

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
July 14, 2011
EDC Office, Willmar**

Present: Robert Carlson, Beverly Dougherty, Ron Erpelding, Duane Hultgren, Rick Nordin and Milan Schmiesing

Excused: Betty Bollig

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

Ex Officio: Jim Butterfield and Bruce Peterson

Media: Anne Polta, West Central Tribune

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

President Ron Erpelding called the meeting to order at 11:01 a.m. The following changes were made to the Consent Agenda: approve the addition of Matt Behm to the Finance Committee and remove the April 12 Finance Committee minutes as they were previously accepted.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Duane Hultgren, to approve the agenda as presented and the following revised Consent Agenda.

CONSENT AGENDA—

Approve: 1. Minutes of June 9, 2011 meeting
2. Minutes of the June 30, 2011 boards' planning session
3. Financial reports as of June 30, 2011, subject to audit
4. Adding Matt Behm to the Finance Committee

Accept: Committee Minutes
1. Business, Retention & Expansion/Recruitment (BRE/R) 6/1/2011
2. Leisure Travel 5/2/2011

MOTION CARRIED.

PROGRESS REPORTS

Willmar. Bruce Peterson reported a local wholesaler is looking at possible expansion and a meeting was held with the Federal Aviation Administration (FAA) on the former airport and additional information is needed from the state, which cannot be obtained during the state shutdown. The state shutdown is also affecting inspections of construction at United FCS and the dental clinic. The Willmar City Council is attempting to accommodate businesses during the state shutdown and will introduce a resolution to contract directly with the state electrical inspector. If a requirement is in a state statute, communities have no flexibility, but if it is a rule or regulation there is some flexibility. The builders' association is working to change some of

the statutes. The board discussed local ramifications being felt as a result of the state shutdown.

Willmar Design Center (WDC). Bev Dougherty reported the WDC is planning its Bounty of the County for August 11, 2011 in conjunction with Becker Market.

EDC/MinnWest Technology Campus (MWTC). Steve Renquist reported MWTC continues to move forward and is approaching 300 employees. The University of Minnesota is moving forward with the Mid-Central Research and Outreach Center (MCROC). It is unknown what role the EDC will play in marketing MCROC. Renquist encouraged the board to attend the July 28 BioBusiness Forum hosted by the EDC. Jean Spaulding informed the board of the September 21-22 invite only Animal Science Venture Forum. Peterson reported Joanna Schrupp posted an update on LinkedIn that MWTC now has 23 businesses and 294 employees.

Willmar Area Multicultural Market. Spaulding reported the EDC's Marketing and Public Relations Committee had a productive brainstorming session with the WAMM board on marketing the community kitchen. WAMM is waiting to hear if it will be awarded a grant to purchase and rehab its building.

UNFINISHED BUSINESS

BIO International Convention. Spaulding reported she and Scott Marquardt attended the BIO International Convention as delegates of the state of Minnesota. Their primary objective was to discover how business parks market themselves and what kind of companies they are trying to attract to build a collaborative environment. Spaulding and Marquardt will put together a presentation for MWTC stakeholders on how to attract the businesses needed for MWTC. Spaulding, Renquist and Peterson met with a contact Spaulding she met at the convention, who specializes in FAA regulatory issues and can possibly help with the former airport terminal issue. Tenex held an investor meeting last week and gave a positive update. Tenex is currently working with MWTC and a California engineering company to design its MWTC site. Tenex's projected employees for the first year is 8, 16 in the second year and 32 in the third year. Peterson reported Nova-Tech Engineering is expanding into another building at MWTC.

Website. Spaulding showed the board the new website, which should be live by August 1, 2011. EDC staff will receive training to do updates on the site.

There was no other unfinished business.

NEW BUSINESS

Review of June 30 board planning session. President Erpelding thanked those who attended the boards' planning session. The minutes from the June 30 meeting were provided to the board and approved in the Consent Agenda. Duane Hultgren requested the board review its procedures on issues it requests be placed on Joint Powers Board agendas and provide direction to the Executive Director on such matters.

2012 budget. Renquist presented the proposed 2012 budget discussed at the boards' planning session (see copy attached). The proposed budget includes a 2 percent wage increase for the Executive Director and Assistant Director. The EDC's levy must be submitted by September 15. President Erpelding and Milan Schmiesing explained the vacation benefits payable under the

Liabilities on the Balance Sheet. Discussion was held on the budget being more than the amount levied and the use of reserves to balance the budget.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Bev Dougherty, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board that it adopt the 2012 budget of \$508,508 with a levy of \$455,000 and using reserve funds of \$53,508. MOTION CARRIED.

Partnership agreement with Willmar Lakes Area Convention & Visitors Bureau (CVB).

Spaulding reported Beth Fischer, Executive Director of the Willmar Lakes Area CVB, would like to continue the agreement between the two entities relative to tourism. The budget just adopted includes a contribution of \$34,000 for 2012.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Bev Dougherty, to recommend to the Kandiyohi County Economic Development Commission's (EDC) Joint Powers Board that it renew a three-year tourism partnership agreement between the EDC and Willmar Lakes Area Convention & Visitors Bureau, subject to the EDC's annual budget review. MOTION CARRIED.

COMMITTEE REPORTS—

Agriculture & Renewable Energy Development. President Erpelding reported the *West Central Tribune* had an article in the July 13 issue that the Kandiyohi County Planning Commission tabled a decision to amend the county ordinance to allow multi-unit employee housing at animal agriculture operations. Renquist reported the committee is working with Ag Ventures Alliance of Iowa and may not need to do its own ag finance program. Renquist updated the board on projects the committee is working.

BRE/R. President Erpelding reported the BRE/R Committee discussed at length a downtown Willmar parking ramp study and presented the motion passed by the committee. Peterson reported the WDC also discussed the matter and Dougherty reported the WDC agreed with the BRE/R Committee's motion. The WDC would like to see long-range planning relative to long-term parking in downtown Willmar.

IT WAS MOVED BY Duane Hultgren, SECONDED BY Milan Schmiesing, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board that it support an analysis of current and projected parking needs in and adjacent to the Willmar central business district. MOTION CARRIED.

The board directed Renquist to meet with the Willmar Community Development Committee and Rice Memorial Hospital representatives to discuss the significant change in the EDC's support. The cost of a needs analysis is unknown at this time.

Technology Advisory Subcommittee. Spaulding reported she met with the subcommittee's chairperson to review the status of the Minnesota Intelligent Rural Communities project and what needs to be done to address local cell phone coverage issues. It is believed that by September or October 2011, local cell phone coverage will be known. The subcommittee plans to meet with the area's broadband and cell phone providers on the area's future needs.

Finance. President Erpelding reported the Finance Committee took action and reaffirmed having 50% in reserves for the Entrepreneurs' Loan Guarantee Program.

Marketing and Public Relations. Spaulding reported the committee did not meet other than to hold the brainstorming session with the WAMM board.

Leisure Travel. President Erpelding requested the CVB be informed of the board's recommendation to renew the tourism partnership agreement.

Other. Hultgren requested that future budget discussions be allowed adequate time for a thorough discussion. Rick Nordin informed the board there is commercial property available in Lake Lillian.

NEXT MEETING—The next regular board meeting is 11:00 a.m., Thursday, August 11, 2011, at the EDC Board Room.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:41 a.m.

Betty Bollig, Secretary

APPROVED 8/11/2011:

Ron Erpelding, President

Kandiyohi County City of Willmar Economic Development Commission
2012 Budget Planning Session
June 30, 2011

Date Printed: 7/7/2011

	2012 Proposed Budget	2011 Revised Budget	2011 Actuals as of 5/31/2011 42% of budget	2010 Actuals	2009 Actuals
Levy	\$ 455,000	\$ 455,000	\$ 7,490.18	456,480.47	\$ 455,634.08
Other Revenues:					
Reserve Fund	\$ 53,508	\$ 45,589			\$ 10,000.00
Loan Application Fees			\$ 200.00	200.00	\$ 200.00
State Reimbursements (Explore MN Tourism)					
Ag Conference Sponsors				1,500.00	\$ 15,500.00
Conference Registrations					
Ag Conference				2,320.00	\$ 1,210.00
Finance Seminar				600.00	\$ 2,165.00
Refunds and Reimbursements			\$ 25,018.74	50.00	\$ 49.84
Reimbursements (consulting)					
Insurance Reimbursements (dividends)				1,865.00	\$ 1,120.00
Tourism MOT grant					
Tourism Visitor's Guide					
Interest on investments - Heritage savings				1,554.10	
Interest on investments - CD US Bank (tourism)				99.72	
Interest on investments - Concorde Bank				224.53	
Repayment - Revolving Loan Fund				3,201.59	
Total Revenues	\$ 508,508	\$ 500,589	\$ 32,708.92	468,095.41	\$ 485,878.92
Director's Salary (2% increase)	\$ 79,822	\$ 78,257	\$ 32,607.10	79,491.02	\$ 78,257.28
Assistant Director's Salary (2% increase)	\$ 61,285	\$ 60,083	\$ 25,034.60	63,131.91	\$ 57,783.12
Director's Auto Allowance	\$ 6,300	\$ 6,300	\$ 2,625.00	6,300.00	\$ 6,300.00
Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%, social security and state taxes)	\$ 6,627	\$ 5,987	\$ 2,695.30	6,468.72	\$ 6,468.72
Assistant Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%, social security and state taxes)	\$ 4,794	\$ 4,596	\$ 1,915.10	4,596.25	\$ 4,420.32
Director's pension (PERA) 2011 employer rate is 7.25%	\$ 5,787	\$ 5,674	\$ 2,364.00	5,478.00	\$ 5,282.40
Assistant Director's pension (PERA) 2011 employer rate is 7.25%	\$ 4,443	\$ 4,356	\$ 1,815.00	4,205.76	\$ 3,900.48
Director's hospital insurance (\$579.75 p/mo.)	\$ 7,000	\$ 6,957	\$ 2,898.75	6,564.00	\$ 6,186.00
Asst Director's hospital insurance (\$579.75 p/mo.)	\$ 7,000	\$ 6,957	\$ 2,898.75	6,564.00	\$ 6,186.00
Workers' compensation insurance	\$ 1,600	\$ 1,200	\$ 854.00	1,536.00	\$ 1,219.00
Total Employee Compensation	\$ 184,658	\$ 180,367	\$ 75,707.60	184,335.66	\$ 176,003.32
Meals not attributed to a committee or task force	\$ 2,500	\$ 3,000	\$ 741.20	1,461.85	\$ 3,119.86
Director & Assistant Director's travel, conference, school	\$ 6,000	\$ 7,600	\$ 4,358.70	9,462.98	\$ 4,992.45
Seminars and Promotions	\$ 2,500	\$ 3,000	\$ 750.00	(767.55)	\$ 858.70
Director's insurance (MCIT liability and bond)	\$ 4,000	\$ 5,600	\$ 3,211.00	3,036.00	\$ 2,924.00
Directors & Assistant Director's memberships and dues (and subscriptions)	\$ 4,000	\$ 4,000	\$ 989.35	2,276.00	\$ 3,896.15
Legal	\$ 2,000	\$ 3,000	\$ 50.00	427.38	\$ 870.00
Accounting	\$ 3,600	\$ 3,800		55.00	\$ 6,055.00
Audit per bid	\$ 6,300	\$ 6,250		6,850.00	\$ 7,228.00
Consulting/Lobbyist (using reserves)					\$ 14,000.00
Depreciation					
Total Administrative Expenses	\$ 30,900	\$ 36,250	\$ 10,100.25	22,801.66	\$ 43,944.16

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	2012 Proposed Budget	2011 Revised Budget	2011 Actuals as of 5/31/2011 42% of budget	2010 Actuals	2009 Actuals
Cleaning person	\$ 2,600	\$ 2,500	\$ 750.00	2,400.00	\$ 2,600.00
Supplies and copies	\$ 4,500	\$ 4,500	\$ 307.91	3,300.18	\$ 3,087.75
Office equipment and miscellaneous	\$ 5,000	\$ 5,000	\$ 611.18	1,348.31	\$ 803.41
Postage	\$ 2,000	\$ 2,000	\$ 105.45	1,007.10	\$ 1,188.45
Materials/Maintenance of structures					\$ 1,904.96
Cleaning supplies		\$ 300	\$ 9.81	10.74	
General supplies	\$ 2,500	\$ 2,500	\$ 818.66	2,061.60	\$ 903.35
Telephone/Fax/Internet service	\$ 5,000	\$ 5,000	\$ 2,569.29	6,504.78	\$ 5,378.93
Printing & Publishing	\$ 1,000	\$ 1,000	\$ 1,044.09	503.49	\$ 1,096.87
Utilities					\$ 12.75
Maintenance of equipment (copier lease)	\$ 3,000	\$ 3,000	\$ 1,259.35	825.81	\$ 1,163.83
Cleaning and waste removal (windows, snow)	\$ 1,000	\$ 1,000	\$ 837.12	970.13	
Rent (office space per lease)	\$ 24,150	\$ 24,114	\$ 10,047.25	24,148.40	\$ 24,500.41
Rent (water cooler, post office box, parking)	\$ 500	\$ 800	\$ 184.00	344.64	\$ 133.12
Professional services:					
Clerical services	\$ 53,000	\$ 56,000	\$ 17,843.72	43,715.52	\$ 51,240.71
Planning session facilitator	\$ 1,500	\$ 3,000		700.43	\$ 1,393.00
Web hosting	\$ 200	\$ 750		(69.23)	\$ 415.86
Furniture and equipment	\$ 3,000	\$ 5,000	\$ 1,952.71	122.41	\$ 4,602.92
Depreciation Expense - Furniture & Equipment		\$ -		6428.99	
Total Office Expenses	\$ 108,950	\$ 116,464	\$ 38,340.54	94,323.30	\$ 100,426.32
Business Retention and Expansion/Recruitment (includes Technology Advisory Committee)	\$ 11,000	\$ 11,000			
Office supplies					
Postage					
Meals				81.42	\$ 41.47
Printing and Publishing				630.56	
Travel, conference, school					
Seminars					\$ 2,006.81
Professional services			\$ 45.94	420.02	\$ 1,352.58
Advertising					\$ 2,181.38
Technology Advisory Committee			\$ 196.88	229.69	\$ 7,898.89
Business Retention and Expansion/Recruitment			\$ 29.23	1,415.68	
Subtotal:	\$ 11,000	\$ 11,000	\$ 272.05	2,777.37	\$ 13,481.13
Finance	\$ 2,000	\$ 2,000			
Marketing				1,000.00	
Postage					
Meals			\$ 294.18	519.79	\$ 368.44
Seminars				524.99	
Professional services (LAA, legal)			\$ 85.31	387.19	\$ 538.13
Other Charges (filing fees)					
Subtotal:	\$ 2,000	\$ 2,000	\$ 379.49	2,431.97	\$ 906.57
Marketing & Public Relations	\$ 33,000	\$ 33,000			
Meals			\$ 270.52	437.30	\$ 454.77
Supplies					\$ 13.45
Printing and Publishing			\$ 199.86	1,315.02	\$ 4,260.07
Professional services (Summerset Studio)					\$ 105.00
Professional services (LAA)			\$ 170.64	406.92	\$ 1,260.08
Professional services (RedStar Creative)			\$ 2,008.75	16,748.75	\$ 15,740.94
Media			\$ 525.00	434.80	
Special projects			\$ 631.88	3,507.50	\$ 4,747.50
James J. Hill membership					\$ 550.00
Other				98.01	\$ 979.73
Website maintenance					
Subtotal:	\$33,000	\$ 33,000	\$ 3,806.65	22,948.30	\$ 28,111.54

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	2012 Proposed Budget	2011 Revised Budget	2011 Actuals as of 5/31/2011 42% of budget	2010 Actuals	2009 Actuals
Tourism		\$ 34,000			
General Mailing				1245.24	
Professional services (LAA)				8.43	
General Mailing-mail guides to sport shows				505.81	
CVB Tourism Partnership Agreement	\$ 34,000	\$ 34,000	\$ 34,000.00	34,000.00	
Subtotal:	\$ 34,000	\$ 34,000	\$ 34,000.00	35,759.48	\$ 28,818.37
Agriculture and Renewable Energy Development		\$ 65,000			
Full-time Ag Specialist prorated from 5/1/2011	\$ 45,000	\$ 30,000	\$ 23,625.00	37,782.94	\$ 20,043.68
Payroll taxes (FICA = 6.20%; Medicare = 1.45%, social security and state taxes)	\$ 3,179	\$ 2,295	\$ 1,807.32		
Pension (PERA) 2011 employer rate is 7.25%	\$ 3,263	\$ 2,175	\$ 1,712.82		
Hospital insurance (declined)		\$ 4,638	\$ -		
Workers' compensation insurance	\$ 500				
Meals			\$ 1,035.29	713.89	\$ 254.35
Seminars			\$ 90.00	427.50	\$ 1,452.72
Incurred costs (mileage, expenses, other)		\$ 5,000	\$ 1,584.15	11,035.19	\$ 4,007.51
Ag Conference				5,902.71	\$ 15,222.26
Program administration	\$ 13,058	\$ 20,892	\$ 722.54		
The Northspan Group, Inc.				2,204.52	\$ 3,429.84
Mid-Central Research and Outreach Center				209.69	
Planning facilitator					
Subtotal:	\$ 65,000	\$ 65,000	\$ 30,577.12	58,276.44	\$ 44,410.36
Total Committee Expense	\$ 145,000	\$ 145,000	\$ 69,035.31	\$ 122,193.56	\$ 115,727.97
Countywide Business Development	\$ 5,000	\$ 5,000		1,712.00	
Southwest Initiative Foundation	\$ 18,000				
Total Countywide Business Development	\$ 23,000	\$ 5,000		1,712.00	
Other Expenses:					
EDC Joint Powers Board (includes LAA time)	\$ 1,000	\$ 1,000	\$ 324.97	652.45	\$ 905.43
EDCOB (includes LAA time)	\$ 2,000	\$ 2,000	\$ 684.38	2,003.31	\$ 1,929.94
SCORE (cell phone)	\$ 500	\$ 1,000	\$ 71.74	241.61	\$ 153.30
Other operating expenses	\$ 2,500	\$ 3,508	\$ 19.59	847.26	\$ 67.28
Loan write-offs and Allowances					
Total Other Expenses	\$ 6,000	\$ 7,508	\$ 1,100.68	3,744.63	\$ 3,055.95
Community contributions related to economic development	\$ 10,000	\$ 10,000			
Community Marketing Coalition		\$ 5,000	\$ 5,000.00	7,500.00	\$ 5,000.00
Undesignated Funds				19.00	
Contribution to Reserve Fund					
TOTAL PROGRAM EXPENSES	\$ 508,508	\$ 500,589	\$ 199,284.38	\$ 436,629.81	\$ 444,157.72