

# Meeting of the Koochiching Economic Development Authority

Tuesday, September 29th, 2015  
City Council Chambers

- Board Members Present:** Allen Rasmussen, Bob Anderson, Wade Pavleck, Harley Droba, Wayne Skoe (Alternate)
- Members Absent:** Soren Olesen, Brian McBride,
- Staff Present:** Paul Nevanen, Kyra Briggs, Jenny Herman
- Others Attending:** Emily Gedde (The Journal), Crystal Clance, Cynthia Jaska (KCCTV), Mike Welcome, Pete Makowski (Aide for Senator Franken).

Meeting called to order at 1:05p.m. by Chairman Rasmussen.

- 01 Approve agenda – **Motion by Droba, a second by Pavleck to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 8/26/15 –**Motion by Droba, a second by Pavleck to approve the 8/26/15 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer’s Report – Briggs presented the financials for August in Treasurer McBride’s absence. Briggs explained the monthly bills are a little higher than normal due to timing of meeting and the payroll bill and a couple other bills are doubled up on this month’s billing. Nevanen explained the IRRRB funds have not yet been received but have sent in all required paperwork and hope to receive the funds very soon. **Motion by Pavleck, a second by Skoe to approve the August KEDA financial reports and bills for September in the amount of \$46,469.27. Motion carried unanimously.** Briggs then presented the CWT financial reports for August, adding there was a transfer of \$50,000 from CWT/JLR to KEDA to cover the bills. Nevanen noted unpaid bills are a little higher in the middle of the season due to projects being completed at the cold test building. Pavleck questioned the \$20,000 bill for electrical with Jackson Electric. Nevanen explained the bill is higher than normal due to the way Tim Jackson sub-contracts certain jobs, also noting this bill is from the time from of May to present. **Motion by Pavleck, a second by Droba to approve the August CWT financial reports, bills for September in the amount of \$36,166.40 and \$50,000 transfer of funds. Motion carried unanimously.**
- 05 2014 Audit Review – Nevanen explained Ryan Jarvi of Walker Giroux, & Hahne (the firm who conducts the KEDA audit) is not available today via conference call, however, has stated in the findings letter, there are no red flags and everything is fairly standard, adding there were no findings of significant deficiencies. Nevanen mentioned the segregation of duties was shown as a weakness in controls which is typical of an office of this size, adding if the Board chose to have more detail on the audit, a conference call with Ryan could be set up for the next meeting or an email of questions could be sent to him. Cynthia Jaska stated she would appreciate a copy of the KEDA audit to go to the City Council for review. Rasmussen questioned if Harley Droba could bring a copy to the City Council. Droba confirmed he would do so. Pavleck questioned if the the board members could get a copy prior to the meeting next time. Nevanen responded in the past the audits weren’t handed out in advance due to Ryan reviewing the audit in detail with the Board via conference call and didn’t find out until yesterday that he wouldn’t be unavailable, but will see to it next year. **Motion by Pavleck, a second by Droba to approve the 2014 KEDA Audit Report as**

**presented. Motion carried unanimously.** Jaksa questioned having all information posted on the website to be visible for the public. Short discussion on the documents available to the public.

- 06 SBDC Update – Jenny Herman – Herman gave a brief report of the amount of clients she has worked with both new start up businesses, as well as her long-term clients. Herman mentioned she has assisted three new start-up businesses which created 10 new jobs, and also assisted three businesses sell their business. Herman explained her position and what she offers to her clients, adding she has had a very busy September with trainings and explained each in detail, noting the SBDC/CED pays for her travel expenses. Herman also explained the courses and workshops she hosts locally. Herman then explained her most recent training at the Edward Lowe Foundation where she received her Economic Gardening Professional Certificate and explained the technical assistance funding and marketing strategic planning. Herman stated she is the Program Assistant of the pilot program for this area, noting the original thought was to have a total of \$50,000 available for 10 businesses each receiving \$5,000, however, in reanalyzing the qualifications, it was changed to 5 businesses. Herman stated the businesses must be second stage growth companies with \$750,000 gross annual sales and explained how it works as well as how Market Research is used in the process, adding it is about growing jobs and bringing new money into the community. Herman referred to the Economic Gardening recommendations in the Newmark report, noting some misconception of what Economic Gardening is and clarified and corrected several points in the study. Herman then explained she is working on setting up Junior Achievement in the schools and hopes to have everything setup by Fall. Herman referred to the Economic Data Report she put together and read a few parts that she recently updated. Pavleck referenced the NorthSpan group being a regional lender and explained he is a member of the board. Small discussion on NorthSpan. Herman stated it would be good for the regional lenders to talk with local lenders to explain their role and funding options. Rasmussen commended Herman on the great work she does and thanked her for the report.
- 07 Out-County KEDA Board Position – Nevanen explained at the August meeting, Soren Olesen, who is the out-county board member, had to resign from the KEDA Board. As directed by the KEDA board, an ad was placed in area publications, Nevanen stated, noting he had received a few calls on the position, however, only received one letter of interest. Nevanen stated the letter of interest was from a previous county commissioner, Mike Hanson from Birchdale. Rasmussen stated Olesen did a great job serving on the board and believes Hanson will do the same. **Motion by Skoe, a second by Pavleck to approve and appoint Mike Hanson as Out-County KEDA Board Member for the unexpired term of Soren Olesen’s, which ends March 2018. Motion carried unanimously.**
- 08 Director’s Report – *Cold Weather Testing* - Nevanen reported a variety of facility projects underway for the anticipation of the upcoming test season, adding some projects have been directed by JLR who will be paying for those projects or sharing the cost of the projects. Nevanen stated the test season is set to begin the first week in November and is a busy schedule with testing going into March. Nevanen added there is a great mix of new and historical clients and a lot of electric hybrids this year. Nevanen informed the board he attended the Minnesota Water Technology Summit that was sponsored by DEED, The University of Minnesota and a number of companies. Nevanen stated the Minnesota Commissioners on Wheels (COW) Tour took place on Wednesday, September 9<sup>th</sup>, where eight state agency commissioners were here as part of a northern tour and spent the majority of their time here meeting with Boise Paper, however, Nevanen had a chance to thank them and toured the new cold box while discussing cold weather testing, adding Mayor Anderson and Thor Einarson also had an opportunity to discuss the airport and the airport terminal project, and Shawn Mason briefed them on the Multi-Modal District. Nevanen stated he was able to attend the recent Senate Bonding Committee hearing in Ely, where Mayor Anderson gave a presentation on the airport terminal project, Commissioner Pavleck presented the Island View Sewer Project, and Joe Sutherland presented the county’s plans on road options around CN Rail crossings. Pavleck mentioned the results from the presentations won’t be known until next spring, but he felt it was

well worth going there to present. Anderson stated it was great to see the number of senators in attendance. Nevanen stated the Voyage Forward initiative continues to take shape as a number of stewards based on the community-wide survey results and some of the Newmark recommendations are identifying “destiny drivers” and thanked Mike Welcome for his time on it. Nevanen stated in addition to Newmark’s recommendations, the KEDA has standardized all of its potential development sites with electronic and hard copy documents and has forwarded them to Chris Maddy at the Northland Connection. Nevanen stated ARDC is assisting the City of Big Falls with a number of campground improvements, adding Andy Hubley of ARDC recently visited the area during the Big Falls Fire Department’s Annual barbeque to get public input on expanding and improving the campground, as Nevanen referred to an article in the packets on the outcome of the event. Anderson questioned the direction of the expansion. Skoe stated it will expand west along the river, adding it is a great park and is a good deal for the area. Nevanen reported on the recent Site Selection tour he attended which was sponsored by DEED and a number of regional agencies to bring nine site selectors to various regions of the state to meet with communities and tour their facilities. Nevanen noted Shawn Mason invited him to be part of the tour that brought a site selector to the Iron Range. Nevanen stated Midcontinent Communications submitted a grant application to extend broadband into Littlefork which serves 258 locations, as part of DEED’s Border to Border Infrastructure Grant Program. Pavleck questioned if the City and County should look into sending a letter of support. Anderson questioned if the KEDA should send a letter of support for Littlefork broadband. **Motion by Anderson, a second by Droba to approve a letter from the KEDA Board to DEED Broadband Committee in support of Littlefork broadband and Midcontinent Communications. Motion carried unanimously.** Marketing – Nevanen referred to the new Site Selection Magazine ad that was recently published, featuring Jaguar/Land Rover vehicles.

09 Other (City/County Updates) – Rasmussen stated the personnel committee tried to get together prior to today’s meeting, however, was unsuccessful and asked to have a few dates sent out for a meeting prior to the next meeting. Anderson apologized to the board for being late explaining he was attending the 100<sup>th</sup> birthday party where he presented a proclamation. Anderson stated his appreciation to Nevanen for attending the Senate Bonding Committee hearing in support of the Airport Terminal Project. Anderson also mentioned a new doctor was hired yesterday at Rainy Lake Medical Center (RLMC) as an OBGYN and in three weeks they will be hiring another general practice doctor, adding there have been a total of 5 new doctors and 26 new jobs created at RLMC with another project recently approved to take place this winter. Pavleck noted there is a lot of road work taking place around town and is great to see and very nice for travel, having the Hwy 53 project completed. Short discussion on the time frame for projects and hwy constructions. Skoe mentioned the spill way in Big Falls is being talked about due to erosion and other issues being caused. Short discussion on the Big Falls Campground article and spillway.

10 Public Comment Period – None

11 The next board meeting was scheduled for Wednesday, September 14<sup>th</sup> at 10:00 a.m. in the County Boardroom. **Meeting adjourned at 2:18 p.m.**