

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT POWERS BOARD OF COMMISSIONERS MEETING
MINUTES
July 28, 2011
EDC Office, Willmar, MN

Present: Denis Anderson, Ron Christianson, Harlan Madsen, Jim Butterfield, Dean Shuck and Frank Yanish

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

Guest: Jim Ruff of James M. Ruff, Inc.

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

Media: Anne Polta, West Central Tribune

Chairperson Harlan Madsen called the meeting to order at approximately 11:30 a.m.

MINUTES—

IT WAS MOVED BY Dean Shuck, SECONDED BY Denis Anderson, to approve the minutes of the April 28, 2011 meeting of the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board of Commissioners as e-mailed and presented. ALL PRESENT VOTED IN FAVOR BY ROLL CALL.

TREASURER'S REPORT— Steve Renquist presented the financial reports for periods ending April 30, May 31 and June 30, 2011 and reviewed with the board the most recent Balance Sheet and Statement of Activities.

IT WAS MOVED BY Ron Christianson, SECONDED BY Denis Anderson, to accept the Kandiyohi County and City of Willmar Economic Development Commission financial reports for periods ending April 30, May 31 and June 30, 2011, subject to audit. ALL PRESENT VOTED IN FAVOR BY ROLL CALL.

UNFINISHED BUSINESS

2010 audit. Jim Ruff distributed an Executive Summary, reviewed with the board the Annual Financial Report as of December 31, 2010 and explained the auditor's responsibilities. The Executive Summary shows the EDC received a clean and favorable audit on all areas with no significant or material deficiencies in internal controls. Ruff noted the EDC's assets are down slightly from 2009, but the EDC has a strong financial status. Ruff noted the undesignated funds of \$401,892 shown on the Balance Sheet (page 3 of the report), are available and can be used by the EDC. Ruff noted ownership of the Revolving Loan Fund still needs to be transferred by Kandiyohi County to the EDC.

IT WAS MOVED BY Dean Shuck, SECONDED BY Ron Christianson, to accept the Kandiyohi County and City of Willmar Economic Development Commission's 2010 audited Annual Financial Report completed by James M. Ruff, Inc. ALL PRESENT VOTED IN FAVOR BY ROLL CALL.

Chairperson Madsen thanked Ruff for his work.

[Ruff was excused from the meeting.]

There was no other unfinished business.

NEW BUSINESS

[Frank Yanish joined the meeting.]

Revised 2011 budget/2012 proposed budget/levy. Renquist reviewed with the board the 2011 revised budget and the 2012 proposed budget and levy (see copy attached). Included in the 2012 proposed budget are two percent salary increases for the Executive Director and Assistant Director and an hourly rate increase for Legal & Administrative Assistants, Inc.

IT WAS MOVED BY Denis Anderson, SECONDED BY Dean Shuck, to approve the 2012 budget of \$508,508 as presented with a levy of \$455,000 and using reserve funds of \$53,508. ALL PRESENT VOTED IN FAVOR BY ROLL CALL.

IT WAS MOVED BY Ron Christianson, SECONDED BY Harlan Madsen, to approve the revised 2011 budget of \$500,589 using \$45,589 from reserve funds. ALL PRESENT VOTED IN FAVOR BY ROLL CALL.

Partnership with Willmar Lakes Area Convention & Visitors Bureau. Renquist informed the board the allocation of \$34,000 for the tourism agreement is included in the 2012 budget just approved. The board reviewed the proposed Partnership Agreement (see copy attached).

IT WAS MOVED BY Dean Shuck, SECONDED BY Jim Butterfield, to approve a three-year Tourism Partnership Agreement between the Kandiyohi County and City of Willmar Economic Development Commission and the Willmar Lakes Area Convention & Visitors Bureau. All present voted in favor by roll call.

Downtown parking needs analysis. Renquist informed the board the Joint Operations Board approved supporting an analysis of current and projected parking needs in and adjacent to the Willmar central business district.

There was no other new business.

Economic development activities. Renquist highlighted EDC activities, including Bühler Manufacturing, a Canadian company expanding into a Willmar location; Willmar Fabrication moving into a new location; a tax abatement was approved by the city of Lake Lillian and Kandiyohi County for the former winery building and the EDC hosted a BioBusiness Forum this morning. Renquist complimented Jean Spaulding on successfully seeking investors for Tenex Health, a California medical manufacturing device company that has expanded onto the MinnWest Technology Campus (MWTC). Spaulding reported Tenex Health held a shareholder meeting this week and its manufacturing space at MWTC should be completed by the first quarter of 2012. Spaulding reported local investors are moving forward in creating the Kandiyohi County Angel Network. Spaulding reported attending the BIO International Convention in Washington, D.C., which provided an opportunity to evaluate how other communities market business and technology parks and which will be used to help attract businesses to MWTC.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:39 p.m.

NEXT MEETING—The next regular board meeting is **11:30 a.m., Thursday, October 27, 2011**, at the EDC office.



Denis Anderson, Secretary

APPROVED 10/27/2011:



Harlan Madsen, Chairperson

Kandiyohi County and City of Willmar EDC Willmar Lakes Area Convention & Visitors Bureau Tourism Partnership Agreement

The Kandiyohi County and City of Willmar Economic Development Commission (EDC) Joint Powers Board of Commissioners and the Willmar Lakes Area Convention & Visitors Bureau (WLACVB) Board of Directors acknowledge the common missions of the EDC Tourism Committee and the WLACVB, and that the partnership agreement be continued for three years for the implementation of the Tourism Committee work plan under the guidance of the WLACVB.

The terms of the agreement are as follows:

1. WLACVB Director, along with the Leisure Travel Committee, shall prepare an annual budget request to be presented to the Kandiyohi County and City of Willmar EDC during the budget planning session (held in June each year). The budget request shall outline the line-item tourism-related expenses represented in the budget and how it relates to the WLACVB overall budget.
2. The WLACVB shall prepare an annual work plan outlining tourism-related goals to be submitted with the budget request.
3. The WLACVB shall provide annually year-end goals and budget report to the EDC Joint Operations Board of Directors.
4. The Kandiyohi County and City of Willmar EDC Joint Operations Board shall recommend an appointment to serve on the WLACVB Board of Directors.
5. The Kandiyohi County and City of Willmar EDC shall transfer to the City of Willmar the annual expenditure of \$34,000 allocated within the budget in January 2012. Amounts to be allocated in 2013 and 2014 are subject to the EDC's annual budget process.

The terms of the partnership agreement may be amended as necessary with notice and approval by both the Kandiyohi County and City of Willmar EDC Joint Powers Board and the WLACVB Board of Directors.

The agreement will continue year-to-year and may be terminated by either Board with advance written notification identifying intent and reasons for the termination prior to September 30th of the year preceding the partnership's termination.

Approved: July 28, 2011

Kandiyohi County and City of Willmar EDC

Willmar Lakes Area Convention & Visitors Bureau



Harlan Madsen
Chairperson



Beth Fischer
Executive Director

| 27 = EDC Fund; 716 = EDC; 000=category; 0000=committee; 0000=type of expense | 2011 Revised Budget |
|---|--------------------------------|
| Levy | \$ 455,000 |
| Other Revenues: | |
| Reserve Fund | \$ 45,589 |
| Loan Application Fees | |
| State Reimbursements (Explore MN Tourism) | |
| Ag Conference Sponsors | |
| Conference Registrations | |
| Ag Conference | |
| Finance Seminar | |
| Refunds and Reimbursements | |
| Reimbursements (consulting) | |
| Insurance Reimbursements (dividends) | |
| Tourism MOT grant | |
| Tourism Visitor's Guide | |
| Total Revenues | \$ 500,589 |
| Director's Salary | \$ 78,257 |
| Assistant Director's Salary | \$ 60,083 |
| Director's Auto Allowance | \$ 6,300 |
| Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%) | \$ 5,987 |
| Assistant Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%) | \$ 4,596 |
| Director's pension (PERA) 2011 employer rate is 7.25% | \$ 5,674 |
| Assistant Director's pension (PERA) 2011 employer rate is 7.25% | \$ 4,356 |
| Director's hospital insurance | \$ 6,957 |
| Assistant Director's hospital insurance | \$ 6,957 |
| Workers' compensation insurance | \$ 1,200 |
| Total Employee Compensation | \$ 180,367 |
| Meals not attributed to a committee or task force | \$ 3,000 |
| Director & Assistant Director's travel, conference, school | \$ 7,600 |
| Seminars and Promotions | \$ 3,000 |
| Director's insurance | |
| MCIT liability and bond | \$ 5,600 |
| Directors & Assistant Director's memberships and dues (and subscriptions) | \$ 4,000 |
| Legal | \$ 3,000 |
| Accounting | \$ 3,800 |
| Audit per bid | \$ 6,250 |
| Consulting/Lobbyist (using reserves) | |
| Depreciation | |
| Total Administrative Expenses | \$ 36,250 |
| Cleaning person | \$ 2,500 |
| Supplies and copies | \$ 4,500 |
| Office equipment and miscellaneous | \$ 5,000 |
| Postage | \$ 2,000 |
| Materials/Maintenance of structures | |
| Cleaning supplies | \$ 300 |
| General supplies | \$ 2,500 |

| 27 = EDC Fund; 716 = EDC; 000=category; 0000=committee; 0000=type of expense | 2011 Revised Budget |
|--|------------------------|
| Telephone/Fax/Internet service | \$ 5,000 |
| Printing & Publishing | \$ 1,000 |
| Utilities | |
| Maintenance of equipment (copier lease) | \$ 3,000 |
| Cleaning and waste removal (windows, snow) | \$ 1,000 |
| Rent (office space per lease) | \$ 24,114 |
| Rent (water cooler, post office box, parking) | \$ 800 |
| Professional services: | |
| Clerical services | \$ 56,000 |
| Planning session facilitator | \$ 3,000 |
| Web hosting | \$ 750 |
| Furniture and equipment | \$ 5,000 |
| Total Office Expenses | \$ 116,464 |
| Business Retention and Expansion/Recruitment (includes Technology Advisory Committee) | \$ 11,000 |
| Office supplies | |
| Postage | |
| Meals | |
| Printing and Publishing | |
| Travel, conference, school | |
| Seminars | |
| Professional services | |
| Technology Advisory Committee (\$3,000 on reserve per BRE 7.1.09 minutes) | |
| Advertising | |
| Subtotal: | \$ 11,000 |
| Finance | \$ 2,000 |
| Marketing | |
| Postage | |
| Meals | |
| Seminars | |
| Professional services (LAA, legal) | |
| Other Charges (filing fees) | |
| Subtotal: | \$ 2,000 |
| Marketing & Public Relations | \$ 33,000 |
| Meals | |
| Printing and Publishing | |
| Professional services (LAA) | |
| Professional services (RedStar Creative) | |
| Media | |
| Special projects | |
| James J. Hill membership | |
| Other | |
| Website maintenance | |
| Subtotal: | \$ 33,000 |
| Tourism | \$ 34,000 |
| CVB Tourism Partnership Agreement | \$ 34,000 |
| Subtotal: | \$ 34,000 |
| Agriculture and Renewable Energy Development | \$ 65,000 |
| Full-time Ag Specialist prorated from 5/1/2011 | \$ 30,000 |
| Payroll taxes (FICA = 6.20%; Medicare = 1.45%) | \$ 2,295 |

| 27 = EDC Fund; 716 = EDC; 000=category; 0000=committee; 0000=type of expense | 2011 Revised Budget |
|---|--------------------------------|
| Pension (PERA) 2011 employer rate is 7.25% | \$ 2,175 |
| Hospital insurance | \$ 4,638 |
| Workers' compensation insurance | |
| Seminars | |
| Incurred costs (mileage, expenses, other) | \$ 5,000 |
| Ag Conference | |
| Program administration (LAA, office, grant seeking) | \$ 20,892 |
| Mid-Central Research and Outreach Center | |
| Planning facilitator | |
| Subtotal: | \$ 65,000 |
| Total Committee Expense | \$ 145,000 |
| Countywide Business Development | \$ 5,000 |
| Seminars | |
| Total Countywide Business Development | \$ 5,000 |
| Other Expenses: | |
| EDC Joint Powers Board (includes LAA time) | \$ 1,000 |
| EDCOB (includes LAA time) | \$ 2,000 |
| SCORE (cell phone) | \$ 1,000 |
| Other operating expenses | \$ 3,508 |
| Total Other Expenses | \$ 7,508 |
| Community contributions related to economic development | \$ 10,000 |
| Community Marketing Coalition | \$ 5,000 |
| Undesignated Funds | |
| Contribution to Reserve Fund | |
| TOTAL PROGRAM EXPENSES | \$ 500,589 |
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Kandiyohi County City of Willmar Economic Development Commission

2012 Budget

Approved by Joint Operations Board 7/14/2011

Approved by Joint Powers Board 7/28/2011

Date Printed: 9/2/2011

| | 2012 Budget |
|--|--------------------|
| Levy | \$ 455,000 |
| Other Revenues: | |
| Reserve Fund | \$ 53,508 |
| Loan Application Fees | |
| State Reimbursements (Explore MN Tourism) | |
| Ag Conference Sponsors | |
| Conference Registrations | |
| Ag Conference | |
| Finance Seminar | |
| Refunds and Reimbursements | |
| Reimbursements (consulting) | |
| Insurance Reimbursements (dividends) | |
| Tourism MOT grant | |
| Tourism Visitor's Guide | |
| Interest on investments - Heritage savings | |
| Interest on investments - CD US Bank (tourism) | |
| Interest on investments - Concorde Bank | |
| Repayment - Revolving Loan Fund | |
| Total Revenues | \$ 508,508 |
| Director's Salary (2% increase) | \$ 79,822 |
| Director's Auto Allowance | \$ 6,300 |
| Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%, social security and state taxes) | \$ 6,627 |
| Director's pension (PERA) 2011 employer rate is 7.25% | \$ 5,787 |
| Director's hospital insurance (\$579.75 p/mo.) | \$ 7,000 |
| Total Executive Director's Compensation | \$ 105,536 |
| Assistant Director's Salary (2% increase) | \$ 61,285 |
| Assistant Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%, social security and state taxes) | \$ 4,794 |
| Assistant Director's pension (PERA) 2011 employer rate is 7.25% | \$ 4,443 |
| Asst Director's hospital insurance (\$579.75 p/mo.) | \$ 7,000 |
| Total Assistant Director's Compensation | \$ 77,522 |
| Workers' compensation insurance | \$ 1,600 |
| Total Employee Compensation | \$ 184,658 |
| Meals not attributed to a committee or task force | \$ 2,500 |
| Director & Assistant Director's travel, conference, school | \$ 6,000 |
| Seminars and Promotions | \$ 2,500 |
| Director's insurance (MCIT liability and bond) | \$ 4,000 |
| Directors & Assistant Director's memberships and dues (and subscriptions) | \$ 4,000 |
| Legal | \$ 2,000 |
| Accounting | \$ 3,600 |
| Audit per bid | \$ 6,300 |
| Consulting/Lobbyist (using reserves) | |
| Depreciation | |
| Total Administrative Expenses | \$ 30,900 |

Kandiyohi County City of Willmar Economic Development Commission

2012 Budget

Approved by Joint Operations Board 7/14/2011

Approved by Joint Powers Board 7/28/2011

Date Printed: 9/2/2011

| | 2012 Budget |
|--|--------------------|
| Cleaning person | \$ 2,600 |
| Supplies and copies | \$ 4,500 |
| Office equipment and miscellaneous | \$ 5,000 |
| Postage | \$ 2,000 |
| Materials/Maintenance of structures | |
| General supplies | \$ 2,500 |
| Telephone/Fax/Internet service | \$ 5,000 |
| Printing & Publishing | \$ 1,000 |
| Utilities | |
| Maintenance of equipment (copier lease) | \$ 3,000 |
| Cleaning and waste removal (windows, snow) | \$ 1,000 |
| Rent (office space per lease) | \$ 24,150 |
| Rent (water cooler, post office box, parking) | \$ 500 |
| Professional services: | |
| Clerical services | \$ 53,000 |
| Planning session facilitator | \$ 1,500 |
| Web hosting | \$ 200 |
| Furniture and equipment | \$ 3,000 |
| Depreciation Expense - Furniture & Equipment | |
| Total Office Expenses | \$ 108,950 |
| Business Retention and Expansion/Recruitment (includes Technology Advisory Committee) | \$ 11,000 |
| Office supplies | |
| Postage | |
| Meals | |
| Printing and Publishing | |
| Travel, conference, school | |
| Seminars | |
| Professional services | |
| Advertising | |
| Technology Advisory Committee | |
| Subtotal: | \$ 11,000 |
| Finance | \$ 2,000 |
| Marketing | |
| Postage | |
| Meals | |
| Seminars | |
| Professional services (LAA, legal) | |
| Other Charges (filing fees) | |
| Subtotal: | \$ 2,000 |
| Marketing & Public Relations | \$ 33,000 |
| Meals | |
| Supplies | |
| Printing and Publishing | |
| Professional services (Summerset Studio) | |
| Professional services (LAA) | |
| Professional services (RedStar Creative) | |
| Media | |
| Special projects | |
| James J. Hill membership | |
| Other | |
| Website maintenance | |
| Subtotal: | \$33,000 |

Kandiyohi County City of Willmar Economic Development Commission

2012 Budget

Approved by Joint Operations Board 7/14/2011

Approved by Joint Powers Board 7/28/2011

Date Printed: 9/2/2011

| | 2012 Budget |
|---|--------------------|
| Tourism | |
| CVB Tourism Partnership Agreement | \$ 34,000 |
| Subtotal: | \$ 34,000 |
| Agriculture and Renewable Energy Development | |
| Full-time Ag Specialist prorated from 5/1/2011 | \$ 45,000 |
| Payroll taxes (FICA = 6.20%; Medicare = 1.45%, social security and state taxes) | \$ 3,179 |
| Pension (PERA) 2011 employer rate is 7.25% | \$ 3,263 |
| Hospital insurance (declined) | |
| Workers' compensation insurance | \$ 500 |
| Meals | |
| Seminars | |
| Incurred costs (mileage, expenses, other) | |
| Ag Conference | |
| Program administration | \$ 13,058 |
| Mid-Central Research and Outreach Center | |
| Planning facilitator | |
| Subtotal: | \$ 65,000 |
| Total Committee Expense | \$ 145,000 |
| Countywide Business Development | \$ 5,000 |
| Southwest Initiative Foundation | \$ 18,000 |
| Total Countywide Business Development | \$ 23,000 |
| Other Expenses: | |
| EDC Joint Powers Board (includes LAA time) | \$ 1,000 |
| EDCOB (includes LAA time) | \$ 2,000 |
| SCORE (cell phone) | \$ 500 |
| Other operating expenses | \$ 2,500 |
| Loan write-offs and Allowances | |
| Total Other Expenses | \$ 6,000 |
| Community contributions related to economic development | \$ 10,000 |
| Community Marketing Coalition | |
| Total community contributions related to economic development | \$ 10,000 |
| Undesignated Funds | |
| Contribution to Reserve Fund | |
| TOTAL PROGRAM EXPENSES | \$ 508,508 |
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