

Meeting of the Koochiching Economic Development Authority

Thursday, July 25th, 2019
Airport Conference Room

Board Members Present: Allen Rasmussen, Wade Pavleck, Mike Hanson, Walt Buller, Bob Anderson, Representative Rob Ecklund and Jason Sjoblom (Alternate)

Members Absent: Harley Droba and Brian McBride

Staff Present: Paul Nevanen, Kyra Hasbargen

Others Attending: JoAnn Smith, Darci Sullivan (KCC-TV), Ricky Roche, Crystal Clance, Emily Gedde

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

- 01 Approve agenda – **Motion by Pavleck, a second by Anderson to accept the agenda. Motion carried unanimously.**
- 02 Approve minutes from 6/27/19 – **Motion by Hanson, a second by Pavleck to approve the 6/27/2019 meeting minutes. Motion carried unanimously.**
- 03 Public Comment – None
- 04 Treasurer's Report – Nevanen presented the June CWT financials in Treasurer McBride's absence, noting the monthly bills for July in the amount of \$5,070.14 and \$1,193.40 for JLR, along with a \$15,000 transfer to KEDA. **Motion by Anderson, a second by Hanson to approve the July CWT bills in the amount of \$5,070.14, JLR bills in the amount of \$1,193.40 and a transfer to KEDA in the amount of \$15,000. Motion carried unanimously.** Nevanen presented the KEDA June financials and July bills in the amount of \$19,505.39, noting they are tracking close to budget so far this year. **Motion by Pavleck, a second by Hanson to approve the July KEDA bills in the amount of \$19,505.39. Motion carried unanimously.**
- 05 Business Park Update – Nevanen explained a recent issue with an easement in the Business Park and explained the details noting he is now ready to propose a preliminary draft plat to the City of International Falls. Nevanen stated he would like to ask the City to stub in water and sewer via formal request and get an estimate on cost for curb and gutter on 22nd Street from Hwy 53 as well as a cost estimate on paving the road with curb and gutter into the Business Park, noting it would be in conjunction with the Highway 53 Project. **Motion by Sjoblom, a second by Pavleck to authorize the Director to send a formal letter to the City of International Falls requesting a cost estimate on stubbing sewer and water into the Business Park, along with an additional cost estimate for paving the road with curb & gutter into the Business Park. Motion carried unanimously.** Short discussion on the road and alleyways, as well as the buffer around the Business Park. Nevanen explained his thoughts on how to pay for the work to be completed in the Business Park, noting his plan to apply for a DEED grant of matching funds and would like to ask the City and County to potentially forgo a payment from the Cold Box Project loan re-payment and reinvest the funds into the Business Park, instead of going back to the City and County asking for additional funding. **Motion by Anderson, a second by Hanson to authorize the Director to make application for the DEED grant and present a proposal to the City and County for**

funding. Motion carried unanimously. Ricky Roche noted the building is coming along nicely and the crew will be back Monday to finish the roof.

06 Personnel Committee – Rasmussen explained he, Anderson and McBride met as the Personnel Committee last Wednesday to discuss salaries, adding the salaries are based on County guideline duties, noting all County employees received a 2.5% Cost of Living (COLA) increase, but KEDA was not included and they have decided to follow suit with a one-time adjustment of 2.5% increase in addition to the annual wage increase for all employees. Rasmussen explained Hasbargen salary and job title needs to be updated with the increased duties she performs for the Airport Commission, noting her level should be a B22 and is currently at a B21. Rasmussen explained her current hourly rate of \$20.01 to get her to \$22.67, it is recommended to split the difference with a wage increase of \$1.33, plus the 2.5% COLA increase effective January 1, 2019 and then another \$1.33 effective January 1, 2020. Rasmussen explained Smith's current salary is \$51,126.40 or \$24.58 per hour, noting about 28% is reimbursed by the SBDC and recommended a 2.5% wage increase on top of the 2.5% COLA increase which would bring her total salary amount to \$53,682.30 or \$25.81 per hour. Rasmussen stated Nevanen's current salary is \$66,122.25 and recommended a 2.5% wage increase on top of the 2.5% COLA increase which would bring his total salary amount to \$69,428.36. No questions were asked of the Personnel Committee. **Anderson made the motion on behalf of the Personnel Committee for the salary increases as stated bringing Hasbargen's salary to \$45,489.60, Smith's salary to \$53,682.30 and Nevanen's salary to \$59,428.36 effective January 1, 2019. Rasmussen noted due to the motion coming from the Committee, it did not require a 2nd. Motion passed with Pavleck abstaining.** Nevanen noted the KEDA does not receive any funding from the City or County, adding Hasbargen and Smith get a portion of their salary from different entities.

07 Director's Report –Nevanen thanked Representative Ecklund for attending the meeting. **Don Ness Event** – Nevanen stated the City of International Falls and the International Falls Chamber have asked to partner with the KEDA to host former Duluth Mayor Don Ness for a community forum on August 7th from 6:30-8:00pm at the AmericInn, noting the forum will be “Describing our Community – The Importance of shared narratives and common purpose”. Nevanen noted they are asking for the KEDA’s support in the amount of \$200 to cover the costs of advertising the event. **Motion by Pavleck, a second by Sjoblom to approve \$200 for the support of the Community Forum for advertising and refreshments. Motion carried unanimously.** **Opportunity Zones** – Nevanen stated they hosted this morning along with the Chamber of Commerce, an informational session on Opportunity Zones featuring CPA Phil Schmitt and Jon Weston of the accounting firm Clifton Larson Allen. Short discussion on the session. **Cold Weather Testing** – Nevanen stated he continues working with an individual that is planning on developing a cold weather test facility in the County, noting he has a purchase agreement on 290 acres south of the Junction between Highway 71 and County Road 79, adding the property will need to be re-zoned from agricultural to commercial as well as a conditional use for a test facility. Nevanen mentioned they are working with the County and a Planning and Zoning Commission meeting has been scheduled for August 8th, adding as part of the process he would like to request letters of support from the KEDA, The City of International Falls and the City of Littlefork. **Motion by Anderson, a second by Hanson to authorize the request for a letter of support from the City of International Falls and the City of Littlefork for the support of changing the zoning on the property. Motion carried unanimously.** **Marketing – Your Ticket Home Re-Boot** – Nevanen referenced the Your Ticket Home campaign and explained the re-launch idea for it, noting recent discussions with Big Fish Digital to assist with the campaign and shifting some of the marketing budget toward it. **River Front Property** – Nevanen reported he met with the owners of the river front property just east of International Falls who were here to visit the property, adding they met with various people to discuss developing the property. Short discussion on the property. **Potential Project for Birchdale –**

Nevanen stated he, Soren Olesen and Mike Hanson are working with a gentleman that is exploring a potential project in the Birchdale area, noting they visited several properties and are in the process of outlining a business plan for the project. Nevanen noted it is in the very early stages, so is not in a position to discuss many details but the area would seem to be a good fit for the project.

- 08 Other (City/County/Out-County Updated) – Anderson noted the blight issues in the City, which they continue to address and noted housing continues to be an issue. Anderson reported Rainy Lake Medical Center recently announced a new partnership for them to have their medical records electronically and noted the Airport Runway Project is going well, adding the enplanements continue to increase. Nevanen stated it is impressive at how much activity on the private side of the airport there is. Pavleck reported work on Highway 53 from here to Cook continues and will be adding 4 passing lanes. Pavleck gave a brief update on the sewer project and the issues that have occurred. Hanson noted the Northome County Fair will be coming up next month and referenced the 28th Annual North American Sturgeon Championship adding they plan for about 300 and about 100 for the kid contest. Short discussion on the Sturgeon Championship.
- 09 Public Comment Period – Smith gave a brief update on the childcare initiative and the POD model they are currently working on in conjunction with the Littlefork Care Center. Smith noted they received a \$5,000 grant from the KCDA last night in support for the POD model and have also applied for a DEED grant. Smith also noted being named to the Family Childcare Task Force. Discussion on the childcare shortage and the space at the Littlefork Care Center. Ecklund gave a brief update on the occupation tax from IRRR, noting there should be a slight increase. Ecklund also referenced a press release that will be coming out soon in regards to Polymet and their permits.
- 10 The next board meeting was scheduled for Wednesday, August 21st at 9:00am in the Airport Conference Room. **Meeting adjourned at 11:12a.m.**