

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT POWERS BOARD OF COMMISSIONERS MEETING
MINUTES
April 23, 2009
EDC Office, 333 Litchfield Avenue SW, Suite 100, Willmar**

Present: Ron Christianson, Richard Falk, Harlan Madsen and Dean Shuck

Staff: Steven Renquist, Executive Director and Jean Spaulding Assistant Director

Absent: Denis Anderson and Les Heitke

Guests: Beth Fischer, Cecil Meyers and Jim Ruff

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

Chairperson Ron Christianson called the meeting to order at approximately 11:37 a.m.

MINUTES—

IT WAS MOVED BY Richard Falk, SECONDED BY Harlan Madsen, to approve the minutes of the January 22, 2009 annual meeting of the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board of Commissioners as mailed and e-mailed. All present voted in favor by roll call.

TREASURER'S REPORT—Steve Renquist presented the financial reports for periods ending January 31, 2009, February 28, 2009 and March 31, 2009, which the board reviewed. Renquist stated the EDC is on course with its budget.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Dean Shuck, to approve the Kandiyohi County and City of Willmar Economic Development Commission financial reports for periods ending January 31, 2009, February 28, 2009 and March 31, 2009 subject to audit. All present voted in favor by roll call.

UNFINISHED BUSINESS

2007 audit. Renquist stated the EDC's 2007 audit has been completed by Jim Ruff and introduced Jim Ruff. Ruff provided a brief report relating to the 2007 audit referring board members to the audit report. Ruff stated this audit was a bit of a process noting the cash remaining should be returned from the 2007 fiscal agent to the 2008 fiscal agent; of the amount listed in Ruff's audit report \$125,000 has been released and research will be needed to have the remainder released. It was recommended the board review the reserve for the Entrepreneurs' Loan Guarantee Program (ELGP) in the future; currently, the EDC reserves 50% of the outstanding ELGP loans and most organizations reserve only 25%. Ruff explained the audit process is to express an opinion on the financials and the EDC received a clean opinion. Ruff stated the EDC's internal control process is adequate to give the board assurance that most of the right things are in place. Ruff referred to control deficiencies. Ruff believes the City of Willmar still owes EDC interest earned on its money while the City was the EDC's fiscal agent. Harlan Madsen asked EDC staff to talk about the ELGP reserves in the future.

IT WAS MOVED BY Richard Falk, SECONDED BY Dean Shuck, to file the 2007 audit as received. All present voted in favor by roll call.

Madsen thanked Ruff for all his work, patience and wise suggestions in moving ahead.

Economic development activities. Renquist referenced a handout "Current Willmar Area Development Projects" (see copy attached) and provided a brief report on those items.

Other. Chairperson Christianson asked for board comments as well as economic development discussion about the EDC Joint Operation Board's (EDCOB) action to contribute \$10,000 to Willmar Design Center for consulting fees to produce the schematic design for the public commons. Chairperson Christianson asked whether this board needs to define economic development. Discussion was held. Renquist shared some information from the EDCOB March 12, 2009 meeting and the project providing an environment for growth. Madsen would have liked to see other commitments prior to the EDC's involvement.

There was no other unfinished business.

NEW BUSINESS

2010 budget. Chairperson Christianson stated EDC staff is looking for a recommendation from this board relating to the 2010 budget. Madsen recommends the EDC stay at a zero based budget for 2010 or maybe a slight reduction (perhaps budget A and budget B choices). Madsen complimented EDC staff and committees on their prudent management of EDC funds. A brief discussion was held on the Willmar Area Multicultural Market (WAMM). Jean Spaulding stated WAMM is not a dead project, but is dead as a building project. Renquist reminded the board WAMM was not a budget line item but a reserve item and there was a reduction in the EDC's budget last year. Renquist plans to email the EDC board members on a regular basis about budget questions and updates.

EDC Tourism Committee/Willmar Lakes Area Convention and Visitors Bureau. Spaulding provided background on the partnership between the EDC Tourism Committee and the Willmar Lakes Area Convention and Visitors Bureau (CVB). A Joint Structure Presentation booklet was distributed (see copy attached), a portion of which Spaulding and Beth Fischer reviewed with the board. Board members shared concerns that all items, organizations and events within Kandiyohi County be included and also that the name be revisited as some do not believe "Willmar Lakes Area" encompasses all of Kandiyohi County. The City of Willmar will be the fiscal manager (accounting) for the new organization. The day-to-day management and supervisory capacity will continue to rest with the CVB board of directors. Madsen expressed concern that perception is reality and it is important the public is educated that the CVB is its own entity and not under the umbrella of the Willmar Lakes Area Chamber of Commerce (WLACC). Madsen would like to see an organizational chart of the new partnership. Cecil Meyers stated the perception is changing relating to the CVB as it is trying to encompass more of Kandiyohi County. Meyers explained that Beth Fischer is the CVB executive director and she answers to the CVB board. Meyers believes by bringing the EDC's Tourism Committee together with the CVB, the CVB is enhancing its county aspect. Spaulding referred the board to the budget proposal (page 6 of booklet). Chairperson Christianson read a letter received today from Betty Bollig, EDC Tourism Committee Chair (see copy attached). Renquist stated after consultation with Attorney Dean Anderson, a proposed agreement was prepared (see copy attached). Attorney Anderson told Renquist and Spaulding that the EDC has the ability to transfer funds to another organization as long as the organization the funds are transferred to has the same mission and usage for the funds. Falk expressed his interest in an additional

clause to allow for a cancellation 90 days prior to the next year in the event things are not going as planned. Ruff suggested a phrase be included that if the organization does not fulfill the intent of the transfer of EDC tourism funds, the funds would be refunded. Spaulding noted the majority of tourism expenditures occur within the first quarter/half of the year. Falk suggested the agreement state that it shall continue from year to year, but may be cancelled by either party with 90 days written notice by September 30 of each year. It was suggested the CVB look at a different structure possibly away from the WLACC; how it is presented and packaged is crucial to selling the concept to the community. Madsen suggested when deciding on an organization name, members look at it with the eyes of an outsider from Kandiyohi County.

IT WAS MOVED BY Dean Shuck, SECONDED BY Richard Falk, to allow the Kandiyohi County and City of Willmar Economic Development Commission (EDC) enter into a partnership agreement with the Willmar Lakes Area Convention and Visitors Bureau as presented with the addition of language: The terms of the partnership agreement may be amended as necessary with the notice and approval by both the Kandiyohi County and City of Willmar EDC Joint Powers Board and the Willmar Lakes Area Convention and Visitors Bureau Board of Directors. The agreement may be terminated by either Board with advance written notification of 90 days identifying intent and reasons for the termination. All present voted in favor by roll call.

Retain Jim Ruff regarding tax question and residual city fund balance. Renquist requested the EDC board retain Jim Ruff to assist with two issues: Internal Revenue Service question relating to payroll tax reports not filed in 2007 and residual city fund balance reflected on page 9 of the 2007 audit.

IT WAS MOVED BY Richard Falk, SECONDED BY Harlan Madsen, to hire Jim Ruff to handle two issues: Internal Revenue Service question relating to payroll tax reports not filed in 2007 and residual city fund balance reflected on page 9 of the 2007 audit. All present voted in favor by roll call.

[Richard Falk was excused from the meeting.]

Renquist acknowledged the new painting in the EDC board room is Kandiyohi County's and thanked Kandiyohi County Commissioners for their loan of the art work.

There was no other new business.

ADJOURNMENT—There being no further business, it was moved, seconded and carried to adjourn the meeting. The meeting was adjourned at approximately 1:10 p.m.

NEXT MEETING—The next regular board meeting is **11:30 a.m., Thursday, July 23, 2009**, at the EDC office.

Denis Anderson, Secretary

APPROVED 7/23/09:

Ron Christianson, Chairperson