

Minutes of Meeting
Trail County Economic Development Commission
October 12, 2017
7:00 p.m. Hatton Eielson School – Hatton, ND

Board of Directors present: Ben Hershey, Gary Nysveen, Scott Hovde, Paul Geray, Roxanne Phipps and Ken Nesvig. Also present: Melissa Beach – Executive Director, Alyssa Short – Project Coordinator, Cole Short – Hillsboro Banner and Harry Lipsiea – Trail County Tribune.

The meeting was called to order at 7:18 p.m. by Chairman Hershey.

Additions to Agenda

There were no additions to the agenda.

Executive Director's Report

Beach presented the monthly executive director's report. She provided information on recent work with businesses in Mayville and Hillsboro, grant writing for a recreational/tourism project in Mayville and potential TUG client work. She also congratulated the local participants selected to be part of the next Rural Leadership North Dakota class.

Website Project

The new TCEDC website went live Oct. 11. Beach said she and A. Short submitted a lengthy list of changes to Absolute Marketing, who was willing to make the changes. The website likely would be redirected to the previous version of the site while Beach and A. Short are in Williston for the fall EDND conference.

2016 Audit Follow-Up/2018 Budget

Following the advice of Lowell Nelson, Beach talked with Trail County Auditor Glenda Haugen about the percentage of the 2018 budget that would be incoming aid from the state. Haugen said this portion is about \$20,000. Beach will continue to monitor this.

Internal Control Policy & Procedure

Beach is putting TCEDC's current policies in writing, based on feedback from the 2016 audit report. She plans to have this prepared for the November meeting and likely will send this to the executive committee for review beforehand.

Hovde joined the meeting by telephone at 7:42 p.m.

Banking Institution

TCEDC currently banks at First & Farmers Bank, with locations in Mayville and Portland. Beach says the up side of this arrangement is the additional motivation for office staff to get out and about in the



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county; however, it also creates higher mileage expenses and isn't always an efficient use of time. TCEDC likely will make a switch in banking institutions in January – possibly to Goose River Bank, because of its branches in three of Traill County's cities – and also bid out its CDs before Jan. 1. Beach and A. Short will look into the banking institution options and make a recommendation to the Board.

Beach and A. Short requested permission from the Board to install a free trial of Quickbooks Payroll to evaluate whether the solution includes all the functionality they'd need to do their own taxes starting in 2018.

The board reached quorum when Nesvig arrived at 8 p.m.

Treasurer's Report

Beach noted that the Wallgren Morehouse loan had been paid in full after the sale of The Tot Spot to the Learning Circle, and the loan with Hillsboro Café & Bakery had closed.

Geray moved to accept the Sept. 21, 2017 treasurer's report, seconded by Nysveen. Motion carried.

Phipps moved to approve payment of checks as submitted. Nesvig seconded. Motion carried.

Flex Pace Loan Request – Smith & Abell Properties, LLC

Beach discussed the options of Flex Pace loans, which can be used to buy down interest rates with a percentage of the buydown coming locally and the rest as a grant from the Bank of North Dakota. This would give TCEDC more loan protection and a better collateral position for some loans; the flip side is that repayment on TCEDC's loan couldn't begin until the 5-year buydown is complete.

Hovde says he's worked with the Pace program before and feels the quality of the borrower is less risky; the majority of the loans are used for existing businesses rather than startups and the consumers have to do their due diligence.

If this is something TCEDC wants to take advantage of, Beach says TCEDC may need to redo the current loan application or create a second type of loan application with its preferred guidelines and requirements (such as job creation).

Hovde moved to consider Flex Pace as part of TCEDC's loan options. Geray seconded. Motion carried.

Nesvig moved to close the open session and convene in executive session at 8:27 p.m. Nysveen seconded. Motion carried.

Board reconvened in open session at 8:53 p.m.

Nysveen moved to offer a \$20,385.83 loan to Smith & Abell Properties, LLC to be due Jan. 15, 2023 at a rate of 5.5 percent interest, contingent on loan approval from Dakota Heritage Bank and the Bank of North Dakota's Flex Pace program. Nesvig seconded. Motion carried.

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Beach described the use of funds as the construction and permanent financing of a commercial building outside the city limits of Hillsboro. The project would create six full-time and two part-time jobs.

Secretary’s Report

Nesvig moved to accept the Sept. 21, 2017 meeting minutes, seconded by Phipps. Motion carried.

Hovde left the meeting at 8:58 p.m.

Community Updates

Phipps – TCEDC directors and employees toured Hatton Granite prior to the meeting. Hatton Granite previously received a loan from TCEDC for some of its countertop machinery. The Hatton city streets project goes to a city council vote in December. The Hatton Eielson School Board signed a resolution to demolish older portions of the school and create an addition. This goes to a vote Dec. 12.

Geray – Hillsboro Café & Bakery opened Oct. 9. Crowds have been good and it’s good seeing activity on Main Street. Day care also opened Oct. 9 and there are a few new houses going up in town. The Hillsboro Business Association Christmas Carnival is tentatively scheduled for Dec. 10. The H-CV football team is doing well but it looks like Hillsboro’s new athletic complex already needs more seating. The Hillsboro City Commission approved funds for new emergency sirens.

Nesvig – The TIGER grant application for the Nielsville bridge was scheduled to be submitted Oct. 13.

Nysveen – Anchor Ingredients in Hillsboro looks like it’s building something. The new café is looking for part-time help. A new storage facility is being built along I-29. Granny’s Bar had a robbery recently and hasn’t yet reopened.

Hershey – A house on the south side of Buxton should be completed in the next month. There are a couple homes for sale in town. There are new state championship signs at Central Valley School (with space for future championships). The Buxton city signs now have landscaping and lighting. The old hardware store was sold and the buyer wants to fix it up.

Unfinished Business

Beach said two individuals are interested in filling Mayville State’s spot on the Board. Beach asked MSU’s President Hagen for a recommendation and would submit that individual for approval by the county commission.

Meeting adjourned at 9:11 pm.

Officer (printed name & office) Signature Date

Recording Secretary (printed name) Signature Date