

Sargent County Job Development Authority

Minutes

Date of Meeting: April 21, 2020 Time: 5:00 pm
Location of Meeting: "Go to Meeting" hosted at Courthouse

PRESENT: Board: Terry Dusek; Bryce Carlson; Jessica Peterson; Bill Anderson; Ron Narum; Mark Bopp; Sandy Hanson; Paige Cary; Robert Ptacek; Carol Peterson; Lyle Bopp

Not Present Board: Mark Gainor; Luke Anderson; Mike Walstead

Other present: Nathan Berseth-consultant w/CCA

Meeting Called to Order-by chairman Terry Dusek at 5:00 pm

Minutes of Last Meeting dated March 12th, 2020 Presented-by Sandra Hanson. Mark B/Ron to approve the minutes as presented. Terry called for a vote; and motion carried unanimously.

Treasurer's Report-presented by Sandra Hanson

2020 Budget Balance \$213,915.05

Fund Balance as of 3/31/20 \$126,580.62

No expenditures listed. They all are listed on the Gwinner Spec house report

Bill/Mark B moved to approve the treasurer report as presented. Motion carried unanimously.

Loan Reports:

Rutland General Store: payment made electronically each 15th of the month

Bixby Auto: payment made 04/05/20

Lariat Bar: payment made 3/23/20 pd through November 2019

FCDC Assisted living: payment made 4/17/20

Forman Housing Assoc: payment made 3/20/20 (next payment due 4/22)

Four Seasons Health Loan 1: payment made 3/30/20 (april)

CDP Lodge: no payments scheduled at this time

Four Seasons Health Care Addition Loan 2: 3/30/20 (april)

*Southside Auto-*begin one year after final payment on loan with BND 15 yr loan repayment schedule

5% interest; monthly payments; 15 yr repayment schedule

The Field LLC (DBA: The School house) –

Swede's Plumbing- annual interest payment to BND due 10/1/20

OLD BUSINESS

Union Bldg in Gwinner-Sandy spoke with Jeff Anderson representing the Sargent County Bank as main lender.

Jeff stated that they are currently waiting for the appraisal and he is anticipating loan completion to be done end of May sometime. Jessica stated that The city of Gwinner will be participating with the JDA for 25% of the community participation portion of the loan and that will leave the SC JDA 75% community participation. Tentative numbers at this time will be \$2,637.00 Gwinner City share and SCJDA share to be tentatively \$12,500.00. Bill/Ron to allow Terry Dusek and Sandra Hanson work with the Lead Lender on completion of documentation for completion of the Loan.

JDA Spec House in Gwinner-Jessica reported that the Sale and documentation has been completed. Owner took possession on April 17th. Sale Price was \$307,000.00 and Loan appraisal of Structure came in at \$284,000.00. Terry stated that This sale assists in future comparisons for appraisals in the County. Good Strong Sale price that assists in keeping Sargent County overall Sales up for valuation purposes for the County. The appraisal was not where hoping to be but not a lot out there to use for comparisons with a new construction

such a this. Terry also stated he would like to see another house go up in the county. Bill stated he would like to give an opportunity to other communities.

Nathan stated that it was on the market for a very short time. Nathan stated that Jessica did a good job with the decision making on the house and getting the information out there to the public. Dieferding was a good general contractor to work with. All Thanked Jessica as well as Bryce and Nathan for their work on this project. Lyle asked if any studies have been done in the county to assure if there is a need and possibly what type of housing. None of been done.

ND Career Builders- Paige presented latest information she has. (see attached). Paige discussed using funding for Business startups and Student loans. Bill stated that he felt both are worthy of possibility. Paige stated that the next steps will be to setup a budget, narrow down the state's list for Sargent County or keep the state's list which is pretty extensive. A contract will be drafted and used between Employers and applicants.

Sandy questioned 2020 budget. Sandy stated that as long as the JDA stays within the bottom line budget, the JDA should be fine. The JDA Will be receiving its June budget proposals from the auditor office and the JDA shall add a line item for this program at that time. The Maximum is \$8,500.00 per program or the participants can budget lower limits as well. Terry proposed creating an essential list for types of employers and applicants as a starting point. Carol asked about other communities that may be involved in the program. Paige is only aware of Rugby at this time. Bob asked if the program states living and working in the county. Paige stated that it does not require living in the county but does require working in the county.

Mark B/Bill moved that the SC JDA Become a participant in the ND Career Builders program. Terry called for a roll call vote: Robert-yes; Mark-Yes; Jessica-Yes; Paige-Yes; Carol-Yes; Bryce-Yes; Bill-Yes; Ron-Yes; Lyle-Yes; Sandy-Yes; and Terry-Yes. Motion carried unanimously.

SC JDA Attorney- Sandy stated that the commission have not made a decision on the attorney assignment for the JDA yet. Jessica asked for an explanation to the group regarding the State's attorney and the SCJDA. Lyle explained that The SC State's attorney does not feel it is her responsibility to handle the SCJDA legal work and that she is not interested in doing it. The Commission stated that they are going to discuss this at a 5 county meeting to see what other counties are doing. But with the Covid the 5 county meetings have not been happening and so any further discussion between the State's attorney and the commission has been stalled out.

Lariat Bar-Terry reported that a phone conference was done with the SC Bank-represented by Casy Bopp; Terry Euscher; and the SCJDA-represented by Sandra Hanson and Terry Dusek; RCDC-represented by Bryce Carlson; Lariat Bar-represented by Michael Pyle and Jeremy Becker on March 23rd, 2020. At this time the Lariat owners are behind in payments with all three lenders. Discussion was asked of Michael and Jeremy if they had worked together and with an accountant to create some sort of business plan to possibly get themselves out of this debt. They stated that they had not. Discussion regarding the SC JDA and the RCDC give them continued grace period on payments and that they then could try to at least get the SCB interest paid up to April 1st. Lariat was not able to do so, So Main Lender is moving forward with foreclosure at this time. Lyle Bopp was asked to represent the JDA as legal counsel through this process until commission and State's attorney come to a decision. SCB legal representation is asking if the SCJDA and RCDC would agree to waive mortgages for the foreclosure process. Discussion regarding if SCB would agree to state in the agreement between mortgagees that if the lead lender receive purchase of business of more than needed to satisfy their debt, they would then look to SCJDA and RCDC to allow additional proceeds to go to those two lenders to assist in offsetting their loss. Bryce stated that RCDC strongly encourages the first mortgage holder to not allow for the business to be sold out through stripping the business down, but to work at selling it as a business for main street. Lyle was directed by the SCJDA members to discuss these two concerns with SCB and it's legal counsel. Bob/Bryce to allow Lyle to act in the best interest of the SCJDA regarding the Lariat Bar and that Terry, Sandy, and Lyle have the authority to sign off on any documents needed to complete the process. Terry Called for Roll Call vote: Ron-yes; Mark B-yes; Jessica-yes; Paige-yes; Carol-yes; Sandy-yes; Bill-yes; Bryce-yes; Terry-yes; Robert-yes; Lyle-yes. Motion carried unanimously.
Bill Leaves meeting at 6:15 pm.

Rutland Café/General Store- Terry reported that LeeAnn Even legal counsel for Gretchen is still working with Gretchen to get the LLC off the documents and get the documents in Gretchen's personal name. Have not heard to much yet about the progress. Bergs are interested in some type of lease to buy agreement with Gretchen for the business. Payments to the JDA remain current and timely. At this time it is not the intention of the SCJDA to adjust or allow lapse of payments through this transition or to release Gretchen of any financial responsibility after the change of documentation. Bryce/Carol to allow the owner to sublease business with the intent that payments will continue to the SCJDA monthly and timely and no change in the amount of payments be made. Terry called for a rollcall vote. Ron-yes; Robert-yes; Mark B-yes; Carol-yes; Paige-yes; Sandy-yes; Terry-yes; Lyle-yes; Bryce-yes; Jessica-yes. Motion Carried unanimously.

NEW BUSINESS

Current Loans and Covid 19-Terry and Sandy had a discussion regarding the closure of nonessential businesses and the effects that this mandate by the governor may be having on them. The business they discussed was the loan with the Schoolhouse owners in Delamere. Could the SCJDA offer some type of grace period from making payments to assist in the financial struggles that the Schoolhouse may be having due to the CoVid 19 and the closure mandates? Jessica stated that she felt that it should be offered to all loans that the SCJDA holds.

Bryce agreed with her. Discussion if this action would affect those businesses opportunity to qualify for the PPP that the Feds are offering at this time. Consensus was that it would not as 75% of the forgiveness is wages and the other 25% falls under mortgages, utility payments etc. Paige/Lyle to write a letter of contact to each Loan and make the opportunity available for a 2 – 4 month grace period if they are interested in participating. Have a check box to state if they are interested or not and allow Terry and Sandy to work with those interested in getting it set up. Terry called for discussion-Jessica stated to make sure a copy of the letter goes into each loan file for future reference. With no further discussion Terry called for a rollcall vote. Robert-yes; Sandy-yes; mark B-yes; Carol-yes; Paige-yes; Jessica-yes; Lyle-yes; Bryce-yes; Ron-yes; Terry-yes. Motion carried unanimously. Sandy will send letters out to the monthly payment loans. The remaining loans are not making any active payments at this time due to the type of loans they hold with the SCJDA.

Bryce left meeting at 6:42 pm.

Small Business vs CoVid 19 Pandemic- Bill Anderson requested discussion regarding the current situations across the nation and the effects it is having on the economy, the employees that have been laid off, or have had some type of salary adjustments due to the mandates of closures and public gatherings. If there is anything that the SCJDA could do or should be doing to provide assistance in Sargent County. Discussion held regarding how busy lending agencies are with the Payment protection program in the area. New information is getting disseminated through public media, websites, local newsprint and local contact.

Round Table- Fed Prime Rate – 3.25%

Milnor-Terry and Carol informed all of the New Grocer in Milnor and its success thus far.

Forman-Paige brought everyone up to speed on the Grocery Store in Forman

Mark B- brought to floor the Fire that the Ray-Mac business in Gwinner recently had.

With no further business Terry adjourned the meeting at 7:00 pm.

Recording Secretary,

Sandra Hanson