

Meeting of the Koochiching Economic Development Authority

Wednesday, September 20th, 2017
City Council Chambers

Board Members Present: Bob Anderson, Harley Droba, Ron Norby (Alternate), Jerry Struss (Alternate)

Members Absent: Wade Pavleck, Allen Rasmussen, Mike Hanson, Brian McBride

Staff Present: Paul Nevanen, Kyra Hasbargen

Others Attending: Laurel Beager (The Journal), Mike Wellcome, Sherril Gautreaux, Dan McCarthy, Pete Schultz

Meeting called to order at 1:04 p.m. by Jerry Struss in Chairman Rasmussen's absence.

- 01 Approve agenda – **Motion by Anderson, a second by Droba to accept the agenda as presented. Motion carried unanimously.**
- 02 Approve minutes from 8/16/17 – **Motion by Anderson, a second by Droba to approve the 8/16/17 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer's Report – Nevanen presented the CWT financial reports in Treasurer McBride's absence for August and monthly bills for September in the amount of \$7,812.02, JLR bills of \$44,676.34 and New Cold Box bills of \$139,860, along with a transfer of \$16,000 to KEDA and explained their details. Nevanen mentioned going out to the test building after next month's meeting. **Motion by Anderson, a second by Norby to approve the August CWT financial reports and bills for September with a total of \$7,812.02, JLR bills of \$44,676.34 and New Cold Box bills of \$139,860, along with a transfer of \$16,000 to KEDA. Motion carried unanimously.** Nevanen presented the KEDA financials for August and bills for September in the amount of \$21,040.80 and referenced the new website through Big Fish Digital. **Motion by Droba, a second by Norby to approve the July KEDA financial reports and bills for July in the amount of \$21,040.80. Motion carried unanimously.**
- 05 Voyage Forward Marketing Partnership – Mike Wellcome explained the marketing partnership and their meetings over the past year as he handed out a document and continued with explaining their universal marketing message and template that can be changed to reflect individuals City preference. Welcome stated they will be meeting in Northome tonight to discuss their marketing flyer. Welcome handed out a document explaining the Marketing groups efforts, adding things are moving forward. Wellcome stated they have not heard back from the City of Int'l Falls on whether they are going to use the marketing template and questioned who to talk to about it. Anderson stated he wasn't sure if funds had been set aside from marketing efforts, and recommended talking with Ken Anderson.
- 06 IRRRB Grant Agreement Resolution – Nevanen explained how funds are received from IRRRB and the requirement process. He referenced the resolution to be approved, adding the amount of the

funds expected is \$81,478 which is down from last year due to a decrease in mining activity. **Motion by Anderson, a second by Droba to approve the 2018 IRRRB Resolution. Motion carried unanimously.**

- 07 2016 Audit Review – Nevanen explained the audit process and working with auditors Walker, Gruiox Hahne and briefly reviewed the draft audit report. The findings were for the most part positive, but some weaknesses are standard for the size of the KEDA office and its controls. Nevanen noted they have recommended allocating more time spent on cold weather testing and to increase the depreciation amount from \$500 to \$1000. Short discussion on cold weather testing and its funds and other revenue sources. **Motion by Anderson, a second by Norby to approve the 2016 Draft Audit Report. Motion carried unanimously.**
- 08 2018 Budget Approval – Nevanen explained the Budget Narrative and budgets for CWT and KEDA. Struss questioned if there are any major changes in the budgets. Nevanen responded they have stayed fairly consistent and explained how CWT transfers work to cover KEDA operational expenses. Anderson questioned if there will be any increased costs with the new cold box. Short discussion on increases and revenues. **Motion by Droba, a second by Anderson to approve the 2018 CWT & KEDA Budgets. Motion carried unanimously.**
- 09 Director’s Report – Nevanen referenced the International Falls Business Park and the conveyance of the additional tax forfeited acreage around the existing acres, adding it was formalized and recorded with the County earlier this month. Nevanen noted the next steps will be to create a committee to begin looking at a planning process for the eventual platting. **Motion by Anderson, a second by Norby to authorize the set up of a Committee to begin the planning process of the International Falls Business Park additional acres. Motion carried unanimously.** Nevanen reported on the construction of the 3rd cold box for Cold Weather Testing that is underway, noting the electrical has been trenched to the site and the slab has been poured, along with a couple of the walls up. Nevanen stated JLR management will be here to check on the progress on October 9th, adding JLR will begin running its durability testing next month with additional local drivers. Nevanen stated he and Mike Hanson recently met with Brandon Andersen, the new owner of Green Forest Sawmill in Littlefork and looked at the investment that he has made at the facility, adding he plans on additional investment to help make the facility more efficient, noting he has also hired additional employees. Nevanen reference the Highway 53 Visual Quality Advisory Committee, noting he was invited to be a part of the committee that is working with representatives of MnDOT to discuss and plan the process for the redesign of Highway 53 corridor into the community. Anderson added, he has encouraged them to start at Memorial Drive and end at Border Bar, referencing the sidewalks, new signal lights, signage and lighting, noting there will be a public meeting on October 26th. Short discussion on the Highway. Nevanen referenced the dialysis group and the challenges they are facing, noting they have identified a company from Nashville and are looking at determining if they will be able to help with the project, adding there is approximately a \$1 million upfront cost to start up the program. Short discussion on dialysis.
- 10 Other (City/County Updates) – Anderson reported the new terminal building is close to being finished and touched on the City Comprehensive Plan that is expected to be completed by the end of the year. Droba mentioned the preliminary City budget is expected to be approved on Monday, noting they have hired a new police officer for drug enforcement, in conjunction with Bemidji and Hibbing. Droba referenced the city infrastructure needing roughly \$7-10 million worth of improvements, adding the City is looking at a possible sales tax that would be put towards infrastructure. Short discussion on a sales tax use and roads and infrastructure. Norby stated the

County is working on their budget process, noting the Island View Sewer Project and the Transmission Line from the Black River Road to Big Falls which is bringing in 300-400 people to complete the project estimated to be completed by June 1st, 2020. Struss referenced a possible annexation the City of Northome is working on to acquire and outside portion of Northome and Island Lake area which is about 4-5 miles from the boundary of Northome.

- 11 Public Comment Period – Dan McCarthy questioned the Voyage Forward Marketing Partnership and their future plans or if they are requesting informal support from the KEDA. Nevanen responded the group was only giving an update on their activities today. McCarthy referenced the IRRRB and receiving funds from them. Anderson responded that Koochiching County is eligible to receive the funds by State Statute.
- 12 The next board meeting was scheduled for Wednesday, October 18th at 1:00 p.m. at the County Boardroom. **Meeting adjourned at 2:35 p.m.**