistance. A core leadership of 20 will meet tomorrow. Schmoll stated discussions have been held with SWIF, which tentatively committed \$5,000 to the EDC for childcare.

Diverse Business Initiative. Backman reported CLUES just completed the second co-hort of CNA training and has added a welding course. Schmoll reported she attended a training by the Neighborhood Development Center (NDC) about a place-based approach to building talent in communities. NDC offers technical assistance and has an 11-week entrepreneur training class.

Opportunity Zones. Schmoll reported the Minnesota Department of Employment and Economic Development and the McKnight Foundation are awaiting more information from the federal government. Schmoll has attended a couple of webinars. Information on the program has been shared with the West Central Angel Fund and local investors.

Transportation Infrastructure. No additional report.

USDA Rural Business Development Grant for Simply Shrimp. Schmoll reported the application was submitted for \$90,000 and contact was received asking if the project could use \$107,000 instead. As a result, a revised application was submitted for the higher amount. They are awaiting receipt of a confirmation letter.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

Willmar Area Multicultural Business Center Acquisition. Chair Schwantes reported the Joint Operations Board passed a motion recommending the EDC receive transfer of the Willmar Area Multicultural Business Center's (WAM-BC) Microenterprise Loan Fund and remaining assets and assist WAM-BC with dissolution. Backman reported WAM-BC has five outstanding loans in the

approximate amount of \$26,000, two of which are in default. There is approximately \$47,000 in the loan fund. Two of the outstanding loans will be paid off in the fall of 2018; three require the lien be perfected and two were recommended be pursued in Conciliation Court. Risk to the EDC is minimal and the potential cost to assist with dissolution is approximately \$2,000-\$3,000.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, that the Kandiyohi County and City of Willmar Economic Development Commission receive transfer of the Willmar Area Multicultural Business Center's Microenterprise Loan Fund and any assets that remain after payment of final expenses and that it assist the Willmar Area Multicultural Business Center with dissolution. All present voted unanimously in favor by roll call.

Backman noted WAM-BC will file the entity's final tax return and pursue collection of the two loans in default.

2019 Proposed Budget. Backman presented the 2019 proposed budget, highlighting it is a balanced budget with proposed total revenues of \$587,613 (2.6% increase) and expenses of \$587,600 (2.9% change) (see attached). Backman noted the Joint Operations Board discussed whether or not meals should be provided to committee and board members. Backman and Schmoll addressed proposed increases to two of the committees. Imdieke suggested a footnote be included as to the increased amounts for those committees. The proposed budget includes a 3.6% increase to Schmoll's salary based upon a good annual review. Also, there is an 8.3% increase to staff health insurance with any increase above that being paid by staff. Backman noted the Joint Operations Board approved reducing the EDC's membership in WORKUP by half in 2019 and end membership in 2020. Imdieke questioned if it should be expected that WORKUP be sustainable in the future? Schmoll recommended the EDC receive an annual update to monitor WORKUP's self sufficiency.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Roger Imdieke, to approve the 2019 budget as proposed for the Kandiyohi County and City of Willmar Economic Development Commission and that it receive an annual review of WORKUP. All present voted unanimously in favor by roll call.

[Fernando Alvarado was excused from the meeting.]

Backman requested the 2019 Balance Sheet include a \$100,000 reserve for the WAM-BC loan fund and an increase in reserves for the Revolving Loan Fund from \$224,052 to \$300,000.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Harlan Madsen, that in 2019 a reserve fund of \$100,000 be added for the Willmar Area Multicultural Business Center loan fund and that reserves for the Revolving Loan Fund be increased to \$300,000. All present voted unanimously in favor by roll call.

COMMITTEE HIGHLIGHTS

Agriculture and Renewable Energy Development. Schmoll reported the committee has been planning for the Talent & Technology workshop to be held August 13th at Little Crow Golf Resort (see attached) and encouraged board members to attend.

Broadband and Advanced Technology. Schmoll reported the Rural Broadband Coalition is actively looking at next steps. More information is included in her written report to the board (see attached).

Business Retention and Expansion/Recruitment. Backman reported he presented a letter of support for the Lakeland Apartments and has had conversations with a Fargo, North Dakota, developer as to another project on Lakeland Drive. Backman stated the market is tight for rental units and houses and there continues to be a strong need for housing options. Backman reported he met with Dr. Craig Johnson, the new president of Ridgewater College, who has agreed to meet with Backman on a regular basis.

Marketing and Public Relations. Backman reported the committee has assisted with the Talent & Technology workshop and with an advertisement and article to be published in an upcoming issue of the *Business In Focus* magazine.


Backman distributed his updated report to the board (see attached). Board members complimented the staff on their work for the EDC and their written reports.

ADJOURNMENT—There being no further business,

IT WAS MOVED BY Rollie Nissen to adjourn the meeting.

The meeting was adjourned at approximately 1:40 p.m.

NEXT MEETING—The next regular board meeting is 11:30 a.m., Thursday, October 25, 2018, at the EDC office.



Roland Nissen, Secretary

APPROVED: 10/25/2018:



Kathy Schwantes, Chairperson

a social company



founding members



workup members



greater
community



startup
bootcamp

workup members

Monthly member fees fund our space and offset programming costs for early stage entrepreneurs.

startup bootcamp

Startup empowers entrepreneurs and companies looking to launch, pivot or grow. The cost is based on our member-funded sliding scale designed to give young bootstrapping startups a leg up.

startup community

Our Startup community of bootcamp alumni continues to grow and we offer opportunities for connection, business relationships, learning and collaboration long after bootcamp is over.

greater community

By strengthening our entrepreneurial ecosystem, we are building a vibrant startup scene which will attract more members to Workup and more companies to our area.



	Proposed 2019	As of 6/30/2018	2018 Budget	2017 Actuals
REVENUES				
County Tax Levy	\$ 528,600	\$ 295,551	\$ 514,600	\$ 498,765
Ag Events Sponsorships/Fundraising/Fees	\$ 7,000	\$ 6,144	\$ 1,000	\$ 750
Creating Entrepreneurial Opportunites student loan program	\$ 28,000	\$ 19,400	\$ 30,000	\$ 32,861
Grants	\$ 10,000	\$ -	\$ 7,500	\$ 15,000
Insurance dividends	\$ 1,000	\$ -	\$ 1,200	\$ 1,162
Interest on investments				
Concorde Bank (Revolving Loan Fund savings account)	\$ 200	\$ 220	\$ 200	\$ 212
Concorde Bank CD matures at .76% matures 9/28/2018	\$ -	\$ -	\$ 1,000	\$ 1,572
North American State Bank CD at 1.06% matures 5/12/18	\$ -	\$ 802	\$ 800	\$ 401
Heritage Bank savings account	\$ 141	\$ 267	\$ 60	\$ 96
United Prairie Bank \$104,592.73 CD @ 1.5% matures 10/3/2018	\$ 780			
United Prairie Bank \$75,000 CD @ 1.75% matures 5/22/2019	\$ 1,300			
US Bank CD (Tourism Development Account) at .690% matures 2/20/2018	\$ -	\$ 379	\$ -	
Loans				
ELGP loan application fees	\$ 200	\$ -	\$ 300	\$ -
Microenterprise Loan Fund repayments interest (WAM-BC)	\$ 101			
Revolving Loan Fund application fees	\$ 600	\$ 300	\$ 800	\$ 426
Revolving Loan Fund filing fee reimbursements	\$ 100	\$ 135	\$ 80	\$ 40
Revolving Loan Fund repayments interest	\$ 8,091	\$ 5,019	\$ 8,500	\$ 9,282
Other Income				
Refunds, reimbursements and in-kind contributions (inc. Hwy 23)	\$ 1,500	\$ 16	\$ 3,500	\$ 13
WAM-BC rent	\$ -	\$ (750)	\$ 3,000	\$ 5,250
Total Revenues	\$ 587,613	\$ 327,483	\$ 572,540	\$ 565,830
EXPENSES				
Revolving Loan Fund Expenses				
Bank Fees	\$ 48	\$ 21		\$ 1
Recording Fees		\$ 46		\$ 40
Other		\$ 69		
Total Revolving Loan Fund Expenses	\$ 48	\$ 136		\$ 41
Economic Development Community Contributions	\$ 1,000		\$ 1,000	
Sponsor Fees				
Ag & Animal Science Conference	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
U of M Technology Showcase	\$ 500	\$ -	\$ 500	\$ 147
Vision 2040	\$ 2,000	\$ 2,500	\$ 2,000	\$ 2,000
Other	\$ 1,500	\$ 500	\$ 1,500	\$ 750
Total Contributions and Sponsor Fees	\$ 6,500	\$ 4,500	\$ 6,500	\$ 4,397
Other Expenses:				
Joint Operations Board (includes meals/administrative time)	\$ 2,900	\$ 1,605	\$ 2,800	\$ 3,461
Joint Powers Board (includes meals/administrative time)	\$ 2,000	\$ 1,264	\$ 1,900	\$ 1,708
SCORE (cell phone and email account)	\$ 750	\$ 370	\$ 400	\$ 728
Total Other Expenses	\$ 5,650	\$ 3,239	\$ 5,100	\$ 5,897
Countywide Business Development				
CEO Student Program Administration	\$ 800	\$ 395	\$ 750	\$ 375
BUILD (TIGER II) Grant - Willmar Industrial Park	\$ 35,000	\$ -	\$ 35,000	\$ -
Miscellaneous countywide business development	\$ 6,000	\$ 514	\$ 6,000	\$ 1,798
Total Countywide Business Development	\$ 41,800	\$ 909	\$ 41,750	\$ 2,173



	Proposed 2019	As of 6/30/2018	2018 Budget	2017 Actuals
COMMITTEE EXPENSES				
Agriculture and Renewable Energy Development				
Ag Producer BRE Survey		\$ -		\$ 5,622
Annual Ag Workshop				
Event Center and Fees	\$ 1,100			
Food	\$ 900			
Marketing	\$ 3,000			
Speaker	\$ 2,000			
Total Annual Ag Workshop Total	\$ 7,000			
Conferences/Seminars/Trainings	\$ 1,100	\$ 754	\$ 1,100	\$ 1,229
Industrial Hemp Value-Added Study	\$ 5,000			
Marketing	\$ -	\$ 805	\$ 1,500	\$ 949
Meals/Meeting Refreshments	\$ 600	\$ 388	\$ 600	\$ 525
Mileage/Travel	\$ 1,200	\$ 569	\$ 1,200	\$ 1,181
Professional Services				
General Administrative Services	\$ 2,000	\$ 1,434	\$ 2,000	\$ 4,635
Professional Services - Other	\$ -	\$ 548	\$ 1,000	\$ 380
Supplies (office or program)	\$ 250	\$ -	\$ 250	\$ 26
Total Ag Committee Expenses	\$ 17,150	\$ 4,498	\$ 7,650	\$ 14,547
Broadband and Advanced Technology				
Conferences/Seminars/Trainings	\$ 500	\$ 150	\$ 500	\$ 255
Marketing	\$ 200	\$ -	\$ 200	\$ 2,587
Meals/Meeting Refreshments	\$ 1,000	\$ 645	\$ 900	\$ 1,452
Mileage/Travel	\$ 550	\$ 382	\$ 500	\$ 776
Postage	\$ 50	\$ -	\$ 50	\$ 52
Printing, copying & publishing	\$ 350	\$ -	\$ 350	\$ 508
Professional Services				
General Administrative Services	\$ 1,030	\$ 810	\$ 880	\$ 2,932
Total Broadband and Advanced Technology Committee Expenses	\$ 3,680	\$ 1,987	\$ 3,380	\$ 8,562
Business Retention and Expansion/Recruitment				
Childcare Initiative	\$ 1,200			
Conferences/Seminars/Trainings	\$ 800	\$ 12	\$ 750	\$ 155
Highway 23 Coalition		\$ 4,129	\$ 3,000	\$ 4,064
Conferences/Seminars/Trainings	\$ 200			
General Administrative Services	\$ 2,000			
Meals/Meeting Refreshments	\$ 200			
Mileage/Travel	\$ 500			
Other	\$ 100			
Total Highway 23 Coalition	\$ 3,000			
Marketing	\$ 150	\$ -	\$ 150	\$ 4
Meals/Meeting Refreshments	\$ 200	\$ 56	\$ 200	\$ 220
Mileage/Travel	\$ 1,000	\$ 275	\$ 700	\$ 694
Printing, copying & publishing	\$ 150	\$ -	\$ 150	\$ 52
Professional services				
General administrative services	\$ 1,200	\$ 622	\$ 1,100	\$ 1,221
Professional services - Other	\$ 200	\$ -	\$ 300	\$ 50
Supplies (office or program)	\$ 200	\$ -	\$ 200	
Workforce Development (Job Fair, CLUES, etc.)	\$ 2,500			
Grants	\$ 5,000	\$ -	\$ 6,500	\$ 713
General administration	\$ -	\$ -		\$ 472
Total BRE/R Committee Expenses	\$ 15,600	\$ 5,094	\$ 13,050	\$ 7,645
Finance				
Marketing	\$ 100	\$ -	\$ 100	
Meals/Meeting Refreshments	\$ 500	\$ 190	\$ 500	\$ 345
Mileage/Travel	\$ 50	\$ 5	\$ 100	\$ 36
Professional services				
General administrative services	\$ 900	\$ 583	\$ 800	\$ 1,258
Legal services	\$ 400	\$ -	\$ 350	\$ -
Total Finance Committee Expenses	\$ 1,950	\$ 778	\$ 1,850	\$ 1,639



	Proposed 2019	As of 6/30/2018	2018 Budget	2017 Actuals
Marketing and Public Relations				
Meals/Meeting refreshments	\$ 800	\$ 406	\$ 700	\$ 718
Media	\$ 900	\$ 215	\$ 1,100	\$ 547
Mileage/Travel	\$ 100	\$ 24	\$ 100	\$ 102
Advertisements	\$ 800	\$ -	\$ 1,350	\$ 3,297
Special projects	\$ 1,200	\$ 433	\$ 2,400	\$ 1,082
Professional services				
General administrative services	\$ 1,800	\$ 938	\$ 1,600	\$ 1,698
REDstar Creative/Newsletters				
General Marketing	\$ 6,200	\$ 1,409		
E-Newsletter	\$ 3,500	\$ 1,348		
Social Media	\$ 3,500	\$ 1,589		
Website	\$ 1,700	\$ 843		
West Central Angel Fund	\$ 100	\$ 1,292		
Other	\$ 1,500	\$ 270		
REDstar Creative Total	\$ 16,500	\$ 6,751	\$ 18,000	\$ 15,208
Total Marketing and Public Relations Committee Expenses	\$ 22,100	\$ 8,767	\$ 25,250	\$ 22,652
Tourism/Leisure Travel				
CVB Tourism Partnership Agreement	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000
Meals/Meeting refreshments	\$ 100	\$ 32	\$ 100	\$ 40
Mileage/Travel	\$ 100	\$ 33	\$ 100	\$ 60
Total Tourism/Leisure Travel Committee	\$ 34,200	\$ 34,065	\$ 34,200	\$ 34,100
Total Committee Expenses	\$ 94,680	\$ 55,189	\$ 85,380	\$ 89,145
EMPLOYEE COMPENSATION				
Executive Director				
Director's salary	\$ 113,300	\$ 55,000	\$ 110,000	\$ 100,000
Director's health insurance	\$ 13,000	\$ 5,993	\$ 12,000	\$ 10,239
Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%)	\$ 8,670		\$ 8,415	\$ 291
Director's pension (PERA) employer rate is 7.5%	\$ 8,498	\$ 4,125	\$ 8,250	\$ 7,500
Total Executive Director's Compensation	\$ 143,468	\$ 65,118	\$ 138,665	\$ 118,030
Business Development Specialist's position				
Business Development Specialist's salary	\$ 72,500	\$ 35,000	\$ 70,000	\$ 62,815
Business Development Specialist's health insurance	\$ 13,000	\$ 5,993	\$ 12,000	\$ 8,447
Business Development Specialist's payroll taxes	\$ 5,546	\$ -	\$ 5,353	
Business Development Specialist's PERA	\$ 5,438	\$ 2,625	\$ 5,250	\$ 4,711
Total Business Development Specialist's Compensation	\$ 96,484	\$ 43,618	\$ 92,603	\$ 75,973
Summer Intern	\$ -	\$ 938		
Accrued vacation and sick expense				
Executive Director	\$ 8,000	\$ 5,814	\$ 7,000	\$ 9,243
Business Development Specialist	\$ 3,000	\$ 335	\$ 2,000	\$ (360)
Employer payroll tax expense		\$ 6,937		\$ 12,567
Employee workers' compensation insurance	\$ 1,000	\$ 593	\$ 900	\$ 433
Total other employee compensation	\$ 12,000	\$ 13,679	\$ 9,900	\$ 21,883
Total Employee Compensation	\$ 251,952	\$ 123,353	\$ 241,168	\$ 215,886



	Proposed 2019	As of 6/30/2018	2018 Budget	2017 Actuals
ADMINISTRATIVE EXPENSES				
MCIT property/casualty insurance	\$ 3,000	\$ 2,359	\$ 3,000	\$ 2,657
Meals not for a committee	\$ 900	\$ 348	\$ 1,200	\$ 478
Memberships, dues, subscriptions				
Subscriptions	\$ 500	\$ 213	\$ 500	\$ 483
Community Venture Network (CVN)	\$ 2,200	\$ -	\$ 2,200	\$ 2,125
EDAM membership	\$ 495	\$ 495	\$ 495	\$ 495
Local organizations	\$ 600	\$ 585	\$ 200	\$ 545
MAPCED membership	\$ 330	\$ 330	\$ 250	\$ 250
MN DEED Marketing Partnership dues	\$ 625	\$ 625	\$ 625	\$ 625
WORKUP membership	\$ 5,400	\$ 2,700	\$ 5,400	\$ 2,250
Other	\$ 400	\$ 410		\$ 150
Professional services:				
Accountant fees	\$ 1,500	\$ 222	\$ 1,500	\$ 1,085
Auditor	\$ 7,000	\$ 800	\$ 7,000	\$ 6,360
Bookkeeping fees	\$ 6,000	\$ 2,705	\$ 6,000	\$ 4,846
Legal fees	\$ 1,800	\$ -	\$ 1,800	\$ 375
Seminars and promotions	\$ 2,450	\$ 1,951	\$ 2,000	\$ 1,176
Travel, conference, school	\$ 11,000	\$ 3,382	\$ 12,000	\$ 6,597
Total Administrative Expenses	\$ 44,200	\$ 17,125	\$ 44,170	\$ 30,497
OFFICE EXPENSES				
Bank Fees	\$ 100	\$ 96		\$ 426
Cleaning person	\$ 2,700	\$ 1,231	\$ 2,700	\$ 2,351
Equipment maintenance and rental				
Software (Synchronist annual fee \$1,200)	\$ 2,000	\$ 1,307	\$ 1,500	\$ 2,250
Toshiba service contract w/Loffler Companies	\$ 2,000	\$ 1,279	\$ 2,000	\$ 2,514
Equipment maintenance and rental - other	\$ 750	\$ 354	\$ 750	\$ 323
Furniture and equipment	\$ 1,300	\$ 888	\$ 1,300	\$ 898
Toshiba digital color copier lease (w/DeLage Financial \$139.59 mo.)	\$ 1,700	\$ 836	\$ 1,700	\$ 1,667
Office equipment and miscellaneous	\$ 2,000	\$ -	\$ 2,000	\$ 1,012
Postage, mailing service	\$ 300	\$ 61	\$ 300	\$ 172
Printing, copying and publishing	\$ 300	\$ 16	\$ 1,000	\$ 470
Professional services:				
Engineering and other professional services	\$ 3,000	\$ (2,800)	\$ 6,000	\$ 5,370
General administrative	\$ 62,850	\$ 19,132	\$ 61,900	\$ 47,388
Planning session facilitator	\$ 2,500	\$ 2,740	\$ 2,400	\$ 1,300
Website hosting and maintenance	\$ 450	\$ 180	\$ 450	\$ -
Rent and storage unit	\$ 23,400	\$ 11,700	\$ 23,400	\$ 23,300
Rent (water cooler, post office box)	\$ 220	\$ 135	\$ 200	\$ 148
Supplies	\$ 3,500	\$ 2,078	\$ 3,500	\$ 5,457
Telephone/Telecommunications	\$ 5,700	\$ 2,728	\$ 5,700	\$ 5,384
Total Office Expenses	\$ 114,770	\$ 41,961	\$ 116,800	\$ 100,430
CREATING ENTREPRENEURIAL OPPORTUNITIES STUDENT LOAN EXPENSES			\$ 30,000	
Advertising/Promotions	\$ 200	\$ -		\$ 829
Dinner Event and Silent Auction				
Advertising	\$ 1,500	\$ 1,659		\$ 731
Decorations	\$ 2,000	\$ 2,200		\$ 1,904
Entertainment	\$ 1,000	\$ -		\$ 1,200
Event Food and Beverages	\$ 7,400	\$ 5,206		\$ 9,422
Equipment	\$ 7,500	\$ -		\$ 8,570
Meals/Meeting refreshments	\$ 2,300	\$ 1,116		\$ 2,776
Miscellaneous	\$ 1,500	\$ 1,567		\$ 772
Scholarships	\$ 1,500	\$ -		\$ 1,000
Supplies	\$ 100	\$ 90		
Tradeshow	\$ 2,500	\$ 558		\$ 2,157
Transfer loan repayments		\$ -		\$ 2,258
Other	\$ 500	\$ 611		
Total CEO Loan Expenses	\$ 28,000	\$ 13,007	\$ 30,000	\$ 31,619
TOTAL PROGRAM EXPENSES	\$ 587,600	\$ 259,419	\$ 570,868	\$ 480,085



**Joint Powers Board Meeting
Connie Schmoll Report
July 26, 2018**

Broadband

The governor's veto of the 2018 Supplemental Bill put an end to planning for a Border-to-Border grant application opportunity this year. The committee will continue to plan for a project in the county with Hiawatha Broadband Communications, Inc. as a provider. The Rural Broadband Coalition met on July 19th to discuss possible next steps to promote legislative action in the next legislative session. The EDC's Broadband and Advanced Technology Committee Chair Mark Boeschen and Vice Chair David Sisser participated in the meeting. The Coalition discussed some policy issues as follows:

- Funding for broadband—attempt to get funding as a “base Line” item so it will be funded annually.
- State speed goals—they talked about scalability, knowing that some projects funded might need hardware upgrades in the future, which was a concern.
- Review mapping—they understand that wireless providers could change the under/unserved areas. This is something they have to address.
- Incumbent challenge process—we all know that this needs to be addressed.
- Project cap limits of \$5M—they would like to remove or increase this dollar amount, for larger or long-term projects, but this is directly related to the “funding” item above.
- They want to start a new process of evaluating new broadband solutions and continued education so people are more aware and involved in promoting and being more vocal to legislators, counties, cities and elected officials to help fund broadband.

West Central Angel Fund I

The EDC has informed the leaders of the West Central Angel Fund about Opportunity Zones and will keep them updated as new information is released. Their marketing flyer is now available for distribution. The EDC assisted in the costs to create the marketing piece. I have kept them informed about webinar opportunities to learn more about Opportunity Zones.

Agriculture and Renewable Energy Development Committee

Marketing materials are complete for the August 13, 2018 Talent & Technology workshop for Ag producers. The morning workshop will begin at 7:30 a.m. and will include four speakers on the subjects of securing and retaining workforce for ag producers, regulations regarding employees, technology in crop farming today and use of data collected with precision agriculture equipment. The event will be held at the Little Crow Resort by New London.

The Committee Members met its goal of securing \$6,000 in sponsorships to cover costs. The sponsors are as follows:

Kandiyohi County Corn and Soybean Growers	\$ 1,000
MinnWest Technology Campus	\$ 1,000
Central Counties Cooperative	\$ 1,000
AgCountry FCS	\$ 1,000
Christianson, PLLP	\$ 500
Heritage Bank	\$ 500
Haug Implement	\$ 500
Kandiyohi Power Cooperative	\$ 500

Child Care

United Community Action Partnership (UCAP) has been awarded a Rural Child Care Innovation Program Grant to provide a representative from First Children's Finance (FCF) to facilitate community conversations around the need for additional child care options in the Kandiyohi County area. The first meeting with First Children's Finance will be a six-hour meeting scheduled for Friday, July 27th. The leadership team includes 20 people from the area representing a variety of organizations and child care providers.

Business Meetings and Events

1. Governor's Fishing Opener Robbins Island community event
2. Governor's Fishing Opener Shore Lunch in Spicer
3. Neighborhood Development Center video conference/introduction
4. Marketing partnership with MinnWest Technology Campus (MWTC) for ag events
5. Kandiyohi County Board meeting to meet with Arvig Telecommunications
6. Lauriston Dairy tours with 5th graders for Chamber Agri-Business Committee
7. Carris Health Surgery Center Grand Opening
8. Enterprise Minnesota Report of Manufacturing in Minnesota in Redwood Falls
9. Facilitated planning of AURI presentation for Ag Professionals, but was unable to attend
10. Job Description and interview of intern, Thor Figenskau
11. Willmar Job Fair planning for fall 2018 and 2019
12. Federal Opportunity Zones information webinar
13. Introduction to SCORE program with potential new volunteer
14. Build-a-Burger event at Cash Wise for Chamber Agri-Business Committee
15. Changing Times Changing Faces seminar on workforce diversity as an asset for local employers
16. FAM Tour application and planning
17. Marketing for Ag Event – Talent & Technology workshop
18. MWTC Open House
19. Aggie Open for Chamber Agri-Business Committee at Little Crow Resort
20. Neighborhood Development Center workshop – 2 days in St. Cloud – creative business development for low-income entrepreneurs
21. EDAM Summer Conference in Nisswa
22. Business presentation - Family Roots Chiropractic
23. U of M Showcase planning
24. Networking meeting with Chamber – Joint planning of speaker on international trade

25. Work with intern, Thor Figenskau
 - a. Flyer—marketing education options in our community
 - b. Social media posting of ag event and direct calling of ag producers
 - c. Plans to attend city council meetings outside of Willmar
26. Pennock City Council meeting
27. Prinsburg City Council meeting
28. Downtown Willmar initial meeting
29. SBA Transitions Seminar – Co-hosted with MWTC
30. *Business in Focus* magazine interview
31. CERTS Advisory Team conference call
32. International Food Technology Trade Show
33. SCORE volunteer training

Business Visits

1. Haug Implement – sponsorship of Ag event
2. Ag Country - sponsorship of Ag event
3. Arnolds of Willmar - sponsorship of Ag event
4. Conference call with MN Grown
5. Start-up business planning (2)
6. Visit with Beauty Box, new in Willmar, owner Misty Watkins
7. Little Crow Resort
8. Coffee & More
9. Simply Shrimp
10. Lettuce Abound
11. Model Citizen
12. Doherty Staffing Solutions
13. Tour of West Central Steel new expansion



Joint Powers Board Meeting
Aaron Backman Report
July 26, 2018

Highway 23 Coalition

May was definitely a month of lows and highs for the Highway 23 Coalition. On May 1st the Minnesota Dept. of Transportation announced project awards for Corridors of Commerce. Notwithstanding MnDOT classifications, clearly all four were in the Twin Cities, and they used up all \$400 million of the Corridors of Commerce money that was available. The Coalition was disappointed that Highway 23 projects were not funded. We viewed our projects as being strong contenders. In fact, they were ranked high for non-Twin Cities projects.

The Hwy 23 Coalition continued to fight for funding the completion of the two gaps. On May 20th, after lots of phone calls and e-mails; and the Kelly Morrell talk on the boat at the Governor's Fishing Opener, \$105 million was approved for finishing both gaps on Hwy 23 between Willmar and I-94. Finally, the morning of May 30th Gov. Dayton signed the bill with money for Highway 23. We also had a successful trip to Washington DC to meet our congressional delegation from May 22nd to May 24th. We were lobbying for federal funds for the corridor and to have Hwy 23 added to the federal freight corridor network. The congressional delegation encouraged the Coalition to expand its scope to a border-to-border focus, including the cities of Duluth and Sioux Falls.

During June several actions have been accomplished—ads thanking Hwy 23 Coalition members for their financial support and efforts were placed in the West Central Tribune (June 16th) and the St. Cloud Times (June 23rd). After working with the Coalition's accountant, Jim Ruff, the EDC submitted the Form 1024 application to the IRS for 501(c)4 status.

MnDOT posted a FAQs document on their website on June 26th. It indicates that all seven of the Corridors of Commerce projects approved in May of 2018 (inc. the two Hwy 23 gaps) will be paid by bonds. Because there is a limit of how much MnDOT can borrow each year, the projects cannot be constructed simultaneously. MnDOT District 8 will be the lead on both gaps, and both gaps will be bid separately. Each project will take about 2 years to construct. Funds to construct the first project are anticipated to become available in 2022 and the second project would start in 2024. Purchasing property (right-of-way) will start 2 to 3 years prior to construction. MnDOT expects acquiring property to start in 2019.

The Hwy 23 Coalition Board met on June 27th. Among the highlights was a presentation by Patrick Weidemann, Director of Corridors of Commerce, MnDOT, in St. Paul who provided a presentation and update on the program. Susann Karnowski, Asst. District 8 Engineer, and Ryan Barney, Hwy 23 Coordinator for District 8, discussed next steps regarding the two gaps. At the Board meeting David Turch and Amanda Stephenson, representing a Washington, DC lobbying firm introduced themselves and offered their services. The Board also re-affirmed the membership dues structure



for 2019, and began discussions regarding extending membership along the corridor to include government and business members north of Waite Park and south of Marshall.

The membership renewal process has begun. Hwy 23 membership presentations have been made with New London, Paynesville, Spicer, Willmar, Kandiyohi County, Stearns County, and scheduled for several more units of government. And, we getting noticed by other--on July 3rd I presented to the Benton County Commissioners. They are interested in joining the Coalition.

WAM-BC Loan Portfolio

There have been a number of meetings during the past several months regarding the Willmar Area Multicultural Business Center (WAM-BC), its future and status of its microenterprise loan program. WAM-BC, a 501(c)3 non-profit organization that has been active since 2009, has been subleasing space from the EDC since February of 2017. The WAM-BC Board of Directors met on June 9th at the EDC Boardroom and approved the following:

- 1) Requesting the EDC to assume the WAM-BC Microenterprise Loan Fund, accepting the good and bad loans (there are 5 loans that are in good standing and 2 loans that are not performing). Their first choice was the EDC, their second choice was the Southwest Initiative Foundation.
- 2) Approving a motion to dissolve WAM-BC, and requesting that the EDC assist in the dissolution process. The process, which includes filing notice of intent with the MN Secretary of State, filing with the MN Attorney General's office, and filing the articles of dissolution, will take several months to complete.
- 3) Supporting the creation of an Advisory Committee that could help the EDC with current and new loan recipients from this fund. Several of the current WAM-BC Board members are willing to serve on a future Loan Advisory Committee.
- 4) The transfer of assets to the EDC would include: a loan fund balance of \$46,874.70 (cash), approximately \$26,295 in current loans, and approximately \$24,055 in non-current loans. WAM-BC also has approximately \$4,000 in generating operating funds that would be used to pay current bills and to file the 990 tax return for 2018.

The EDC's Finance Committee at its June 12th meeting discussed at length the WAM-BC Board request. The Committee members unanimously recommended to the EDC Boards that the EDC accept the assets; assume administration of the WAM-BC Microenterprise Revolving Loan Fund and all loans; that the EDC assist in the process and expenses of dissolution of WAM-BC (with the exception of the 990 tax return); and three members of the Committee volunteered to review the loan files with EDC staff and WAM-BC representatives prior to formal action by the EDC Boards. Mike Burgett, the EDC's attorney, estimates the cost to the EDC, for assisting WAM-BC dissolution to be \$1,000 to \$2,000.



The subcommittee of Jeff Welker, Nick Dalton, and Matt Behm meet at the EDC on July 5th to review the WAM-BC loan files. They looked at the history of loan repayments and the completeness of each loan file. Two of the loans will pay off in 2018 and do not require additional action by the EDC. Understanding that the EDC needs to secure collateral, committee members indicated that probably three of the loans will require “perfecting the lien”. That is, filing a binding document (e.g. UCC filing or a vehicle registration, etc.) allowing for a legal claim to seize assets if a loan borrower defaults. The members also suggested pursuing small claims court for the two non-performing loans. The Joint Operations Board met on July 12th. Following discussion, the Board members unanimously recommended to the EDC Joint Powers Board that the EDC accept the assets, assume administration of the WAM-BC Microenterprise Revolving Loan Fund and all loans, and assist in the dissolution process of WAM-BC.

As part of this transfer from WAM-BC, in addition to the \$26,295 in current loans, the EDC would receive about \$47,000 in cash in the Microenterprise Loan Fund, and potentially anything recovered from the non-performing loans (\$24,000). The EDC would also receive any remaining funds in WAM-BC’s general operating balance, currently \$3,500 (less current debts and 990 filing).

Business Meetings (April 27th – July 26th)

1. SCORE Meeting with Bob Bonawitz and Warren Carlson, Excel Business Advisors
2. Attended 2018 Spicer Appreciation Banquet at Johnny O’Neil’s
3. Meeting w/property reps re housing project near Lakeland Drive and conference call w/Fargo housing developer
4. Meetings w/Mel Odens planning for DC Trip for Hwy 23 Coalition & Wye
5. Attended Willmar Merchandising Mtg. w/U of MN reps at MCROC on April 27th
6. Met w/Dan McKinney, Leasing Director for Kandi Mall re available space and prospects
7. REDstar Creative re Hwy 23 Coalition marketing items
8. Attended Mayor’s Prayer Breakfast at Willmar Conference Center on May 3rd
9. EDC’s BRE Committee Meeting held at the Willmar Airport Terminal Conference Room
10. Attended Public Policy Committee Mtg. & Tour of NLS High School’s new Performing Arts Center in New London on May 4th
11. Attended Willmar City Council Mtg. re rezoning of two lots for Legacy on First project
12. Ridgewater College meeting to reserve video conference room for NDC meeting
13. Weekly Willmar Development Meeting w/Bruce Peterson
14. Hwy 23/EDC Booth at Rockin’ Robbins Fishin Edition in Willmar on May 11th
15. Governor’s Fishing Opener – Shore Lunch in Spicer on May 12th
16. Participated in Neighborhood Development Center Video Conference at Ridgewater College
17. Mtg. w/Jayme at REDstar Creative re marketing materials for Hwy 23 Coalition trip to Washington, D.C.
18. Attended Vision 2040 Housing Subcommittee meeting at HHS Building on May 14th

19. Participated in Hwy 23 Coalition pre-trip meeting w/attendees at McKale's Restaurant in New London on May 17th
20. Participated in Open Mic on KWLM
21. Participated in WAM-BC and SWIF meeting re Loan Portfolio transfer on May 17th
22. Mtgs. w/Mel Odens, Kandiyohi County, re Bonding Bill, Hwy 23 funding, DC trip planning
23. Attended Chamber Connection at Kandiyohi Food Shelf on May 18th
24. Hwy 23 Coalition Trip to Washington, D.C.—Meetings w/Congressional Delegation (May 22nd through May 24th)
25. Mtg. w/Mel Odens and Jason Duininck re Post-DC Trip Report
26. Participated in Hwy 23 Coalition Legislative Committee Mtg. at Johnny O'Neil's on May 30th
27. EDC Meeting Summer Intern prospect Thor Figenskau at EDC Boardroom
28. Attended Chamber Connection at Westberg Eischens in Willmar
29. Attended Chamber's Public Policy Committee Mtg at The Oaks on June 1st
30. Presented at City Council Mtg. during discussion of Resolution of Support for SWMHP Housing Project (Lakeland Apartments) on June 4th
31. Participated in West Central MN Job Fair Meeting on June 5th
32. Presented to Rotarians re Hwy 23 funding and EDC activities
33. Attended Hwy 23 Coalition Celebration event at Steve Rambow's House on Green Lake on June 6th
34. Participated in WAM-BC and SWIF meeting re Loan Portfolio & Dissolution on June 8th
35. Attended CIC-sponsored event, StreetFeast, in Downtown Willmar
36. Attended CVB Leisure Travel Committee meeting at Sperry House
37. Mtg w/Jennifer Mendoza and Nancy Birkeland to begin reviewing WAM-BC Loan files
38. Attended Kandiyohi County Planning Commission Mtg.
39. Attended V2040 Steering Committee Meeting at Willmar Foundation
40. Willmar Chamber Connection – ProCore Technologies
41. Presentation to Willmar City Council re Hwy 23 Coalition Update on June 18th
42. Weekly development meetings with Bruce Peterson at City Hall
43. Mtg. w/business reps re proposed pasteurization facility (1st Phase 36,000 sq. ft.) in NE Willmar south of MWTC near the Bypass. Potential \$10 million investment in city; follow-up meeting on July 5th
44. Mtgs. w/Mel Odens re Federal Freight Corridor designation for Hwy 23
45. Attended MWTC Open House on June 19th
46. Attended Meet & Greet for new YMCA CEO, Jenny Holweger
47. Presided over MAPCED Quarterly Meeting in Park Rapids, MN on June 21-22
48. Presentation to Stearns County re Hwy 23 Coalition Membership Renewal on June 26th
49. Presentation at Mid-Year Review for Chamber Board
50. Participated in Open Mic w/Bruce Peterson at KWLM
51. Mtg. w/WAM-BC Board Chair re loan portfolio questions
52. Participated in planning for a Hiring Immigrant Workforce event at Willmar Chamber
53. Conference Calls w/CBRE reps for logistics company looking at locating in Willmar
54. Presentation to Benton County re Hwy 23 Coalition Membership on July 3rd



55. Mtg. w/Marcus Construction on July 5th re potential housing project in Willmar
56. EDC Finance Subcommittee reviewing WAM-BC loan files
57. Mtg. w/Fargo housing developer re 96-unit multi-family housing project near Lakeland Drive
58. Attended Critical Business Transitions Business Owner Seminar at MWTC on July 10th
59. Interview with FMG re follow-up article in Business in Focus magazine.
60. Mtg. w/Federal Freight Corridor Designation Working Group at Kandiyohi Co. Public Works
61. Hwy 23 Coalition members meeting with MnDOT Office of Freight & Commercial Vehicle Ops in St. Paul
62. Presentations on membership renewal for Hwy 23 Coalition to City of Spicer (7/17), Kandiyohi County (7/17), City of New London (7/18)
63. Mtg. w/Dr. Craig Johnson, President of Ridgewater College on July 19th
64. Conference call with Willmar, EDC, SWIF, and ADC reps re Willmar Child Care Center
65. Attended Facebook 101 Presentation by Thor Figenskau at Bremer Bank
66. Meeting w/Lucas Evenson, Braun Intertec, re development in Kandiyohi County

Business Visits

1. Attended Chamber Connection at North Rick Partners
2. Discussion with Aydee Lopez, Spurs, and Doug Gasek, Preservation Alliance
3. Tour basement renovation project at Midtown Plaza with Zack Mahboub
4. Meeting with Abdilahi Omar at Ain-U-Shams (Midtown Plaza)
5. Meeting with Sahra Hirsi at Zahrina's (Midtown Plaza)
6. Meeting with Ebla Abdi at Bismillah Kids Store (Midtown Plaza)
7. Tour of Alfurqaan space with Zack Mahboub (Midtown Plaza)
8. Disc. w/Joan Macik, Kandi Works DAC Exec. Director; Tour of Kandiyohi Candle Company
9. Discussion w/Doug Gasek, Exec. Director of Preservation Alliance re Historic 313
10. Visit to Ain-U-Shams at Midtown Plaza
11. Meeting w/ Bob Bonawitz and Warren Carlson, Excel Business Advisors, and Ken Warner at Willmar Chamber of Commerce
12. Meeting w/Andy Weiner and other reps from RockStep Capital re Kandi Mall
13. Tour of Simply Shrimp near Svea
14. Tour of Lettuce Abound near New London
15. Ag Professionals Tour/Meal at Model Citizen in New London
16. Tour of West Central Steel's new building in Willmar
17. Meetings w/owner of Spurs Restaurant re status of construction completion
18. Mtg w/rep at Doherty Staffing Solutions at new location in Willmar
19. Willmar Chamber Connection—Vista Prairie/Copperleaf
20. Tour of main floor of Midtown Plaza with Zack Mahboub