

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

MINUTES

**March 9, 2006
EDC Office, Willmar**

Present: Betty Bollig, Ron Erpelding, Larry Knutson and Milan Schmiesing

Excused: Ron Christianson, Bev Dougherty, Duane Hultgren, Les Nelson, Bruce Peterson and Jean Spaulding

Staff: Steven Renquist, Executive Director and Kathy Schwantes, Assistant Director

Media: Bev Ahlquist, KDJS/K-95/KRVY Radio; Anne Polta, West Central Tribune

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

President Milan Schmiesing called the meeting to order at approximately 11:14 a.m. The agenda was taken out of order.

Target 2007 Budget. Steve Renquist asked the board to provide staff with a 2007 target budget per its deadlines adopted in 2005. Renquist recommended the board give a percentage increase or a total 2007 EDC budget figure and then staff will work on the line items and assist committees on their budgets. Ron Erpelding recommended everyone be made aware that there are no reserves for use in 2007. The 2007 budget will be placed on the board's April agenda.

MINUTES—

IT WAS MOVED BY Ron Erpelding, SECONDED BY Larry Knutson, to approve the minutes of the February 9, 2006 meeting as mailed and e-mailed. MOTION CARRIED.

TREASURER'S REPORT—Renquist stated the financial report for the period ending February 28, 2006 was just received this morning. The report will contain more detail in the future. Schmiesing stated the report shows a negative balance as the EDC's accounts have not yet been transferred to the city. Renquist stated the county will advance funds on the real estate taxes upon receipt of a written request. Kathy Schwantes clarified that "subsistence of persons" noted on the Revenue and Expenditure Statement includes the purchase of meals and beverages, etc. The board requested the Revenue and Expenditure Statement include the city's codes so they can readily find them on the detailed expense report. **Renquist** will invite Steve Okins to the April meeting to review the city's procedures.

IT WAS MOVED BY Larry Knutson, SECONDED BY Betty Bollig, to approve the financial report for period ending February 28, 2006 and transfer the Kandiyohi County and City of Willmar Economic Development Commission's cash balance as soon as possible. MOTION CARRIED.

BILLS—Renquist requested the board contribute \$5,000 to the Community Marketing Coalition.

IT WAS MOVED BY Larry Knutson, SECONDED BY Betty Bollig, to approve payment of \$5,000 to the Community Marketing Coalition from the Community Contributions line item on the budget. MOTION CARRIED.

UNFINISHED BUSINESS

Employment Contracts with Executive Director and Assistant Director. Copies of the revised employment contracts prepared by Attorney Dean Anderson for the Executive Director and Assistant Director positions were reviewed. Schmiesing reviewed with the board paragraph 9 of the Executive Director's agreement, which is a revision to the draft e-mailed to the board. The board discussed the similarities and differences in each agreement and requested that the numbered paragraphs in each agreement contain the same topic and where both agreements are exactly the same, they contain the same language and those paragraphs be placed at the beginning of each agreement and where the language is different those paragraphs be placed at the end of each agreement so they can be easily identified. Erpelding recommended the Assistant Director's agreement contain a provision to terminate the agreement and the Executive Director's vacation increase the same as the Assistant Director's vacation; sick leave should also be the same in both agreements. **Schmiesing** will have the changes made to the agreements.

State of Minnesota Auditor Bill. Renquist stated a final bill is expected from the state for the 2004 audit. Schwantes reported she is working on the Management's Discussion and Analysis, which Schmiesing stated has no bearing on the final audit. Schmiesing reported a draft of the audit has been received. Schmiesing stated any accounting firm bidding on future audits should be told the EDC will not complete the Management's Discussion and Analysis.

IT WAS MOVED BY Ron Erpelding, SECONDED BY Larry Knutson, to not complete the Management's Discussion and Analysis for the 2004 and future audits. MOTION CARRIED.

Renquist will inform the Minnesota State Auditor's Office that the EDC will not complete the Management's Discussion and Analysis. **Renquist** will ask Steve Okins to confirm the city has enough collateral for the transfer of the EDC's cash account.

There was no other unfinished business.

NEW BUSINESS

Committee Member Additions and Removals.

IT WAS MOVED BY Larry Knutson, SECONDED BY Betty Bollig, to remove Katie Swenson as a member of the Marketing & Public Relations Committee and Josh Nelson as a member of the Business Retention & Expansion/Recruitment (BRE/R) Technology Task Force; and add Teri Beyer, Dean Bouta and Jay Kroona as members of the BRE/R Technology Task Force and Deb Zinda-Hanson as a member of the Willmar Area Multicultural Market Committee. MOTION CARRIED.

Kandiyohi County Economic Development Partnership, Inc. (KCEDP) bookkeeping. **Renquist** will check on who has done the Form 990 tax returns for the KCEDP. The board determined the KCEDP should pay for its expenses, including bookkeeping, out of its own funds.

Replacement of Jeff Welker. Schmiesing reported the EDC will replace Jeff Welker on this board. Renquist stated the EDC has six candidates from whom to choose at its April meeting.

There was no other new business.

COMMITTEE REPORTS

Agribusiness/Renewable Energy Development (Ag) Committee. Erpelding reported a contract person has been retained. Renquist reported the Ag Committee decided to contract with Renae Shields as a consultant for renewable resources and Kim Larson for agricultural issues, each at \$30 per hour. Erpelding reported the committee is jointly staffing a booth with the Willmar Lakes Area Chamber of Commerce at the Willmar Ag Show. Schmiesing reported Glenn Arfstrom tendered his written resignation as chairperson of the committee so a new chairperson will be sought.

BRE/R. Erpelding reported the committee adopted its 2006 goals.

Finance. Knutson reported he met with Schwantes relative to the committee's goals and time lines. Schwantes asked for ratification of the recent loan to Stephen Peppin.

IT WAS MOVED BY Betty Bollig, SECONDED BY Larry Knutson, to approve a 60-month \$25,000 loan under the Entrepreneurs' Loan Guarantee Program to Stephen Peppin DBA Pep's Sports Barber Shop. MOTION CARRIED.

Tourism. Schwantes reported the Omaha sport show went well and two more shows will be attended.

WAMM. Schwantes reported the committee has been approved for a \$99,000 Rural Business Enterprise Grant (RBEG) from the USDA to purchase the building. The committee is pursuing additional funds. Schwantes stated a presentation was made recently to a major foundation and it went very well.

ECONOMIC DEVELOPMENT ACTIVITIES—Renquist reported he is working with a number of companies; he had a booth at the Worthington bioscience show and had a number of good contacts; the Enterprise Network Systems Analysis has been refined to the business industries to recruit to this area; March 15 the BRE/R Committee will host a technology forum held by Minnesota Technology, Inc.; in April, he will attend the state of Minnesota's booth at the biotech convention in Chicago for which a \$500 grant has been received from the Southwest Minnesota Foundation; in May, the EDC will co-host a business succession training in Willmar with the Willmar Lakes Area Chamber of Commerce and the Minnesota Department of Employment and Economic Development; and the Willmar Area Development Corp. sent \$25,000 to Harlan Jacobs's company to work with MinnWest Technology Campus. Erpelding stated the BRE/R Committee recommended accelerate and incubate be used in marketing materials for the MinnWest Technology Campus. The board was shown the tri-fold display used to feature MinnWest Technology Campus. Erpelding recommended a full-size display be purchased in the future.

WILLMAR DESIGN CENTER—Renquist reported the Willmar Design Center is hiring an urban architect from the Twin Cities to act as a senior consultant and a local individual for 20 hours per week.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:14 p.m.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, April 13, 2006**, at the EDC office, 312 Fourth Street SW, Suite 2, Willmar.

Duane Hultgren, Secretary

APPROVED 4/13/06:

Milan Schmiesing, President