



CHEDA Annual Board Meeting Minutes
Tuesday, January 19, 2021, 7:00 a.m.

Present: Kurt Heldstab, Craig Bunes, Steve Erickson, Leon Kremeier, Tom Vedbraaten, Paul Eickhof and Betty Arvidson

Liaison to the Board: Dale Stainbrook

CHEDA Staff: Craig Hoiseth, Tiffany Jones, and Theresa Tahran

Others present: Mike Christopherson, Rob Silvers, Don Cavalier, Wayne Melbye and Amy Finch

Online Attendance: Michelle Christopherson, James Leiman, Teresa Spaeth and Christine Anderson

- 1) President Heldstab called the meeting to order at 7:00 a.m.
- 2) PUBLIC FORUM – No one present to address the Board. Heldstab closed the public forum.

3) Approve Agenda

Motion: Member Vedbraaten moved to approve the Agenda as presented, second by Arvidson. Motion carried unanimously.

- 4) **Approve Minutes** - December 22, 2020 Board Meeting
Vedbraaten stated there needs to be a correction with minutes on 8) i) Resolution 1-12-2020 Civil Rights Certification (CHEDA "doesn't" discriminate)

Motion: Member Erickson moved to approve the minutes with correction to 8)i) Resolution 1-12-2020 Civil Rights Certification (CHEDA "doesn't" discriminate), second by Bunes. Motion carried unanimously.

5) Consent Agenda

Motion: Member Kremeier moved to approve the Consent Agenda as presented, second by Bunes. Motion carried unanimously.

6) Old Business

- a) Colborn Property** – At the last Board meeting it was communicated that the word “design” was not included in the bonding bill language and the media made note of it in their reporting. Representative Kiel and her team noticed this and went to work to try and get that specific language in the bill. Kiel was hopeful this could be accomplished.
- b) POHP** – Currently working on Phase 9 and will soon be starting the final phase. Bunnell inquired if we have run into any problems. Hoiseth stated we have had some minor issues, but the one large matter was this past summer on the roof where a stack was left open and a good rainfall caused damages but the contractor’s insurance did cover expenses. It was also noted that CHEDA will likely be applying for another POHP grant from general obligation bonding. This March we would hope to clean up the last of the project work and finalize the financial pieces for the plumbing project. Currently, we are under budget and have only used a third of the contingency funds that were allocated. We have run over a bit on the project schedule due to shut downs associated with safety precautions of COVID-19 a couple of times.
- c) Oakdale Cemetery** – The next meeting is scheduled for early February. Hoiseth talked to Oakdale’s Board Chairman and they want to exhaust all means of fundraising first, and if that falls short, we will work with them later this spring to evaluate necessary financing options of having a columbarium designed, built and installed at Oakdale.
- d) Childcare – Gotta Love Kids & Crookston’s Little Pirates** – Gotta Love Kids opened on Jan. 7th according to Mike Christopherson. Finch and Hoiseth met with Jason Carlson at Tri-Valley recently and additional childcare is still a need in Crookston. Crookston’s Little Pirates have been looking at a location and working with an engineer regarding layout and design. This specific location is not acquired yet so its identity has not yet been released to public. Hoiseth and Finch have also met with a qualified provider interested in bringing in a childcare center to Crookston.

7) Main Agenda

a) Annual Report

Hoiseth presented the Annual Report slide show that showed CHEDA 2020 year in review. This brief presentation was fulfilling a request by the CHEDA Board and City Council members that CHEDA tell its positive results story a bit more than in the past, allowing community members a better understanding of all the Authority does for Crookston. Upon conclusion, Heldstab stated “Very nice presentation”. Hoiseth referred to these items as really just being “hilltops” and noted that a lot of work is done on the slopes and in the valleys. Also, Hoiseth presented the

binder that is produced annually as a review of the entire calendar year and is of course available as reference and annual reporting to the City. Hoiseth again stressed if the City would like some other type of reporting, they simply need to ask, but there was agreement providing the City Council and Administration with monthly reporting (closer to real time) is better than just an annual report. Monthly reporting also assists in full transparency to all stakeholders. All City Council members, upon completing the CHEDA orientation on how the reports are generated and disseminated, are given the management reports prior to any CHEDA Board meeting.

b) B3 Program Update – Hoiseth reviewed the notes from the focus group that were distributed to those in attendance, highlighting those items that were incorporated into the B3 edits.

Hoiseth mentioned Finch's comments from the meeting notes in that "Finch stated that if program is successful, we should be trying to work it into the annual City budgeting process, rather than simply pulling from general fund reserves from time to time as needed." This would allow for stronger and more efficient planning during budget time.

Hoiseth also stated Councilman Klatt mentioned that perhaps people should be subject to an application period and certain months could be identified as a once or twice opportunity throughout the year. Hoiseth stated that this is an interesting idea, however it may be difficult for some businesses to calculate their needs for an entire year and some may have difficulty meeting that type of deadline.

Some changes that were recommended from the focus group was making the change to include all schools including home school and Mount St. Benedict. Also, if someone relocates into Crookston they would be eligible for \$2,000. Wording will also be included that applicants can only apply one time per calendar year. The mission of the B3 Grant will stay focused on emphasizing the creation of jobs and increasing tax base. Additionally, the focus group recommended that if a business relocates out of town that the full grant will be repaid back, not just the 50% previously required. Another item Hoiseth requested was the establishment of a small committee that would review the applications and have applicants present the need in person to that committee. That committee would consist of Hoiseth, Finch and one/two rotating Council members not on the CHEDA Board. Maintenance issues will be discussed on a case by case but are not expected to be approved.

Motion: Member Vedbraaten moved to approve changes recommended by the focus committee and as presented for the B3 Program, second by Eickhof. Motion carried unanimously.

c) B3 Applications

- i) **IC Mugg** – Hoiseth noted Mike Paul of IC Muggs did turn in the application on the Thursday before the last meeting but there simply was not adequate time to vet the application and present it in December. The work has since then been completed and the application was noted as not following the new approved edits to B3 grant, however this application should be considered as previously outlined.

Vedbraaten noted that in the future he would like to see that work not be completed prior to approval of application but understands this case. Heldstab stated that if a person gets a good bid it's hard to ask them to wait while we go through our process.

Motion: Member Erickson moved approve IC Muggs B3 application in the amount of \$4,000, second by Kremeier. Motion carried unanimously.

- ii) **Adams Heating & Cooling** – This grant would be put to use at the new location on Strander Ave recently purchased by Adams Heating and Cooling. Hoiseth noted Adams is a graduate of Northland Tech. and Kaz is a graduate of Crookston High School, so each partner brings an educational piece to this application. Vedbraaten stated this would dress up the storefront which the program is certainly designed to do.

Motion: Member Kremeier moved to approve Adams Heating & Cooling B3 application in the amount of \$5,000, second by Vedbraaten. Motion carried unanimously.

d) Financing Herkenhof Land Purchase – Hoiseth stated that he and Finch have been in discussions as to the best way to finance the purchase of the remaining 60 acres of the Nature View Estates. The payment for the land would be in three installments annually for \$125,000. They recommend the first installment come from the CHEDA Community Investment Fund. Erickson asked if CHEDA and City each did an installment and the third installment be split between CHEDA and City. Hoiseth mentioned that is a possibility, however there could also be other parties involved in subsequent installments. Arvidson asked if there was a timeline for payments. Hoiseth stated Herkenhof would like payment by end of first quarter, however Finch and Hoiseth have suggested by the end of second quarter. Bunes asked Finch first her thoughts of this financing plan. Finch agreed this would be a preferable route to go, allowing her more time to better understand the City's finance picture. While Finch stated she would be in favor of partnering with CHEDA in this manner, but did not want to comment on behalf of Council members. Finch also commented that is has been helpful working with Hoiseth on this and other issues, so she has time to better understand the

budgeting process and not having to move so quickly to request another dip into the general or land and building reserves. Bunes was concerned that in time past there were comments regarding the debating between CHEDA and the City Council and that's why "I want to get the question out there. You folks are sitting here now, if there's an issue with that then, let's hear it". Finch stated has the benefit of not having lived through the past and she's made it her choice of not being drug back into that, her thoughts are simply on how to be moving forward. She further stated "Craig and I have a very good working relationship" and further stated she would feel comfortable asking any CHEDA Board Member or any CHEDA staff member any question she may have.

Bunes then inquired the same question to the City Council members in attendance. Stainbrook stated this would be a good investment and agrees this is the direction we need to go for housing. Bunes stated his main concern is not the project itself more concerned that we are both on the same sheet of music and that it works for the City and it works for CHEDA, stating "that is one of my goals for being here". Specifically, Bunes wanted to verify that these relationships are going to work and benefit Crookston going forward, don't reflect on the past and just continue to build trust. Melbye stated we don't want to be in competition with Ross but this is the north end of town and with demand stronger, we need to have building lots available. It looks as though we have done our homework and it shows where we are going and agreed this is the direction we need to go. Cavalier agreed with Melbye. Hoiseth stated we are only looking at acquiring the land as of now and developing the parcel would likely be months or even years ahead of us. We would always have the opportunity to sell the land if we chose not to develop it in the future. Erickson stated that time is of the essence and we need to move forward to acquire this property from Herkenhof. Vedbraaten asked what was left in the Community Investment Fund, Hoiseth stated we have only appropriated \$150,000 thus far so \$200,000 remains and this would be a fine use of the dollars as one of the key strategic initiatives outlined for this fund.

Melbye stated he would like to see a commitment from CHEDA to pay the first installment, thereby demonstrating to City Council we are in this together.

Motion: Member Arvidson moved to authorize CHEDA to pay the first installment on 60-acre purchase of Herkenhof land in the amount of \$125,000, second by Vedbraaten. Motion carried unanimously.

e) Polk County Resiliency Grant Evaluations

Hoiseth stated the Polk County Resiliency Grant is comprised of \$100,000 rural and \$200,000 in Crookston. Finch had reached out and asked all Council members who wanted to be on this review committee. Melbye and Vedbraaten were willing and Jerde stated she could be available if needed. Hoiseth would like to assemble

a group to review the applications and recommend a list for the County. The final day for applications to be received is January 29th. Hoiseth would like to see this review committee meet a couple days perhaps over a long lunch hour to review the applications during the first week of February. This would allow time for Finch and himself to present the recommendations to the County as scheduled on Feb. 11th. Hoiseth asked for volunteers to be on committee. If we are able to obtain a quorum of the CHEDA Board that could also suffice as authorization from a governing body. Heldstab, Kremeier and Bunes volunteered, so CHEDA would have a quorum with Vedbraaten and would be able to approve recommendations. Melbye also would be a voting member of the committee with Hoiseth and Finch performing the administrative functions and also then bringing the results forward to the County.

8) Election of Officers (Executive Committee)

Heldstab suggested Kremeier for Vice President and Arvidson for Secretary and the President and Treasurer would remain the same.

- a) President – Kurt Heldstab
- b) Vice President – Leon Kremeier
- c) Treasurer – Paul Eickhof
- d) Secretary – Betty Arvidson

Hoiseth noted that over the years, typically the Finance Director from the City has sat in the role of the CHEDA Assistant Treasurer. With the Finance Director position currently being open Finch has agreed to fulfill that spot as a liaison to the CHEDA Board. This, along with two City Council voting members and a City Council liaison will continue to provide great transparency to the city. Melbye should be approved as that liaison position to the CHEDA Board at the City Council meeting on the 25th.

Motion: Member Erickson moved to approve the suggested slate of officers, second by Vedbraaten. Motion carried unanimously.


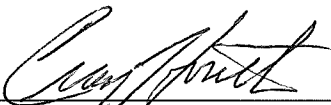
- ### **9) Other Business**
- Hoiseth wanted to make note that a few businesses have paid off their revolving loans with CHEDA: True Value (Adams purchased, paid loan and sold business), Wonderful Life Foods, Erickson Boutique and Grand Theater. These are great success stories, and we should spend more time reflecting on the wins that are created and not just drawing attention when a loan may be past due. Congratulations were offered to all of these great businesses in Crookston, appreciation for their business, and well wishes of continued success.

CHEDA also wishes to setup orientation meetings with all new Board or City Council members. This allows for necessary training so the management reports are being communicated properly, accounts and funds are well known, and any questions can be asked and answered. Craig Bunes, Kristie Jerde and Wayne Melbye are the three new members and it would be great to get them together as a group sometime in early February. Staff will try and get this set up, and an invitation was given to anybody wanting a refresher course regarding CHEDA's management reporting or documentation.

10) Adjourn

There being no further business to come before the board, President Heldstab adjourned the meeting at 8:27 a.m.

These minutes were officially approved on March 16th, 2021

Attest:  and .
Board President Executive Director

