



**Special Board Meeting Minutes**  
**Tuesday, July 6, 2021 7:00 am + Valley Technology Park**

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

CHEDA Staff: Craig Hoiseth, Bill Tate, and Tiffany Jones

Others Present: Wayne Melbye, Mike Christopherson, and Wyatt Merrel

- 1) President Heldstab called the meeting to order at 7:00 a.m.
- 2) **Close Session – MN Statue 13D.05 Subd. 3(a)**  
*A Public body may close a meeting to evaluate the performance of an individual who is subject to authority.*
- 3) **Re-Open Meeting**  
Meeting was re-opened at 7:23 a.m.

***a) Response of CHEDA for Council Recommendation of Option 3***

Heldstab asked the Board to review the proposed letter with 3 alternative options to the recent options that the City Council proposed.

*Motion: Member Arvidson moved to approve the options letter to be submitted to Council, second by Kremeier.*

Discussion was had regarding different options provided by feedback of Board members to staff or President, formulated into a draft letter to City Council. Heldstab stated that he didn't like any of the options since it changed the format that has worked since he arrived on the Board in 2011. Heldstab is not in favor of any of the options. Arvidson stated that she could get onboard with option #2 which has the Mayor as a voting member on the Board. Arvidson said that when she worked for the city the Mayor was always a voting member. She said she sees the value of having the Mayor on the Board as it requires them to be involved in what CHEDA is doing. Arvidson also stated that she is not in favor of tearing the organization apart and opposes the City Council's option #3. Melbye said that when he was Mayor, he couldn't get anything done because of a couple Council members. Melbye than said "the election took care of that". Those Councilmen were pro CHEDA and not pro Council. Melbye asked what Board Erickson and Vedbraaten were on because they aren't listening to the public. Melbye stated that the two Councilmen on the CHEDA Board abstained from voting at the Council meeting but voted at the next CHEDA meeting. Melbye asked again "what Board are you on?" Most of the disconnect came from choosing sides because most of the Council was pro CHEDA. Vedbraaten stated

that most of the phone calls he gets consist of perhaps changing leadership but not to dismantle CHEDA. He also said that community members want to keep the current Board since they have the so much experience. Erickson replied to Melbye's comments. "I take offence to what was said. The reason I didn't vote was because we weren't ready to move forward. You can see what has changed since then and its keeping everything intact. I felt I had to vote against that. I didn't do it because I am on this Board. I'm appalled that you said that. I am not a strictly CHEDA guy. I do my homework and listen to both sides." Kremeier said "being on the EDA Board in Bemidji has given me a lot of insight to Crookston and it's not good here. The Board in Bemidji is completely separate from City Council and they are putting 700 jobs a year there. The Director does all the permitting and puts everything into place before it goes before the Council and it has worked great. Amy made the comment that the City should be the face of Crookston. In Bemidji the face is the EDA and it works very well. When I see City Councilmen being economic developers, its not going to work. There needs to be the divide. Let the EDA do their job and then you come to the City. I have a tough time agreeing to any of these options to be honest with you. I have been on many Boards and where it works is where you have separation." Bunes stated that he agreed with Heldstab on the options. He also said that he doesn't think there is anything we can do to keep City Hall happy. They have a plan and I think we should let them do it. They are in control. They will mold CHEDA or remnants of it the way they want it to go. Vedbraaten said that he felt the same way and referenced Melbye's comment about not getting anything done because the Council is stacked against CHEDA. Melbye replied and said that something has to change. Arvidson stated that she called a couple Councilmen that weren't in attendance. She offered to resign if they thought that she wasn't doing her job. Those Councilmen both said that it isn't the Board that is the problem it's the Ex. Director. Arvidson then said that we need to address that, we will, but to disband and redo all of this makes no sense. Eickhof asked if Epitome Energy would be coming to town if CHEDA wasn't here. Would the remodeling of the Fournet happen without CHEDA? Arvidson stated that she is very concerned with economic development in Crookston. She asked if the answer was having a CHEDA Board that consists of all City Council? She answered with; "Everybody has their place. There is expertise with being handpicked to serve on a Board. I am not in favor of going to an elected City Council Board for CHEDA." Erickson agreed with Arvidson. He stated that we need involvement from the community members and that is why he is against what the city is proposing. Kremeier added that he had 28 Board members on the EDA Board in Bemidji. He stated that with that many Board members not everybody is in an agreement all the time but at the end of the day whatever was decided the entire Board would be behind even if they didn't completely agree. Erickson spoke about the negative views that people have on CHEDA. He stated that he wanted to be on this Board to find out what was going on with CHEDA because he heard such negative things. He said that everything is spot on with the books. Absolutely no discrepancies. He suggested that the City Council representation on the CHEDA Board should likely be changed every few years so that every Councilman is on it at least once. Melbye stated that he doesn't understand why people who have questions refuse to come out and ask those questions. If other people showed up to meetings to find out how things worked, we wouldn't have all these questions. He also stated that some Councilmen won't come to meetings or come for a one on one with Craig. He said they refuse so it's not all here (the communication problems). Arvidson then spoke and said that when she was

the Finance Director for the City, she was at all the EDA meetings and so was the Mayor and the Administrator. There is value to that she said. Melbye stated that the only resolve would be to remove the leadership, change out the president of the board, and appoint two different councilmen. He also said that the CHEDA Board has well respected people that serve. Hoiseth spoke and asked why every option that the City Council has presented include the removal of these fine people? Not one of the options leaves this Board intact. We sit here and talk about the skill set and the value of each and every board member yet all options involve the removal of them. It's disturbing to me when you take the resumes of the people in this room and you want to abandon them and replace them Council members who do not quite frankly have the resumes of this Board nor the understanding of economic development or housing issues. If this Board tells me that I am not doing my job then I will go. I have never resisted that. Every year you review my performance with detailed scrutiny and every year you give me favorable results. I am not opposed to a change in leadership however your reviews of me have been positive. You folks know me the best and other people out there that hardly know us at all are saying that we should change leadership. The people that know me the best are saying that we have good leadership. I see a disconnect as to why this Board is being replaced. In May, a resolution was brought forward to dissolve CHEDA completely. If CHEDA did not oppose that by resolution Crookston would have moved forward and had a huge embarrassment. Thank you, Board, for not embarrassing the city of Crookston. The Board has been cast as villains for being against everything the city wants to do. The City wanted to dissolve CHEDA and you knew it wasn't the right thing to do for Crookston. I'm glad you had the spine to stand up and oppose that because it would've hurt Crookston greatly. Now the Council has changed things and said that they will keep CHEDA but clean house because they can do better. Get rid of the Board and leadership. So far we have seen no evidence on efficiencies and the cost savings that this was brought forth with. Hoiseth asked if anybody in the room has seen the cost savings or efficiencies that would be gained by the options the Council has presented. The room replied "no". Why are we to this point when we were told in May that there was cost savings and efficiencies and today, July 6<sup>th</sup>, having seen none of those. Melbye answered "do you want the real answer; nobody has the balls to say get rid of Craig Hoiseth". Hoiseth replied "then say that instead of getting rid of decades of great experience". Hoiseth stated any one person, including himself can be replaced. Vedbraaten said that we can't just get rid of the director without a replacement. Melbye said that the administrator would take over until someone was hired. Hoiseth reminded the Board of the goals that were set for him when he was hired. He listed those goals and was able to check off all but one. Bunes stated that we have made a grave mistake in not telling the story of CHEDA. Bunes mentioned that he was approached by a citizen in Walmart who tanked him for her high taxes. He asked her where she heard that from and she said a councilman. He corrected her and stated that it wasn't true. Kremeier stated that a few years ago the City Council wanted a report on what accomplishments CHEDA has achieved. Staff presented a PowerPoint and video of those accomplishments as requested by Council. After the meeting the Mayor and a councilman approached me and said "what a waste of time for me".

Heldstab asked the Board if they liked any of the options. More discussion was had. Option 2 was selected to be presented to Council as follows. CHEDA proposes that the

two existing City Council members on the CHEDA Board should be replaced by the Mayor and another Council member with strong leadership and communication skills, who would be willing to assume more direct oversight of CHEDA. Specifically, a willingness to serve on the Executive Committee to include the office of President is desirable.

*Amended Motion: Member Arvidson moved to amend the prior motion to submit option 2 of the letter containing the 3 options presented to be submitted to Council, second by Kremeier. Motion carried with Vedbratten, Kremeier, Arvidson, Eichkof, and Erickson voting aye and Buness and Heldstab voting nay.*

#### **4) Adjourn**

**There being no further business to come before the board, President Heldstab adjourned the meeting at 9:26 a.m.**

*Motion: Member Buness moved to adjourn the meeting, second by Arvidson.*

These minutes were officially approved on July 20, 2021.

Attest: Wayne Melby and Amy Junc  
Board President Executive Director, centerim