

Meeting of the Koochiching Economic Development Authority

Tuesday, June 21st, 2016
Koochiching County Boardroom

Board Members Present: Brian McBride, Bob Anderson, Mike Hanson, Allen Rasmussen, Harley Droba, Wade Pavleck

Members Absent:

Staff Present: Paul Nevanen, Kyra Briggs

Others Attending: Emily Gedde (The Journal), Randy Thoms, Steve Shermoen, Ricky Roche, Eric Johnson, Crystal Clance, Sherril Gautreaux, Alyssa Hackenmuller, Mike Wellcome, Gail Rognerud, Ward Merrill, Dan McCarthy, Cynthia Jakska, Ken Anderson, Sue Natysin.

Meeting called to order at 10:00 a.m. by Chairman Rasmussen.

- 01 Approve agenda – **Motion by McBride, a second by Droba to accept the agenda as presented. Motion carried unanimously.**
- 02 Approve minutes from 5/25/16 and Special Meeting Minutes from 5/31/16 – **Motion by Hanson, a second by McBride to approve the 5/25/16 meeting minutes. Motion carried unanimously. Motion by Anderson, a second by McBride to approve the 5/31/16 Special meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer’s Report – Treasurer McBride presented the financials for May and bills for June. **Motion by McBride, a second by Hanson to approve the May KEDA financial reports and bills for June in the amount of \$35,061.76. Motion carried unanimously.** McBride then presented the CWT financial reports for May and monthly bills for June, explaining the monthly water bill was very high due to a running toilet that went unnoticed. Nevanen elaborated more details of the situation. McBride noted a transfer in the amount of \$25,000 from CWT to KEDA **Motion by McBride, a second by Anderson to approve the May CWT financial reports and bills for June in the amount of \$4,402.22. Motion carried unanimously.**
- 05 **Voyage Forward Marketing Partnership Proposal – Mike Wellcome** – Wellcome explained Voyage Forward and the “Destiny Drivers” while asking the KEDA to participate in a Marketing Partnership and gave presentation on the background of Voyage Forward and the Newmark Analysis with recommendations. Wellcome read through the proposal in its detail. Discussion on the proposal. Alyssa Hackenmuller explained she has been a part of the “Destiny Drivers” from the beginning, adding they are not looking to tell KEDA what to do or scrutinize what they are doing but want to enhance what the KEDA is doing. Gail Rognerud stated there has been lots of community dollars spent on the Newmark study and if the recommendations are not put in place, it will be a waste of tax payer’s money. McBride stated he believed it is worth moving forward and give it a try, and if it doesn’t work out, it doesn’t work out. Motion was made by McBride to support the partnership proposal with Voyage forward and was seconded by Pavleck with additional discussion. Pavleck stated a discussion needs to take place on the structure and direction of where the partnership will go, expressing his concern with the proposed organizational chart and how it comes into play with KEDA. Discussion on the partnership and the organizational chart.

Discussion on what has been done in the past and creating a unified message. Discussion on funding and concerns for administration. Hanson thanked Wellcome and all involved for their efforts in moving Voyage Forward ahead and expressed his concern with work load on a small administration but stated it is worth a try and see where it goes. Pavleck requested clarification on the motion to move forward on supporting the proposal, adding a discussion needs to occur and cannot recommend a partnership without sitting down for a discussion. Wellcome and Ward Merrill explained the history of how the Economic Response Teams started and moving forward by sending a positive message. Additional discussion on the motion supporting the partnership proposal. Pavleck suggested a motion of conceptual support, adding expectations are high and doesn't want to let down. Wellcome questioned Pavleck on his "conceptual support" meaning. Pavleck explained there is a lack of structure and he would like a better understanding of where this is going, adding he supports the efforts but wants a clear direction. Pavleck noted if the Newmark recommendations were follow in the beginning, this board would be gone and so would the funding, suggesting the board table the motion for one month and have a discussion. McBride withdrew his motion; Pavleck withdrew his second on the motion. **Motion by McBride, a second by Hanson to approve the proposal with Voyage Forward conceptually and allow Voyage Forward to move ahead as planned with their mailing. Motion carried unanimously.**

06 **Old Business – By-Laws Review** – Rasmussen explained a By-Laws committee was set up with Droba, Hanson and himself discuss the By-Laws, adding they cleaned up some language and made a few changes. Rasmussen explained the recommended changes highlighted in red in the by-law document. **Motion by Droba, a second by Pavleck to accept the changes and amend the By-laws. Motion carried unanimously.**

07 **Staff Review** – Nevanen explained he and Jenny Herman recently conducted a review of Kyra Briggs' job performance which was very positive, adding the recommendation of a 2.5% increase in salary. Rasmussen questioned how much SBDC pays. Nevanen responded the SBDC pays for Jenny but is not broken out for Briggs. Nevanen added Briggs manages several different entities list those as KEDA, Koochco, KCDA and Airport Commission. Pavleck stated the County is in the middle of contracts, questioning all the duties. Nevanen stated in the past they have looked at the City and County for salary comparison. McBride questioned if the rate increase would be retroactive. Nevanen stated her service date is June 11th. Discussion on job duties. McBride stated the wage should be determined according to duties and questioned if the Airport pays a portion of the wage. Nevanen confirmed the Airport pays for a portion. Rasmussen questioned if the consensus of the board is to table action until further discussion pending future contracts at the County. Anderson questioned Pavleck when contracts are estimated to be completed. Pavleck stated there is not a definite date as of right now. **Motion by McBride, a second by Hanson to table discussion until the board has a clear idea of job duties and job performance, increase will be retroactive. Motion carried unanimously.**

08 **International Falls Business Park Inquiry – Ricky Roche** – Steve Shermoen explained he met with Nevanen and Ricky Roche since the special meeting and an appraisal on the parcel was completed, adding Roche also met with Kelly Meyers, Building Inspector for the City, on how the building will sit on the site. Shermoen referenced the old developer's agreement, noting they will use it as a guideline. Shermoen explained the process of the public hearing then the board will take action if they wish to proceed, suggesting to have the public hearing in conjunction with next month's KEDA meeting and encouraged the KEDA Board to move forward. Discussion on public hearing and meeting time and date. The board agreed to hold a Public Hearing at 3:00pm on Tuesday, July 19th with the KEDA Board meeting to follow at 3:30pm.

09 **Director's Report** – Nevanen reported on the Healthcare Initiative and he learned last week that they were awarded a grant in support with Rainy River Community College and the unique partnership

with the City of International Falls, Koochiching County , Rainy Lake Medical Center, Essentia International Falls, the Good Samaritan, and Rainy Lake Medical Center – Littlefork. Nevanen stated they wanted to send out a press release but formal approval was needed first, adding they can now move forward and post the position. Nevanen stated Jaguar Land Rover (JLR) representatives were here last week to discuss facility improvements, extending their current lease and explore the possibility of an additional cold box. Nevanen added they have put together cost estimates on facility improvements and a new cold box for the 2017-18 test season, noting JLR anticipates a significant increase in testing activity in the coming seasons and will be working with attorney on extending their current lease and bring it to the board for approval. Nevanen reported he, Commissioner Skoe and Jerry Struss recently visited with Ryan and David Good of GPAC, a national recruitment firm based in Sioux Falls, South Dakota, who are originally from Northome and have recently hired four people in the area that can work from their homes. Nevanen stated he and Herman continue to take the on-line class offered through the University of Minnesota Extension Service and conducted their first practice visit.

- 10 Other (City/County Updates) – Anderson stated the City is anticipating a very busy summer with lots of requests for usage of Smokey Bear Park, adding the Band Shell was recently painted and Phase I of the Airport Terminal construction is expected to commence on July 18th. McBride referenced a notification the County received of a potential grant for active living specific for International Falls. Hanson informed the board of the America’s Parade in Birchdale on the 4th of July featuring Fred Flinston and the Flinston Family Reunion, noting all are invited to attend. Anderson questioned Nevanen on the letter from the County Attorney on the other building and lot in the Business Park. Nevanen explained he reached out to the County Attorney Naglosky, however he is unable to provide a response at this time. Discussion on the Voyage Forward proposal and setting up a meeting time and date for discussion. The board agreed, Tuesday, July 12th at 8:00am to meet in the County Boardroom and discuss the Voyage Forward proposal. Anderson suggested sending a letter to the County Board to seek and opinion from the County Attorney on the lot in the Business Park. **Motion by Anderson, a second by Pavleck to authorize the Executive Director to send a letter on behalf of KEDA to Koochiching County requesting they seek and opinion with regard to Fresh Water Fisheries building. Motion carried unanimously.** Short discussion on Cold Weather Testing and the process of moving the project forward.
- 11 Public Comment Period – Cynthia Jaksa questioned the financials and who the \$300,000 in net income belongs to. Rasmussen responded, it belongs to the KEDA. Jaksa questioned the per diem rate in the by-laws. Rasmussen explained the per diem and added research was conducted in arriving at the specific rate. Droba explained the State per diem rate was higher and they will be claiming a lower rate. Short discussion on the per diem rate.
- 12 The next board meeting was scheduled for Tuesday, July 19th at 3:30 p.m. at the County Boardroom following the KEDA Public Hearing at 3:00pm. **Meeting adjourned at 11:55 a.m.**