



**JSDC Board of Directors Meeting
January 14, 2019
Lower Level Conference Room
Official Minutes**

Members Present: Kelly Rachel, Lorrie Pavlicek, Mark Klose, Bob Toso, Steve Cichos, Ritchie Wolf, Gerald Horner, Pam Phillips, Bill Lytle (via phone), Marlee Siewert (via phone), Dwaine Heinrich (entered the meeting at 11:48), and Tory Hart (entered the meeting at 11:55).

Members Absent: Chris Rathjen, CJ Janke, and Jason Rohr.

Staff Present: Connie Ova, Corry Shevlin, Tracey Pringle, and Beth Blumhardt.

Staff Absent: none

Guests Present: Keith Norman, Jamestown Sun; Danica Chaput, ND Job Service; Emily Bivens, Chamber of Commerce; Courtney VanDyke, Bank Forward; Tiffanie Mickelson, Tiffanies Apiaries & Logistics; Steve Aldinger, Interstate Engineering; Katie Andersen, Jamestown Regional Airport; Jim Boyd, Jamestown Regional Entrepreneurship Center; David Steele, City Council; and Katherine Roth, Jamestown Regional Entrepreneurship Center.

Call to order: 11:45 a.m. by Kelly Rachel.

Tape recorder started: 11:45 a.m.

Conflict of Interest: None to declare at the time of inquiry, however Tory Hart entered the meeting a little later and abstained from the Tiffanies Apiaries & Logistics Flex PACE request since Bank Forward was involved in the request.

Approval of Agenda: The January 14, 2019 Board Agenda was approved as presented.

President's Report: Kelly Rachel gave his first Presidents Report as the JSDC Chairman. Kelly welcomed new JSDC Board members, Steve Cichos and Tory Hart, to the JSDC Board of Directors. Kelly referenced two forms for all Board members to fill out at today's meeting: an updated contact information form and a ballot for JSDC Committees for 2019. Kelly also thanked those who were in attendance at the JSDC Strategic Planning Session last week and reminded all board members to make sure to respond to e-mails and correspondence from JSDC staff in a timely manner.

Minutes: Minutes from the December 10, 2018 Board of Directors Meeting were in the dropbox for review and approval.

Bob Toso moved to approve the minutes of the December 10, 2018 Board of Directors Meeting as presented, Gerald Horner seconded, and the motion passed unanimously by voice vote.

(Dwayne Heinrich entered the meeting at 11:48)

Account Status Report: Tracey presented the December financial report to the Board of Directors; the reports were in the dropbox for review.

Marlee Siewert moved to approve the December financial report as presented, Ritchie Wolf seconded, and the motion passed unanimously by voice vote.

Tiffanies Apiaries & Logistics LLC Flex PACE Request: Corry reported on the Tiffanies Apiaries & Logistics LLC Flex PACE Request agenda item. Tiffanies Apiaries & Logistics is purchasing commercial real estate located downtown Jamestown at 210 1st Ave S to locate her current business on the upper level and to start a winery and restaurant on the lower level.

Tiffany Mickelson is requesting up to \$86,000 in Flex PACE Interest Buydown funds. Those funds will be matched by the Bank of ND by up to \$200,000.

The application and Flex PACE rubric were in the dropbox for review.

A recommendation was made to the JSDC Board of Directors to fund Tiffanie Mickelson's request for up to \$86,000 at an 80/20 City=\$68,800/County=\$17,200 split.

Tiffanie Mickelson and Courtney Vandyke from Bank Forward were in attendance to further explain the request and answer any questions the Board of Directors had.

(Tory Hart entered the meeting at 11:55 am)

The Board of Directors made inquires and discussed the request.

Bob Toso motioned to approve Tiffanies Apiaries & Logistics LLC for up to \$86,000 in Flex PACE Interest Buydown funds at an 80/20 City=\$68,800/County=\$17,200 split, Pam Phillips seconded the motion, and the motion passed unanimously. Roll Call: Bill-aye, Marlee-aye, Dwayne-aye, Mark-aye, Lorrie-aye, Steve-aye, Gerald-aye, Pam-aye, Ritchie-aye, Bob-aye, and Kelly-aye. Motion passed 11-0 with Chris Rathjen, CJ Janke, and Jason Rohr absent and Tory Hart abstaining from the vote.

Flex PACE Program 2019: Corry reviewed his memo in the dropbox on the Flex PACE Program 2019 agenda item. Corry noted that throughout 2018 the Flex PACE program was very successful with 7 approvals within many different industries. A list of those projects was included in Corry's memo in the dropbox.

Corry went on to explain that to see a greater impact from the limited funds we use with this program the Business Attraction committee recommended changing the repayment of the community funds (JSDC Funds) to begin at the time when the incentive is no longer being utilized; currently the repayment of the community funds begins at end of the term of the commercial loan. The JSDC will also cap the incentive period at 10 years. To ease the change, the committee recommended changing the repayment timeframe to 4 years. These changes will allow the JSDC funds to have a greater impact.

A recommendation was made from the Business Attraction Committee by Gerald Horner to continue the program into 2019 with the same dollar amount from 2018 for the program with the recommended changes above. Dwaine Heinrich seconded the motion; all members voted Aye.

The dollar amount of \$250,000 would be at an 80/20 City=\$200,000/County=\$50,000 split.

The Board of Directors made various inquiries and discussed the request in some length. There was also discussion on lien position being added into the Flex PACE 2019 Program.

Dwaine Heinrich motioned to approve the recommended changes to the Flex PACE Program for 2019 to continue the program with the same dollar amount of \$250,000 at an 80/20 City=\$200,000/County=\$50,000 split, with a maximum length of the buydown of 10 years and starting repayment amortized over 4 years versus 2 years at 2%, Mark Klose seconded the motion.

Mark inquired about the security position. Courtney expressed concern over the 10-year cap and it affecting businesses from not getting the full grant money available from the Bank of North Dakota.

After discussion, Dwaine withdrew his motion, Mark was in agreement.

Further discussion was held by the Board in regards to the portion pertaining to capping the incentive period at 10 years. It was decided to remove the 10-year cap and replace with collection of JSDC funds will commence at the end of the incentive period. At the end of the discussion a new motion was made.

Tory Hart motioned to approve the Flex PACE Program for 2019 continuing at the same dollar amount of \$250,000 at an 80/20 City=\$200,000/County=\$50,000 split, with changes that repayment starts at the end of incentive amortized over 4 years at 2% and JSDC obtains the best possible lien position, Dwaine Heinrich seconded the motion, and the motion passed unanimously. Roll Call: Lorrie-aye, Steve-aye, Gerald-aye, Pam-aye, Tory-aye, Ritchie-aye, Bob-aye, Bill-aye, Marlee-aye, Dwaine-aye, Mark-aye, and Kelly-aye. Motion passed 12-0 with CJ Janke, Jason Rohr, and Chris Rathjen absent.

Airport Park Option: Kelly started out the Airport Park Option agenda item by informing the Board that at some point in the near future one of the items the Business Attraction Committee will be tackling is developing Procedures and Policies as it relates to either options on the lots or lease terms for the lots. Kelly noted that by doing this it gives a consistent message to anyone interested in the Airport Park.

Steve Aldinger from Interstate Engineering was in attendance and gave a brief update on the Airport Park Progress. Steve commented boring started in December and so far, they have hit a total of 3 rocks. He also informed the Board that there was an issue with a pipe dropping around Christmas time due to the ground being soft and because it was so close to the holidays, they were unable to obtain concrete to correct the problem therefore they had to wait until after the holidays to deal with the issue. Steve commented that as long as the weather cooperates going forward the project should be on track to be completed by June 30, 2019 as previously stated.

Jamestown Regional Entrepreneurship Center Funding Request: Corry reported on the Jamestown Regional Entrepreneurship Center Funding Request agenda item. Corry noted that in the dropbox there was a memo from Katherine Roth, Executive Director of the Jamestown Regional Entrepreneurship Center as well as a Business Plan put together by Jim Boyd and the Entrepreneurship Center Board. Corry noted two and a half years ago the JSDC approved \$50,000 per year for three years; the request is to move up the last installment of that payment which would normally be paid in August to cover some operating costs.

Katherine Roth, Executive Director of The Jamestown Regional Entrepreneurship Center, was present and further explained the purpose of the Entrepreneurship Center and the request to the Board of Directors. The Jamestown Regional Entrepreneurship Center (JREC) was established to support the creation of startups in the counties of Wells, Foster, Griggs, Stutsman, Barnes, Logan, LaMoure, McIntosh, and Dickey. JREC offers entrepreneurship events to provide learning and networking opportunities for individuals interested in various industries. As well, JREC provides customized training and individual technical assistance to assist with starting and building a business. In addition to business consulting, JREC also prepares events for workforce development that benefit area high school students.

Katherine noted that on behalf of the Jamestown Regional Entrepreneur Center, she would like to submit a request to the board of directors of the Jamestown Stutsman Development Corporation that the third installment of \$50,000 be provided to fund the period March 1, 2019 through August 31, 2019 to cover operational expenses.

Jim Boyd and Katie Andersen were also present to answer any questions the Board of Directors had especially pertaining to the Business Plan submitted for review in the dropbox.

(Bill Lytle no longer on phone/left meeting)

A discussion was held among the Board of Directors.

Steve Cichos moved to approve the early payment of the third installment of \$50,000 to the Jamestown Regional Entrepreneurship Center to cover operational expenses, Bob Toso seconded the motion, and the motion passed unanimously. Roll Call: Dwaine-aye, Mark-aye, Lorrie-aye, Steve-aye, Gerald-aye, Pam-aye, Tory-aye, Ritchie-aye, Bob-aye, Marlee-aye, and Kelly-aye. Motion passed 11-0 with Jason Rohr, Chris Rathjen, CJ Janke, and Bill Lytle absent.

JSDC Secretary-Treasurer Recommendation: Connie presented the JSDC Secretary-Treasurer Recommendation agenda item. The JSDC Nominating Committee met on Thursday, January 10th to elect a new Secretary- Treasurer to the JSDC Board of Directors. Marlee Siewert who is a current Board member had shown interest in filling the Secretary-Treasurer position.

A recommendation was made from the JSDC Nominating Committee by Pam Phillips and seconded by Jason Rohr to nominate Marlee Siewert to fill the role of Secretary-Treasurer on the JSDC Board of Directors.

The minutes from the JSDC Nominating Committee meeting were in the dropbox for review.

Lorrie Pavlicek moved to approve the recommendation to elect Marlee Siewert to fill the JSDC Secretary-Treasurer seat for the next two years, Pam Phillips seconded the motion, and the motion passed unanimously by voice vote.

JSDC Bylaws: Beth reported on the JSDC Bylaws agenda item. The Organizational Excellence Committee met on January 14th prior to the Board of Directors meeting to review revisions made to *Article 6: Directors under section 1, 2, and 7 and to Article 7: Officers under section 1* of the JSDC Bylaws recommended at the last Organizational Excellence Committee Meeting on December 18th.

A recommendation was made by the committee to the JSDC Board of Directors to approve the revisions made to *Article 6: Directors under section 1, 2, and 7 and to Article 7: Officers under section 1* of the JSDC Bylaws as presented. Kelly Rachel made the motion with Lorrie Pavlicek second. Motion was passed by unanimous voice vote.

The revised JSDC Bylaws were in the dropbox for the Board of Directors' review.

The Board reviewed the suggested wording changes to the JSDC Bylaws. Dwaine commented he would like the wording "consecutive" added twice into the following sentence below of *Article 6: Directors under Section 2*:

Board Members serve a term of three (3) years and can serve on the Board for three (3) consecutive terms or a total of nine (9) consecutive years.

Bob Toso moved to approve the recommended revisions made to Article 6: Directors under section 1, 2, and 7 and to Article 7: Officers under section 1 of the JSDC Bylaws as presented and to include the addition of the wording "consecutive" twice under Article 6: Directors section 2, Dwaine Heinrich seconded the motion, and the motion passed unanimously by voice vote.

Check Signatories: Tracey reported on the Check Signatories agenda item. Tracey informed the Board of Directors that when we change our Directors, we need to change signer authorization for JSDC Checks and provide that information to our bank. Along with the Chief Executive Officer those with authorization to be signatories are the JSDC Chairman, JSDC Vice Chairman, JSDC Past Chairman, and JSDC Secretary- Treasurer. Below are the names of the listed signatories and their titles:

Kelly Rachel, Chairman
Bill Lytle, Vice Chairman
Chris Rathjen, Past Chairman
Marlee Siewert, Secretary- Treasurer
Connie Ova, Chief Executive Officer

Lorrie Pavlicek motioned to approve the JSDC signatories as presented, Ritchie Wolf seconded the motion, and the motion passed unanimously by voice vote.

Strategic Committee Reports:

Strategic Business Plan Committees:

Business Attraction Committee-

(Committee members consist of: Gerald, Mark, Bob, Curt, Bill, Corry, and Connie)

- The Business Attraction Committee met on Monday, January 7th. The committee discussed the Flex PACE Program for 2019 and the Airport Park Option; both were discussed as agenda items at today's meeting. The next regular monthly Business Attraction Committee Meeting is scheduled for Monday, February 4th.

Existing Business Outreach Committee-

(Committee members consist of: Lorrie, Chris, Ritchie, Jason, Marlee, Corry, and Connie)

- The Existing Business Outreach Committee has not met since the last Board of Directors Meeting. The next regular Existing Business Outreach Committee Meeting is scheduled for Tuesday, February 5th.

Organizational Excellence Committee –

(Committee members consist of: Bob, Dwaine, Bill, Lorrie, Kelly, Connie, Tracey, and Beth)

- The Organizational Excellence Committee met Tuesday, December 18th and Monday, January 14th prior to the Board of Directors Meeting. The committee reviewed the JSDC Bylaws and

Board Terms and made further wording revisions requested by the JSDC Board of Directors at their December meeting. The JSDC Bylaws were presented as an agenda item at today's meeting. The committee also briefly reviewed the current JSDC Funeral Policy. The next regular Organizational Excellence Committee meeting is scheduled for Tuesday, February 19th.

Finance Committee-

(Committee members consist of: Chris, Bill, Kelly, Tracey, and Connie)

- The Finance Committee has not met since the last Board of Directors Meeting. The Finance Committee meets on an as needed basis.

Action Items:

- JSDC Board Members are to fill out both forms handed out at today's meeting and return to JSDC staff:
 - JSDC Board Member Contact Form 2019
 - Ballot for JSDC Committees for 2019

Staff Reports:

CEO: Connie reviewed her report; her full report was in the dropbox for review.

Business Development: Corry's full report was in the dropbox for review.

Administrative Assistant: Beth's full report was in the dropbox for review.

Office Manager: Tracey's full report was in the dropbox for review.

Ex-Officio Reports:

City of Jamestown: Dwaine Heinrich and Pam Phillips were present and reported on the City.

Stutsman County: Mark Klose was present and reported on the County.

Job Service of ND: Danica Chaput was present and reported on Job Service of ND.

Jamestown Chamber of Commerce: Emily Bivens was present and reported on the Chamber of Commerce.

Adjourn: The meeting was adjourned at 1:09 p.m. by Kelly Rachel.

Tape Recorder stopped: 1:09 p.m.

Respectfully submitted,

By Beth Blumhardt: JSDC Administrative Assistant