

Meeting of the Koochiching Economic Development Authority

Wednesday, October 19th, 2016
City Council Chambers

Board Members Present: Brian McBride, Bob Anderson, Harley Droba, Mike Hanson

Members Absent: Allen Rasmussen, Wade Pavleck

Staff Present: Paul Nevanen, Kyra Hasbargen

Others Attending: Laurel Beager (The Journal), Jenny Herman (SBDC), Doug Skrief, Mike Wellcome, Sherrill Gautreaux, Cynthia Jaksa (KCC-TV), Ward Merrill, Tammy Riley, Ken Anderson, Pete Schultz, Myrna Meadows

Meeting called to order at 1:00 p.m. by Vice Chairman Hanson in Chairman Rasmussen's absence.

- 01 Approve agenda – **Motion by McBride, a second by Droba to accept the agenda as presented. Motion carried unanimously.**
- 02 Approve minutes from 9/21/16 – **Motion by Anderson, a second by McBride to approve the 9/21/16 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – Cynthia Jaksa handed out a Federal Brownfield Grant RFP to those in attendance and explained there is a local business interested in taking advantage, however the deadline is November 1st so the need to meet tomorrow is imperative. Discussion on the grant and proposal by the business owner. Nevanen and Anderson stated they would make themselves available for a meeting this afternoon.
- 04 Treasurer's Report – Treasurer McBride presented the financials for September and bills for October and explained there is one bill not received yet to Koochiching County for September's payroll in the amount of roughly \$16,000. McBride explained there was a transfer from KEDA to CWT JLR in the amount of \$76,716.00 from the 2015/2016 season bills. **Motion by McBride, a second by Droba to approve the September KEDA financial reports and bills for October in the amount of \$5,049.39 plus the approval of \$16,000 to Koochiching County for payroll. Motion carried unanimously.** McBride then presented the CWT financial reports for September and monthly bills for October in the amount of \$6,026.77 and \$10,275.00 for JLR bills. **Motion by McBride, a second by Anderson to approve the September CWT financial reports and bills for October in the amount of \$6,026.77 and \$10,275.00 for JLR. Motion carried unanimously.**
- 05 Out-County Alternate Board Member –Hanson explained alternate Debbie Bowman has moved into city limits and is not longer eligible for the position she held on the KEDA Board as an Out-County Alternate Board Member, adding, due to the term not expiring, the position can be appointed. Hanson mentioned Jerry Struss from Northome has shown interest and hopes the board will consider him for the alternation position. **Motion by McBride, a second by Anderson to approve Jerry Struss as Alternate Out-County KEDA Board Member. Motion carried unanimously.**
- 06 SBDC Update – Jenny Herman – Herman reported she continues providing continuing education classes, noting she did a Teen Enterprise camp this summer for 7th-12th graders, adding it was a weeklong camp with 6 students attending. Herman stated there were presentations from local entrepreneurs, they toured local manufacturing facilities and the students were required to create a business plan and give a presentation, crediting RRCC for the utilization of a classroom for no

charge. Herman noted the camp was so successful; she has already scheduled it again for next year. Nevanen stated he sat in on the presentations and the students did a terrific job. Herman added there were scholarships available to most of the students, provided by Boise/PCA. Herman referenced Junior Achievement and its success again last year, noting the classes involved and now Littlefork and Indus have shown interest in participating. Herman explained the need to pay for material this year as in the past the materials were paid for and explained the breakdown of funding for this year that she has secured. Herman reported on the National SBDC Conference she attend in Orlando recently where she was selected to be a presenter, adding there were 85 people in attendance for her first presentation and over 100 people at the second one. Herman noted the number of clients she has met with, 63 different clients, 14 of those were new clients and 13 of them were looking to start a new business. Herman stated she has 27 long-term clients, 6 clients have started up a business, 3 new jobs were created and 63 jobs were retained, adding her numbers were down a bit from last year but hopes that is due to businesses doing better and not needing as much help. Anderson questioned the reason the Junior Achievement kits are so expensive. Herman explained there are 44 classrooms and the kits include all the materials to supply each classroom. Anderson questioned how other communities get their funding for Junior Achievement. Herman responded corporate offices will often sponsor the kits or they hold fundraisers. Nevanen stated Herman continues to do a tremendous job and credited her on all of her hard work.

07 Voyage Forward – Mike Wellcome – Wellcome stated he was there to request funds from the KEDA, adding people from the different Destiny Drivers were in attendance to give updates on Voyage Forward. Tammy Riley, Pete Schultz, Sherrill Gautreaux, Myrna Meadows, Ward Merrill and Doug Skreif each gave a brief update of the “Drivers” they are involved in and the work that is being done. Hanson thanked all the presenters for their update and dedication. Wellcome explained the KEDA approved a marketing partnership with Voyage Forward a few months ago and referenced a previous proposal from Christa Heibel which mimicked the Newmark results. Wellcome explained the Cities that are interested in putting the Voyage Forward logo on the City’s letterhead, adding the outcome is to implement a Strategic Development Plan, noting there are two “Driver” who they have not found a Champion for and hasn’t been any movement from those “Drivers.” Wellcome stated they are requesting \$5,000 from the KEDA to keep Voyage Forward going and explained the funds are for recreating the Voyage Forward website with a new host and cost for 1 year and for a survey through Survey Monkey. Wellcome noted they have received funding of \$1,000 from Northern Higher Ed District (NHED) but the funds must go through a non-profit agency and Backus has offered to be the fiscal agent for the funds. Wellcome explained they have now created a Voyage Forward Coalition consisting of one member from each “Driver” and four at-large members. Hanson thanked Wellcome for all the hard work, however the KEDA Board has not had a conversation on funding other organizations and is unsure of budget funds, while questioning if the request has gone before the City and County. Discussion on the funding and how Voyage Forward was started. Anderson commended Wellcome and Voyage Forward on the great work and development, and appreciated all their efforts, however is concerned about the funding. **Motion by Anderson, a second by Droba to have the Voyage Forward website part of the KEDA website and administrated by KEDA.** Discussion on the motion was conducted. Droba explained a way for the Voyage Forward site to have its own domain but be hosted under the KEDA website, referencing the one mission of KEDA partnered with Voyage Forward. Further discussion on the website, costs and KEDA hosting the website. Nevanen explained there are no funds budgeted to support the request and he would need to check with the Auditors to see if it is even possible, adding typically projects go to the City and/or County for funding. Nevanen stated the focus of KEDA for the next year will be on funding a new cold box which is going to take all the funding and grant funding KEDA is eligible for, to make it work, adding the KEDA is not funded from the City or County and the KCDA may be a better fit for Voyage Forward to look to for funding. Nevanen referenced other communities who were not able to move forward with branding and marketing due to lack of funding. Hanson stated he would prefer to see the motion

withdrawn, and check with auditors to see if it is even possible to provide funding. Discussion on the funding request, funds not budgeted for, other ideas to help Voyage Forward without giving funding. **Motion by Anderson, a second by Droba to approve the Director to research the possibility of, and cost of hosting the Voyage Forward website under KEDA and report back at the November meeting. Motion carried unanimously.** Anderson questioned if part of the motion should state that KEDA would purchase the Survey Monkey for Voyage Forward. Wellcome stated the Survey Monkey has already been purchased. Discussion on analytics of the Voyage Forward website availability and if the Workforce Center has conducted any other surveys in the past, along with looking to DEED for potential funding. Hanson asked Nevanen to have the Voyage Forward on Novembers agenda as a follow up to provide the details and cost of hosting the website under KEDA.

- 08 Director's Report – Nevanen referenced an article in the packets regarding America's Smaller Towns and followed up on the first meeting of the Koochiching Healthcare Initiative Steering Committee, noting there were representatives from local healthcare providers in attendance along with RRCC Director Donita Ettestad. Nevanen stated the committee will meet on a regular basis to discuss local needs and how the program could work to develop programs to meet those needs. Nevanen mentioned he followed up with a representative from Midcontinent Communications on their Middle Mile project to bring broadband into Littlefork, adding the first part of the project is scheduled to be completed by November 1st which will bring the fiber from International Falls to Littlefork. Nevanen stated he has also followed up with Frontier Communications on the Highway 11 East expansion and was told construction should be completed by the end of 2016. Nevanen reported the Cold Weather Testing season officially begins next week when a fleet of vehicles begins, noting JLR will be hiring 12 drivers this season from November to mid-March. Nevanen stated they continue to discuss a third cold box to support JLR testing beginning in 2017-2018, which will be part of a 5-year contract extension as well. Nevanen noted he recently participated in a MnDOT District 1 interview with a local transportation carrier, which were part of MnDOT's outreach to regional manufacturers and carriers to discuss transportation issues in the district, adding here is a huge truck driver shortage. Nevanen mentioned Kari Howe, DEED regional representative in Bemidji will be here next week to discuss economic development efforts and tour selected sites. Short discussion on a third cold box.
- 09 Other (City/County Updates) – McBride stated they are wrapping up construction for the year, noting there were 35 projects completed and gave a brief update on the Great Northern Transmission line. Anderson handed out a document explaining City updates and read through each item, including infrastructure improvements, new restaurant opening, RFP for consulting work on a Comprehensive Plan, building permit construction value for last three years, and the former Spot on 53 building sale to a business needing expansion space.
- 10 Public Comment Period – Jaksa referenced electrical costs increasing by 5% for CWT from the proposed MN Power increase and a waiver could be requested.
- 11 The next board meeting was scheduled for Monday, November 21st at 1:00 p.m. in the County Boardroom. **Meeting adjourned at 2:58 p.m.**