



**CHEDA Special Board Meeting Minutes**  
**Tuesday, November 5, 2019, 7:00 a.m. + VTP**

**Present:** Kurt Heldstab, Craig Morgan, Paul Eickhof, Steve Erickson, Leon Kremeier, Betty Arvidson.

**Liaisons to the Board:** Dale Stainbrook and Angel Weasner

**CHEDA Staff:** Craig Hoiseth, Tiffany Jones Theresa Tahran and Beth DeBoer

**Others present:** Rob Silvers, Mike Christopherson, Jake Fee, Bobby Baird, Shannon Stassen, Chris Plante, Clayton Briggs and Don Cavalier

**Absent:** Tom Vedbraaten and Paul Eickhof

**1) Call Meeting to Order** – *President Heldstab called meeting to order at 7:00AM*

- a) Approve Epitome Energy Permitting Invoices** – Heldstab said that the Advisory Committee met last week. Heldstab said Dennis Egan did attend that meeting and we had a good discussion. Heldstab said a recommendation from the Advisory Board was requested by the CHEDA Board. The result of that meeting was to move ahead with a recommendation to the CHEDA Board giving approval of the first two Epitome Energy air permitting invoices. Heldstab stated these invoices (totaling \$48,350.00) would come from the Crookston Jobs fund, as to hold back on the utilization of taxpayer dollars initially.

Stainbrook asked “Where do we go from here; more invoices will no doubt be coming in.” Heldstab said that being there is a lot of attention on this \$250,000 loan to Epitome we are planning to get the invoices as received to the Advisory Board for consideration and go from there. Heldstab said when Egan was here he said he was not successful obtaining a 1:1 match from the Department of Ag, instead we have to proceed with the 4:1, however Epitome will not be requesting any additional dollars from CHEDA or the City for the permitting process. Stassen said that the permitting process will take significantly more than the \$312,000.00, (\$250,000.00 from CHEDA/Crookston and \$62,500.00 from the Department of Ag). Stassen said that leaves a big gap. Heldstab said it is unfortunate that Egan was unable to convince the Department of Ag to get it leveraged at 1:1, but originally the thinking was this entire grant would be for equipment, but this has been changed to go toward air permitting. Egan has a good relationship with the Department of Ag but since we still have not heard anything different, we need to move ahead with the invoices with a 4:1 match. Stassen said the agreement with Epitome was signed on September 13, 2019. Heldstab says everything can change on an agreement in



business, and that is what Egan was still trying to accomplish. Morgan stated that we were notified of the 4:1 match clearly at our last Board meeting, and we never made a decision choosing instead to push it back to the Advisory Committee. Now we have all had an extra 2-3 weeks to fully consider this. Hoiseth stated we have not issued even the first dollar on this \$250,000 loan even though funds for it were appropriated back in August. Hoiseth asked if everyone around the table knows clearly that this is a 4:1 match and not a 1:1. It is in fact very clear. Hoiseth says the advisory committee was also fully aware of this 4:1 leverage match prior to their vote to recommend payment of these 2 invoices as well. Again Hoiseth asked around the room, does anyone not know this is a 4:1 match? Stassen says this is not the question; it is the timing of the document. Hoiseth says there is little difference on the timing of when Epitome signed the document but the important thing for us is that no vote is taken to invest this money without full knowledge and complete disclosure by the governing authorities. Stassen indicated that Hoiseth knew on September 13, 2019 that this was a 4:1 match. Hoiseth agreed he had received the document and he subsequently spoke with Egan regarding this and Egan confirmed he was continuing to work with the Dept. of Ag to obtain a 1:1 match. Hoiseth then stated he received the invoices from WENCK and Sunde in early October. Hoiseth spoke to Egan on the phone and then on October 10, 2019 sent Egan an email and reiterated that he had to bring this back to the CHEDA Board for approval of a 4:1 match. Hoiseth stated as soon as he knew for sure from Egan the match was not going to be 1:1, this item was put on the agenda of the very next CHEDA scheduled Board meeting on October 22, 2019. Fee asked how much money is in that specified Crookston Jobs account. Hoiseth said the last transaction was that we have deposited about \$10,000.00 for that parcel of land that we sold to Central, bringing the balance to over \$100,000.00.

*Motion by Kremeier to approve payment of invoices to Sunde of \$25,000.00 and Wenck for \$23,350.00, 2<sup>nd</sup> by Morgan. Motion carried unanimously.*

- 2) **2020 CHEDA Final Budget** – Heldstab said we have talked about it a couple of weeks ago. Hoiseth says in that time, we haven't heard anything or questions on this. Hoiseth said since we were meeting we would put it on the agenda, but still not a must to approve. Morgan said let's hold off on the budget. Heldstab said let's hold off until the next meeting. Arvidson asked when the next Board meeting is? December 17<sup>th</sup>.

### 3) Adjournment

*These minutes were officially approved on December 17, 2019*

Attest:  and   
Board President Executive Director