

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
September 11, 2014
McKale's Restaurant, New London

Present: Art Benson, Rollie Boll, Beverly Dougherty, Gary Gilman and Linda Kacher

Ex Officio: Jim Butterfield and Bruce Peterson

Excused: Robert Carlson

Staff: Steven Renquist, Executive Director, Jean Spaulding, Assistant Director and Connie Schmoll, Business Development Specialist

Guest: Luke Greiner, Minnesota Department of Employment and Economic Development (DEED); Trudie Guptill, New London City Administrator and John Bergman, New London city councilman

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

President Bev Dougherty called the meeting to order at approximately 11:00 a.m. followed by self introductions.

New London comments. John Bergman welcomed the board and informed them the New London City Council was for many years the city's Economic Development Authority (EDA). Approximately 18 months ago, the city budgeted for and established an EDA with the mission of improving the city's economy and to look at services for the city, including a grocery store and hotel. The hotel is being pursued with the help of the EDC and a feasibility study is planned. The problem as to a grocery store is there is no building available. They have considered possibly doing a co-op. The council is trying to be more efficient with the community's funds and creating a marketing plan. The New London merchant's group is the city's energy and currently is funding the city's marketing. Most businesses in the city, including the successful specialty shops are women owned. The city, through its EDA, is involved in a University of Minnesota (U of M) BRE survey, which the EDC helped fund and included a question about a grocery store. The survey was sent to 650 individuals along with a \$2 bill and a little more than 350 were returned. The survey results are being compiled and should be concluded in a month. Steve Renquist noted the EDC's boards determined the EDC needed to more active in the county's communities, which resulted in Connie Schmoll being hired as the Business Development Specialist. Jean Spaulding noted the EDC's involvement in New London includes partial funding of the Middle Fork Café and Inspirations Gifts & Books; assisting the Happy Sol with its feasibility study prior to building; awarding website grants to Ali J Boutique, Happy Sol and Three Sisters Furnishings; assisting Rambow with its new expansion; and being an initial sponsor of the Minnesota BEST program.

AGENDA—

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to approve the Agenda and the following Consent Agenda.

CONSENT AGENDA—

- Approve: 1. Minutes of August 14, 2014 board meeting;
 2. Financial reports as of August 31, 2014, subject to audit;
- Accept: 1. Committee minutes:
 a. Agriculture and Renewable Energy Development 7/24/2014
 b. Business Retention and Expansion Recruitment 8/6/2014

PROGRESS REPORTS

Willmar. Bruce Peterson reported the city of Willmar is continuing to work with MnDOT along the Highway 12 corridor; will hold a hearing next week on the sidewalk ordinance allowing the use of sidewalks and serving alcohol; is working with Willmar Downtown Development to make downtown Willmar more business friendly and pave the way for new businesses; Willmar Avenue should open this morning; the Jennie-O Turkey Store project is moving along; Taco Bell broke ground this week; Bethesda Homes is finalizing its expansion plans; ALDI is moving forward; construction of 12th Street SE is coming along nicely; RELCO's project is underway and it will be moving a large building; working with LifeLink on relocating from a private hangar to a T hangar and moving its temporary crew quarters to a new location; and approved construction of twin homes.

[Luke Greiner joined the meeting.]

Labor Market Information. Dougherty introduced Luke Greiner, Regional Labor Market Analyst with the Labor Market Information Office of DEED. Greiner provided the following state statistics for July 2014:

- Minnesota lost 4,200 jobs, down from June's gain of 3,600; however, every July has a drop in employment due to seasonal adjustments. It was the smallest decline since 1999.
- Minnesota's 2.5% employment growth rate for the last 12 months exceeds the national growth rate of 1.9%.
- State unemployment remained at 4.5%, driven by decline in the labor force. Approximately .5% are discouraged workers (they want a job, but gave up looking).
- Employment participation rate was 70.1% (-.2%). Manufacturing, leisure and hospitality, trade and transportation, and utilities gained the most employees.
- There were record losses in education and health services, which was driven by private sector cuts (-5,300 jobs). Detail on which areas of education and health services saw the loss will be available in six months.

- St. Cloud continues to outpace every Metropolitan Statistical Area in the state in terms of added employment (+2.8% OTY change).
- Except for North Dakota, Minnesota is growing faster than its surrounding states. A recent article in a Chicago publication looked at Midwest growth and said to look at Minnesota for what it is doing. To maintain growth, the state will need in-migration from other states or cultures.
- There are 165,000 employers in Minnesota; more than 388,000 are self employed owning their own micro-business or working as contractors.
- Minnesota's population is 5.3 million and its labor force tops 3 million.

Greiner provided the following Labor Market Information (LMI) as to Kandiyohi County, which is based upon the employer's location:

- Total jobs were 22,503
- Average weekly wage for all jobs was \$658; approximately \$34,000 annually assuming 52 weeks year
- Retail has the most business establishments at 223
- 8,150 employees come into the county to work
- 14,327 are employed and live in Kandiyohi County
- 6,800 are employed outside the county
- Commuting patterns yield a net gain of 1,350 employees

Greiner recommended employers complete surveys they receive so policy makers know what the statistics are for the state and so communities can get needed services. Greiner provides LMI to private companies considering locating to the state or expanding; presents regional economic information to Education Program Administrators; researches regional employment disparities; provides LMI and demographics to counties, cities, chambers and EDAs. A new cost-of-living calculator will be added to DEED's website soon.

Bergman noted local businesses are having trouble retaining employees. DEED has turnover and retention survey data, but not at the county level. Generally, high turnover rates are in lower-wage jobs and highly-demanded occupations. Newer generations change jobs every three years. Spaulding noted the EDC uses DEED's statistics often.

Willmar Downtown Development. Dougherty reported Historic 313's roof will be replaced soon, they have completed selective interior demolition and funds continue to be received. Celebrate Art Celebrate Coffee is September 20 and Holidaze is November 22.

EDC/MinnWest Technology Campus (MWTC). Spaulding gave an update on the EDC and MWTC's membership in the Community Venture Network; the U of M Technology Showcase is September 30 and will include presentations by its Office for Technology Commercialization and the new Office of University Economic Development followed by a networking reception with Animal Science Conference attendees hosted by the EDC; the Animal Science Conference is October 1. Businesses doing innovative things, such as Dahmes Stainless and Donnerite, should attend these events. Spaulding met with the Main Street group on what can be done as to the image of downtown Willmar and neighborhood issues; it was a very positive meeting and attendees were enthusiastic. Renquist updated the board on the TIGER II grant, which was

not awarded to Kandiyohi County, and indicated some part of the project may continue without the grant; the Kandiyohi County Board of Commissioners approved the EDC's 2015 budget; a distribution center for Jennie-O Turkey Store may happen; Buhler Versatile is looking at expanding its product line and there may be opportunities for the Hulstrand building. Spaulding reported Rambow submitted a Job Creation Fund application for its expansion project and there may be some funds available.

[Luke Greiner and Connie Schmoll were excused from the meeting.]

Willmar Area Multicultural Business Center (WAM-BC). Spaulding reported Robert Valdez has been working on a downtown walk with the EDC and Willmar Lakes Area Chamber of Commerce (WLACC) to educate and bring people to downtown Willmar. The walk will be followed by a social networking time.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS—

EDC checking and savings accounts. Renquist informed the board that in February 2012, the board selected Heritage Bank to hold the EDC's checking and savings accounts through 2014. The board needs to determine if a new request for proposal should be done or if the EDC will continue with the current bank.

IT WAS MOVED BY Gary Gilman, SECONDED BY Art Benson, to keep the Kandiyohi County and City of Willmar Economic Development Commission's checking and savings accounts at Heritage Bank and do requests for proposals, as needed, for its certificates of deposit. MOTION CARRIED with Rollie Boll abstaining.

Annual planning session. President Dougherty announced the boards' annual planning session is Thursday, September 25, 2014, from 8:00 a.m. to 1:00 p.m. at the MinnWest Commons at MWTC with Scott Marquardt facilitating. Spaulding stated Marquardt will email the board a confidential survey and will use the survey results during the planning session.

Award permanent status to Connie Schmoll. Renquist reported he had a six-month review with Connie Schmoll yesterday. Schmoll has been exceptional to work with and has done an outstanding job to date. Schmoll has been working with the U of M BRE survey in New London and Spicer and conducted the EDC's business survey. Renquist recommended Schmoll be moved to permanent status and her salary increased.

IT WAS MOVED BY Rollie Boll, SECONDED BY Gary Gilman, to approve moving Connie Schmoll to permanent employment status and to increase her annual salary to \$50,000. MOTION CARRIED.

Renquist informed the board that Schmoll was selected to attend the Blandin Community Leadership Program next week.

COMMITTEE REPORTS—

Agriculture and Renewable Energy Development. Renquist stated Schmoll is attending the WLACC Ag Committee tour today. The Ag Committee's regular monthly meeting is next week and they will begin looking at their annual planning.

Business Retention and Expansion/Recruitment. Renquist reported the committee is moving into the one-on-one visits with the businesses involved in the email survey. WLACC and its Grow Minnesota! program have agreed to work with this committee on the visits. Spaulding noted the EDC's Synchronist program was instrumental in Grow Minnesota! participating as it will work with its program.

Technology Advisory Subcommittee. Spaulding reported the subcommittee met last week with three representatives from Frontier Communications. At this time, Frontier is not sure if it will apply for the state broadband infrastructure grant. TDS declined applying for the grant as the engineering costs for the area they were looking at would have been \$20,000 per household to meet the state grant requirements of 10 mg download speed and 6 mg upload speed. A red flag issue from the New London and Spicer BRE survey is TDS service. Yesterday, the group met with Bruce Hanson of Clara City Telephone to find out what it is doing in connecting schools and libraries in Willmar and to the west. Clara City Telephone is connecting Willmar Public Schools as well as the Pioneerland Library System. The committee is determining how to manage the message that goes with the state's broadband map, which shows under served or unserved areas. Many of the areas on the map receive adequate service for the users.

[Dougherty was excused from the meeting. Rollie Boll took over chairing the meeting.]

MVTV's technology cannot meet the state's grant requirements and Charter is not interested in being in rural areas. The committee identified problem areas around Diamond Lake and Prinsburg/Roseland/Svea/Blomkest, which are Frontier territories. Another problem area is TDS's territory west of New London in the hills and lakes area. The committee is looking for solutions and will continue to work on the county's broadband, but they are not as optimistic on having a state grant application. The committee would like to determine what the actual broadband speeds are in areas of the county.

Finance. Spaulding stated the committee will meet October 7 and may have two loan applications to review.

Marketing and Public Relations. Spaulding reported the committee had a telephone conference with a company on website development and what needs to be done to the EDC's site. Meetings are being set up with Affiliated Community Medical Center, Family Practice Medical Center and Rice Memorial Hospital on what the EDC can we do with employers for

recruitment. The committee is working on another newspaper insert that will be completed in the next month and will focus on successes.

Leisure Travel. Jim Butterfield reported he has not been able to attend the last two meetings. Rollie Boll noted Decision Hills is for sale.

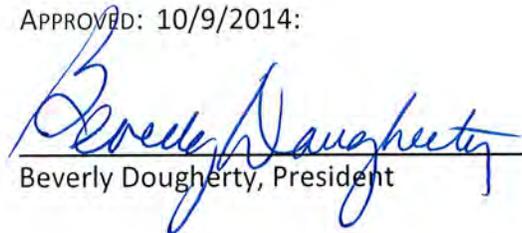
NEXT MEETING—The next regular board meeting is **11:00 a.m., Thursday, October 9, 2014**, at a place to be determined.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:00 p.m.



Gary Gilman, Secretary

APPROVED: 10/9/2014:



Beverly Dougherty, President