

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB)
BUSINESS RETENTION & EXPANSION/RECRUITMENT (BRE/R) COMMITTEE
MINUTES
October 4, 2006
Board Room, Heritage Bank, N.A., Willmar

Present: Bev Dougherty, Ron Erpelding, Gary Geiger, Les Nelson and Bruce Peterson

Excused: Bob Mathiasen, Diane Schulte and Jean Spaulding

Staff: Steven Renquist, Executive Director

Secretarial: Jodie Heuring and Melanie Pavelko, Legal & Administrative Assistants, Inc. (LAA)

Co-Chairperson Ron Erpelding called the meeting to order at approximately 10:30 a.m. followed by self-introductions.

MINUTES—By consensus, the minutes of the September 6, 2006 meeting were approved as mailed or e-mailed.

UNFINISHED BUSINESS

Business Visits Plan Development. Erpelding reported Renquist, Ken Warner and Diane Schulte are working on a plan to visit additional businesses and intend to have a proposal for the November meeting.

[Bev Dougherty joined the meeting.]

Erpelding stated the purpose of these visits would be to say thank you for doing business here, learn whether there is something they may need help with and let them know there is someone here to assist with possible solutions for their business.

Manufacturer's Week. Renquist stated manufacturers' week is the third week of October and Renquist and Bruce Peterson have asked the city of Willmar and Kandiyohi County for a resolution supporting manufacturers' week. Peterson stated the Mayor of Willmar will be signing a Proclamation.

Report on Bushmills September 26 Tour/Survey of Attendees. Renquist reported a tour for Kandiyohi County petroleum retailers was held September 26 at Bushmills Ethanol Plant. Renquist estimated 30-40 were invited and three petroleum retailers attended. Renquist distributed a copy of the results from a questionnaire presented to the attendees (see copy attached to the original minutes). Renquist would like BRE/R subgroups set up if a countywide leadership starts that would reach out to all communities to have them more involved. There was quite a conversation about if corn was selling for \$2 per bushel when ethanol was selling for \$1.50 per gallon and now corn is still at \$2 per bushel, why is ethanol higher. The ethanol plant is a member of a marketing group and that marketing group's job is to maximum profits for its vendors. Some concerns were shared of possible overbuilding in the ethanol industry. Erpelding stated one key point shared by Eric Osmond of Bushmills was there is no relationship between the price of corn and the price of gasoline or ethanol; they are two separate commodities. The ethanol plant's marketing group set

the price of ethanol, but the gas station companies set the price it is sold at the pump. A lengthy discussion was held about questions and opinions of the ethanol industry.

Report of September 27 Business Succession Strategies Conference. Renquist provided handouts relating to a Business Succession Strategies Conference held September 27 (see copy attached to the original minutes). The conference was sponsored by Central Minnesota Workforce Investment Board, the EDC and Minnesota Department of Employment and Economic Development (DEED). Brad Rice volunteered to teach the seminar at no charge. Comments received during the session indicated the importance of the business retention call program. The committee is interested in learning whether the comments on the various topics were typed according to rank and whether there are any duplicate responses; **Renquist** will ask Kathy Baumgartner, Diane Schulte's assistant, whether she can provide that information. The conference was very successful and well regarded. Many businesses do not have a succession plan and it takes years to do it right. Renquist reported DEED did all the ground work and paid for the expenses incurred. Renquist said a special thank you to Diane Schulte, DEED and Central Minnesota Workforce Investment Board which provided funding and support and allowed the EDC to work with them on the project.

Report of Grow Minnesota September 12 Meeting. Erpelding reported he attended a Grow Minnesota meeting September 12. With there being more than 1200 businesses in Kandiyohi County, cooperation and communication is important. Schulte, Warner and Renquist are writing their individual ideas of what should be done and the purpose of the business visits; then they collectively will put together a proposal of future business visits to be heard at the next meeting. Renquist is willing to let Grow Minnesota handle Willmar and 10-20 big companies outside Willmar. There is a huge market out there; it is important to work closely together. Gary Geiger stated there may be value to use the same format and database as Grow Minnesota; Renquist agreed and stated it is not about credit, but it is about getting the work done. This committee will review the proposal and if necessary, change it. Two base assumptions would be to say thank you for your business in Kandiyohi County and all economic development issues will go to the right person in each community for response/solution. Erpelding asked **Renquist** to arrange a meeting with Schulte, Warner and Renquist to complete this task for presentation at the November meeting. This is anticipated to be a goal with implementation to begin in 2007.

Status of 2006 Goals. Erpelding stated the EDC and EDCOB will be having a planning session October 19; Renquist indicated all committee chairs are invited, however, it will be a work session for the two boards.

There was no other unfinished business.

TASK FORCE REPORTS—There were no reports at the time of this meeting. Upcoming task force meetings are listed below:

Technology—October 12
Health Industry—October 24
Airport Business—November 8

NEW BUSINESS

Erpelding stated some phone calls may need to be made with the Health Industry Task Force. The group has been cordial, but is struggling with identifying issues with which the EDC can assist. If issues are not identified, the group may discontinue their operation.

Erpelding stated the Technology Task Force is quite active. They will be applying for a broadband grant through the Blandin Foundation to provide actual training programs to teach business people how to utilize broadband technology in their business.

IT WAS MOVED BY Bev Dougherty, SECONDED BY Gary Geiger, to expend from the Business Retention & Expansion/Recruitment Committee's budget up to \$7500 to provide a match necessary to apply for a broadband grant with Blandin Foundation.
MOTION CARRIED.

Discussion was held about Wi-Fi and max Fi (wireless high speed internet and cell phone coverages). There are communities where the service is provided by the community to the whole community. **It was suggested that a top priority for the EDC in 2007 should be to make this county wireless.** There are challenges for entities wanting to protect their investments in recent infrastructure and those concerns need to be realized. There will always be something better down the road; it is important to keep advancing and not sit and do nothing. Leadership is very important with new ideas like this. It was believed the cost for the city of Minneapolis to do this was about \$20 million. The change would increase property values. The cell phone service for this county is also very poor. Geiger stated with a recent travel to the Czech Republic, he had better cell phone reception than he has ever had in the United States. Peterson stated that cell phone connections to people or from people at the new airport is also a problem as well as the Pennock area, Raymond area and lakes area. **It is important the cell phone service is improved.**

Note: Bolded areas in the above paragraph relate to significant items to keep in mind when planning 2007 goals.

It may be necessary to have a Rural Communications Act similar to what was done for providing electricity to rural areas.

Peterson stated the new airport is open and they are working out some issues; he met with technology infrastructure providers to discuss their needs.

Geiger recommended committee members read the second **revised** edition of *The World is Flat* by Thomas L. Friedman.

Erpelding invited all committee members to a presentation about climate change by Will Steger at 7 p.m., Sunday, October 15 at Ridgewater College cafeteria.

Geiger asked if there is a plan in this county for a pandemic as the federal government is mandating banks have a plan in place if 40% of their personnel is out due to sickness, catastrophic event, etc. Peterson suggested Geiger contact Don Ericson of the Kandiyohi County Emergency Management. Geiger stated this is something every business should think about.

Bev Dougherty stated the Southwest Initiative Foundation's loan group has set as one of its four new focuses the strengthening of the four regional centers in southwest Minnesota.

There was no other new business.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 11:40 a.m.

NEXT MEETING—The next regular committee meeting is **10:30-11:30 a.m., Wednesday, November 1, 2006**, at the board room of Heritage Bank, N.A.