

Beulah JDA Meeting Minutes
February 15, 2023
4:30 PM – Beulah City Hall

Members Present - Beaver Brinkman, Mary Lou Horning, Nathan Richter, Auston Biles, Vern Muscha (arrived at 4:43), , Ben Lenzen, Kim Kessler (by Zoom) Scott Solem (between 4:38 pm to 4:56 pm)

A. Auston called the Meeting to Order at 4:33 pm

B. Meeting Minutes –

Ben moved to approve the Regular Meeting Minutes from January 18, 2023, Beaver seconded. There was discussion regarding actions taken at the January 18 meeting that Kurt Swenson proposed or approved. The prevailing position was that approving the minutes as presented would ratify the actions taken. Motion approved unanimously.

Mary Lou moved to approve the February 1, 2023 Special Meeting Minutes, Ben seconded. Motion approved unanimously.

C. Financial Report

The financials reports were provided prior to the meeting. Nathan moved approval of the financial reports as provided. Ben seconded. There was discussion regarding using the appraisal amount for the Greystone in the reporting. It was determined that the current valuation should stand. Ben did raise the issue of using the appraised amount for property tax purposes. The motion was approved with Ben abstaining.

The purchase of the CD's is currently waiting on the banks finalizing their documentation.

D. OLD BUSINESS

USDA Building

Beaver reported on the replacement of the center furnace. He has received a bid from Legend Air that would include installation. Beaver noted that Legend Air is well respected in the community and that it would be supporting a local business. Nathan moved approval of the proposed bid with Legend Air, Beaver seconded. Vern raised the question about the bidding process on this project and going forward. Vern moved to amend the motion to provide for getting a second bid, Mary Lou seconded. Further discussion included the need for transparency in the bidding process, mileage and hourly travel costs to come to Beulah, the complexity of the USDA system and the need to support local businesses. Vern's motion to amend the original motion was approved. Ben moved to table the original motion, Beaver seconded. Approved unanimously. Vern will seek out a second bid.

Greystone Building

No report.

E. NEW BUSINESS

Rent Schedules

Beaver provided copies of rent schedules for the Greystone and USDA Building tenants. The schedules have been provided for information only. There has been confusion as to the timing and amounts of rent increases by the tenants. Farmers Union Insurance should be current at this time for this lease period.

There is currently no lease agreement with Then & Now Candy Store and they are renting on a month to month basis with a mutually agreed upon monthly rent payment. Ben moved to continue with the current monthly rent for the remainder of the year, Mary Lou seconded. Nathan proposed going with a rental buydown rather than locking in the monthly rent through 2023. Beaver noted that there needs to

be a signed lease agreement in place. Beaver moved to amend the motion to require a signed lease agreement, Vern seconded. Nathan commented that there needs to be a comprehensive approach going forward and that the tenant has been provided assistance over the years of its tenancy at the Greystone. Beaver will prepare an updated lease agreement with the final numbers to go before JDA and with the understanding that the tenant will come to meet with JDA to discuss the terms. Ben withdrew his motion and Mary Lou withdrew her second to that motion. The second motion was approved with one opposed.

Bank Account Signatures

The bank accounts have been updated to include Auston as a signer.

Program Offerings and Application for Website

Beaver distributed drafts of the program write-ups and a draft of the application. It is a universal application that can be used for any of the programs. Nathan recommended that the date the documents were drafted be added as a footnote. Discussion was tabled until the next meeting.

Systems Technology Signature

Beaver signed a one year agreement with Systems Technologies for service to the USDA Building. Beaver asked for the board to ratify the action. Mary Lou moved approval of the one year service agreement with Systems Technology, Vern seconded. Approved unanimously.

Fetzer Electric Bill Approval

Beaver reported that Fetzer Electric replaced the hallway/stairway lights in the Greystone Building.

Amendment of By-laws

Beaver reported that he has had conversations with Scott regarding the amendment of JDA's by-laws. A number of concerns were discussed including: confidentiality and open records; letters of credit worthiness of program applicants; the number of board members; Economic Development's position on JDA; and a resolution by City Council approving the by-laws. There was extensive discussion regarding the need for letters of credit worthiness by a third-party professional. JDA needs to do a risk-benefit analysis for each application based upon the program from which funds are being requested, the amount being requested, timeliness concerns and if the information as provided by the authorizing bank would be sufficient as the third-party review. Discussion also included meeting notification requirements. It was agreed that the by-laws will be presented to City Council. No action required at this time.

Forgiveness of Lovely Lilac Loan Balance

The loan balance will be due in July of this year. Beaver moved that JDA forgive a significant portion of the balance due with only a portion to be paid back with the understanding that the amount forgiven would be a grant for Lovely Lilac's purchase of equipment toward its ND True product line. JDA will also undertake providing assistance through writing a grant request under which the funds would be designated for the ND True equipment purchase. Nathan proposed limiting the assistance to loan forgiveness of a portion of the balance due. Mary Lou seconded Beaver's motion. Approved with four votes and two opposed.

G. OTHER BUSINESS

1. Discussion on conflicts of interest was tabled.
2. Vern restated his position that JDA needs to do due diligence in the actions it approves.
3. Ben questioned if restrictions on participation should be loosened under Council's resolution so as to allow persons who live outside of city limits but have an interest in Beulah's potential to grow.
4. Auston questioned if the current meeting dates and times still work with everyone's schedules.

Meeting adjourned at 6:12 pm.