

Valley City-Barnes County Development Corporation

Monday, December 8, 2014

6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)

PRESENT: Tony Kobbervig, Bobby Koeplin, George Gaukler, Josh Kasowski, Margaret Dahlberg, Luke Trapp, Bill Carlblom, Mary Simonson, JoAnn Hooper, Jennifer Feist and Alicia Hoffarth.

ABSENT: Paige Bjornson, Leighton Smith, Mike Metcalf and Wade Bruns.

EX-OFFICIO: Chad Petersen, KLJ, and Keith Andersen, ICTC.

President Elect Tony Kobbervig called the meeting to order at 6:45 a.m.

AGENDA ADDITION: Extension of proposal to manufacturing firm-after item number eight.

MINUTES: Mary Simonson moved to approve the minutes as presented. Luke Trapp seconded. Motion carried unanimously.

FINANCIAL STATEMENTS: Summary and select financial statements were provided. Membership is coming in, marketing-\$24,000 balance less some outstanding expenses for the Wellness Center/sales tax campaign. Eagle Creek's A/R for October-December is a result of in house corrections required-company was affected by market conditions and projections. Jennifer Feist made Ken Behrendt aware of the A/R and also discussed the lease renewal, which will be in 18-24 months. Jennifer will work with the company to reduce the A/R to 30 days. George Gaukler moved to approve the financial statements as submitted. JoAnn Hooper seconded. Motion carried unanimously.

I-94 RDC: Fremstad Law Firm prepared a draft letter to be sent from the Corporation to Moore Engineering addressing the request for additional funds, meeting with Paras and offering \$52,659 in settlement for fixing soft spots. The repairs do not meet the definition of muck excavation. Changes to the letter include a two week deadline and \$18,899.01 that was approved as a change order and can be paid. It is not common practice to move forward without securing a change order. George Gaukler moved to approve the letter with changes noted. Mary Simonson seconded. Motion carried unanimously.

RTC: Advance \$25,000 of \$50,000 from the City, which is needed to pay property taxes. Mary Simonson moved to approve \$25,000 advance from the City for RTC. JoAnn Hooper seconded. Motion carried unanimously.

SMALL PROJECTS: Request \$10,000 to fund Small Projects; current balance is about \$1,200. The Small Projects Fund is used to support smaller projects without needing to request funding individually. A summary of projects funded is maintained and provided to the City. We did skip 2013-2014 to decrease balance on hand. Bobby Koeplin moved to approve \$10,000 request. Margaret Dahlberg seconded. Motion carried unanimously. At some point, we may want to request funds from the City and Barnes County equally.

INTERNET AT ROSEBUD: CenturyLink's maximum internet speed is 20 MB down/2 MB up. ICTC is not authorized to provide services based on the franchise agreement. BEK would provide 100 MB down/10 MB up. Jennifer Feist reviewed the terms and conditions, which provides no guarantees of service, etc. Bobby Koeplin moved to enter into a contract with BEK for five years if they will guarantee the \$65/month rate (plus taxes); otherwise sign a three year contract. Mary Simonson seconded. Motion carried unanimously.

WELLNESS CENTER: City Ordinance to extend the ½ cent City Sales Tax-first reading December 9th and second reading and final passage on December 16th. Very rigid on other funding sources available. Larry Robinson will present to the State on December 17th. There is a \$500,000 potential gap on \$6 Million bond (\$2 Million student fees, \$3 Million sales tax, \$500,000-existing tax funds not requested and \$500,000-to be raised). The

\$5 Million loan from Dacotah Bank is backed by personal guarantee and pledges. Architects are proceeding with design, contract pending. Continue working on securing pledges.

PROPOSAL TO MANUFACTURING COMPANY: We have a proposal submitted to a manufacturing company including \$450,000 and potentially locating in the Industrial Park or I-94 Corridor with a December 3rd deadline. Company is meeting later in December. George Gaukler moved to extend the manufacturing proposal deadline to January 31st. Mary Simonson seconded. Motion carried unanimously. The extension means we cannot offer land to another company.

DIRECTOR'S REPORT:

Legal Opinion-We can purchase land directly from the City. The City Attorney wants to change City Ordinance 823 and limit the sale of land to primary sector only; however, this change may tie the hands of the City.

I-94 RDC-Redrafting the request to swap street lighting of \$90,000 with \$100,000 Rosebud parking lot/swimming pool. TIF Bond in January, request reimbursement from National Guard, about \$63,000.

Recruiting Tech Companies-Contacting strong ND companies. Refer potential contacts to Jennifer Feist. Also making contacts to out-of-state companies. Ken Behrendt, Eagle Creek, has been providing input on key points, contacts, etc. to solicit top companies that are bringing their technology services back to the United States from offshore. Networking opportunities-ITCND luncheons, A Million Cups of Coffee (entrepreneur focus), James Burgum, and Entrepreneurial Center/NDSU Research & Technology Park.

Manufacturing-Focus on manufacturing after technology efforts.

Business magazines-Prairie Business, Business Week and The Bakken, use them to market Valley City. Provide a story and then advertise with it. Show that we are not losing businesses but rather we have space available because of our successes, companies are expanding and building. We have marketing funds that can be used.

File Management/Server-Authorized \$6,000 for server. JoAnn Hooper and Matt Pedersen reviewed accounting options within QuickBooks and specific needs with Jennifer Feist and Alicia Hoffarth. QuickBooks Premier (\$1,400) as the next step would do for now. Total with server/Premier/back-up/BEK would be \$10,000. Does not include CRM. George Gaukler moved to authorize an additional \$4,000 for all IT needs. Bobby Koeplin seconded. Motion carried unanimously.

There being no further business, President Elect Tony Kobbervig adjourned the meeting.

Respectfully Submitted

Jennifer Feist
Director of Development