

Sargent County Job Development Authority

Minutes

Date of Meeting: August 25, 2015 Time: 5:30 pm

Location of Meeting: Sargent County Silver Lake Park Pavillion

PRESENT: Al Colemer; Ron Narum; Bill Anderson; Mark Bopp; Randy Pearson; Terry Dusek; Sandy Hanson; Mike Walstead; Bob Ptacek **Not Present:** Jessica Peterson; Carol Peterson; Jerry Erickson **Also Present:** Nathan Berseth; Jerome Bixby and Sons; Justin Nepl.

Meeting Called to Order: Chairman Mark Bopp

Minutes of Last Meeting Presented: Minutes of the June 23, 2015 meeting were submitted for review. Terry/Al moved to approve the minutes as presented. Motion Carried unanimously

Treasurer's Report: Balance in Fund at 7/31/15 is \$305,175.12. treasurer warrants issued in the amount of \$3,810.22 to BND for the Pace Program buydown for the Milnor & Forman Market. SC Teller-\$94.77 for legal printing in the official county paper.

Loan Reports: No Reports provided at this time.

OLD BUSINESS

USDA GRANT- SC JDA was denied the grant for several reasons. The grant was submitted without certain information needed. The SC JDA did not have a SAM registration and that is required with all federal funded grants. Very Limited funding and the application request was not in the top of the priority list with the purpose of the grant funding. Nathan and Sandy both spoke to representation from USDA and they provided insight on the denial and encouraged the JDA to continue to submit as grants become available for qualifying items.

With or without the grant for the housing study the service agreement that we have with CCA will still stand.

ASSISTED LIVING- Terry & Ron updated the board on Steven McLaen Presentation. The FCDC is looking for additional funding if it can be provided by the JDA. Steven stated that Dave Martinsen is working with contractors/material suppliers for a re-bid process to try to bring the cost of construction down.

SOUTHSIDE AUTO- Sandy presented a letter from Neil and Sara Planteen thanking us for our consideration is assisting them, Neil & Sara at this time have decided to continue to Lease the building from FCDC and operate as is. Southside is withdrawing it's request for financial assistance at this time. Committee members expressed their gratitude for Southside having it's business in Sargent County and continue to wish them the best of luck.

FORMAN & MILNOR MARKETS- Mark Bopp met with Robert Wurl of Lincoln State Bank in Hankinson and signed all necessary documents for Rick Ell to continue to complete the loan process. Robert Wurl contacted Sandy Hanson to request the first annual payment of the interest buydown and requested it be mailed directly to BND % of Lori Gabriel. That has been completed. Sandy also brought to the attention of the committee that the JDA approved up to \$22,000.00 and making 6 annual payments in the same amount as this year will be a total of \$22,861.32. No Action Taken on This amount.

NEW BUSINESS

BIXBY LOAN REQUEST- Mr Jerry Bixby and sons of Milnor ND and Justin Nepl- Business Consultant ND_ Small Business Development Center; presented a business plan for the purchase of A Body Shop Business in Milnor. One Son is currently employed with this business and the Bixby' would like to purchase the business to retain it's current services as well as expand into other areas of service. The existing business is 30 years old and needed in the Area. The Bixby's would like to add a paint booth. The Sons will be employed by Jerry and some will hang onto their present jobs and work with Jeremy on the side. The Bixby's will be doing business as Bixby Body & Glass LLC. The request is for \$30,000.00 from the JDA and taking a 2nd mortgage to the bank. The loan is considered to be gap financing. Potential for a request of \$5,000 - \$6,000 buydown pending Milnor community involvement. Bill moved/Al 2nd to approve the \$30,000.00 gap financing request with a 15 year

term payback. Interest rate will be set at 1% over prime. Chr Mark called for a rollcall vote: Bob-Yes; Bill-Yes; Ron-Yes; Al-Yes; Mark-Yes; Sandy-Yes; Terry-obstain; Randy-obstain. Motion carried with 6 yes; 2 obstain; 0 nay; and 3 not present for vote. Nathan apologized for bringing the cart before the horse on this one. It is the intention of the JDA to have information ahead of meeting for review and to not have to make shotgun decisions as has been our past practice.

JUSTIN NEPPL ND SMALL BUSINESS DEVELOPMENT CENTER-Nathan introduced Justin to the JDA Committee. Justin gave a brief explanation of what his job is. He is located in Wahpeton and provides a free service to assist in individuals start, manage and grow their businesses. The NDSBDC can provide assistance with business plans, financial projections & budgeting; funding ventures; loan packaging; operating challenges; and purchase or sale of businesses.

APPLICATION PROCESS-Nathan provided a draft two page application to use for requests from the JDA. He stated that this to be used with other additional documents provided by the potential requesters.

2016 JDA BUDGET-Sandy distributed a copy of some information pertaining to the JDA current obligations and the current balance of the JDA fund. Bill discussed the budgeting process through the commission and as a JDA committee member his view on the existing budget vs the potential to request a 4 mill instead of the current 1.08 mill that the JDA has received. The 1.08 mill levy brings approximately \$30,000.00 a year in revenue to the JDA fund. The 4 mill could potentially bring in around 90,000.00. Bill stated that at a previous JDA meeting this group wanted to become a proactive group instead of reactive and be a leader in Job Development in the county. This could potentially include housing and job retention, as well as job creation. Terry moved/Ron 2nd to amend the current submitted budget request to request 4 mill for the JDA fund. Further Discussion. Chairman called for Vote with 8 votes yes and 1 vote nay and 3 absent. Motion Carried.

CCA REPORT- Reported that He has visited most of the communities thus far. Some communities are very open and want to be proactive, but he also had a community or two that were more shy, apprehensive, and negative about what CCA and the JDA are trying to strive towards.

Nathan is working on a JDA Website and will be looking at setting up facebook as well.

Housing- Nathan has done some background work on spec homes to present to the communities. Two options with this- One option list as a ghost home, which means you have the plans and bids but the purchasers has the obligation to construct. Second option To construct and put on the market a spec home. Dsicussion- Terry feels a spec home will move faster than a ghost home. Nathan should check with local realtors to find out what people are looking for when shopping for homes. Also check with contractors. Mark feels that it is important that the communities lead with this and the JDA can be there to be a participant to the communities. Bob is concerned about the small communities with limited funding it is hard for them to be in the lead on such type of projects. Discussion included buy in from the community/contractor/ and then JDA. A lending Agency is also needed. Can also be an individual not necessarily a community or individual added to mix.

Apartments/multi-family living-Need to put together some costs per door so a community knows what is needed turn key to make a go of it. Same type of situations as single family living. _

With no further business the meeting was adjourned at 7:05 pm

Round Table: Terry suggested the next meeting be held in Milnor with a tour of the new Day Care.

Recording Secretary
Sandra Hanson