

**INVER GROVE HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY MEETING
MONDAY, MARCH 7, 2011 – 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The Economic Development Authority (EDA) of Inver Grove Heights met on Monday, March 7, 2011, in the City Council Chambers. President Pro Tem Tourville called the meeting to order at 6:00 p.m. Present were Economic Development Authority members Grannis, Klein, Madden, and Piekarski Krech; City Administrator Lynch, City Attorney Kuntz, and Executive Director Link.

3. ORGANIZATION:

A. Adoption of Bylaws

Mr. Link discussed some key points of the bylaws which were drafted by Steve Bubul, the City's Bond Counsel, including the election of officers, establishment of regular meeting dates, and his position as Executive Director (lead staff to the EDA). He noted a blank in Article V, Section 1 of the bylaws and requested the EDA fill in the blank by determining what level of expenditure they felt comfortable granting staff in between the quarterly meetings for miscellaneous expenditures such as attorney and consultant fees.

Boardmember Piekarski Krech expressed reservation at giving staff the authority to spend money prior to the establishment of a budget.

Boardmember Klein questioned why money would be spent at this point as there was no pending development.

Boardmember Grannis recommended giving staff the ability to incur expenses up to a certain amount while still being conscious of expenditures. He stated that staff had previously been given authority for expenditures totaling up to \$15,000 for the City Hall project.

President Tourville asked if the EDA could continue this discussion at a future meeting and pass the bylaws without filling in the blank.

Boardmember Madden recommended giving staff the authority to spend up to \$5,000.

Boardmember Piekarski Krech stated she had an issue with money being spent prior to the establishment of a budget.

Boardmember Grannis asked staff if the City's budget included funds for the EDA.

Mr. Lynch replied that the 2011 adopted budget included a transfer of \$500,000 from the Host Community Fund to what is going to be called the Economic Development Fund. The EDA would determine how that money would be spent.

President Tourville stated they would not necessarily have to put all \$500,000 into the EDA Fund at this time.

Mr. Lynch advised that during the process of establishing their budget the EDA could choose to take expenditures that are currently in the General Fund, such as a portion of the Community Development Director's salary or the Progress Plus membership, as an EDA expense instead.

Dian Piekarski, 7609 Babcock Trail East, questioned why Mr. Link was able to appoint himself Executive Director to the Board, stated she was frustrated that the EDA had already incurred expenses, and was

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concerned about the potential for future expenditures. She urged the EDA to follow the recommendations of their consultant and determine their purpose before establishing a budget. She asked if the City paid the consultant, Kirsten Barsness, for her presentation at the August 30, 2010 workshop.

Mr. Link replied that Ms. Barsness was paid to inform the City Council of an EDA's role, structure, funding, etc.

President Tourville advised that the City does not have an on-going contract with Ms. Barsness; she did a one-time presentation of her expectations of an EDA. The City does not necessarily need to do everything that the consultant suggested.

Boardmember Madden added that the consultant also explained what the EDA could do that the City Council could not.

Mr. Kuntz suggested that the EDA designate an amount in Article V, Section 1, because adopting the bylaws without that section would be difficult because that section affects other sections.

Boardmember Madden recommended giving purchase authority for \$5,000.

Boardmember Piekarski Krech recommended \$500.

Motion by Madden, second by Grannis, to designate \$5,000 purchase authority in Article V, Section 1 of the bylaws.

Boardmember Klein stated he would likely vote in favor of the motion, however, he would prefer to wait until the EDA had determined a basic plan.

Frank Rauschnot, 6840 Dixie Avenue, asked for clarification of how expenditures would be approved and paid.

President Tourville explained that Mr. Link would have the authority to pay claims up to the approved amount. The EDA would then receive a list of paid claims and supporting documentation at their next meeting.

Boardmember Piekarski Krech asked where the claims procedure was spelled out in the bylaws.

Mr. Kuntz replied Article V, Section 2.

President Tourville asked for clarification of payment of EDA claims.

Mr. Kuntz replied that the bylaws being approved tonight would delegate to the Executive Director the authority to pay bills up to a certain amount. He would then bring evidence of that payment and bill to the next meeting.

Boardmember Piekarski Krech advised that the bylaws state that the Treasurer shall submit a detailed financial statement at least once a year.

President Tourville suggested the EDA request a quarterly account of expenditures.

Boardmember Madden suggested the EDA give the Executive Director the authority to do his job.

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Boardmember Klein asked if the EDA had the authority to schedule additional meetings.

Mr. Link replied in the affirmative.

Boardmember Grannis referred to Article I, Section 3 of the bylaws and asked if corporations were getting away from using seals of authority as they were often getting misplaced or lost.

Mr. Kuntz replied that they were still a requirement for municipal corporations.

Boardmember Grannis stated according to Article II, Section 2, it appeared as if only the President was able to submit recommendations regarding business affairs and policies for the EDA to consider, and he questioned whether other officers or Boardmembers should have that privilege as well.

Mr. Kuntz stated that was not the intent because each Boardmember would have the authority to bring forth items for consideration by the Board. He suggested that Section 8 be added to Article IV stating that at each meeting each Officer and each Boardmember may submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Boardmember Piekarski Krech asked if the second sentence in Article II, Section 2 would be modified and moved to Article IV, Section 8.

Mr. Kuntz replied in the affirmative.

Boardmember Grannis asked if other Boardmembers recalled a previous discussion where it was agreed that the Executive Director's position would not result in an additional pay increase and would be considered 'other duties as assigned'.

The Boardmembers unanimously replied in the affirmative.

Boardmember Grannis asked if the same would apply to the position of Assistant Treasurer.

President Tourville replied in the affirmative.

Boardmember Piekarski Krech stated she was opposed to giving \$5,000 spending authority to the Executive Director, but had no issues with the remainder of the bylaws.

President Tourville asked if the Board would be willing to vote on the bylaws without a dollar amount in Article V, Section 1 and subsequently add a specific amount in a second motion.

Motion withdrawn.

Motion by Klein, second by Piekarski Krech, to approve the bylaws with no amount in Article V, Section 1, and the addition of Section 8 to Article IV stating that at each meeting each Officer and each Boardmember may submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Ayes: 4

Nays: 1 (Madden) Motion carried.

Motion by Grannis, second by Madden, to amend the bylaws by designating \$5,000 purchase authority in Article V, Section 1 of the bylaws.

Ayes: 3

Nays: 2 (Klein, Piekarski Krech) Motion carried.

B. Election of Officers

Mr. Link requested that the EDA appoint a President, Vice-President, and Treasurer, and he recommended that the Secretary be the Executive Director's designee and the City's Finance Director be appointed Assistant Treasurer.

Boardmember Piekarski Krech asked for clarification of the Secretary's duties.

Mr. Link replied the Secretary would keep minutes of all meetings of the Board.

Boardmember Madden advised that the bylaws state the Secretary shall keep minutes of all meetings of the Board and shall maintain all records of the Authority. The office of Secretary may be held by a person who is an employee of the City or Authority.

Motion by Madden, second by Klein, to appoint Tourville as the President of the EDA.

Boardmember Piekarski Krech asked if these were one year terms.

Mr. Kuntz replied in the affirmative, stating the bylaws state officers shall be elected at the annual meeting and hold office one year or until their successors are elected and qualified.

Ayes: 4

Nays: 1 (Grannis) Motion carried.

Motion by Klein, second by Tourville, to appoint Piekarski Krech as Vice-President of the EDA.

Ayes: 5

Nays: 0 Motion carried.

Motion by Tourville, second by Piekarski Krech, to appoint Klein as Treasurer of the EDA.

Ayes: 5

Nays: 0 Motion carried.

Ms. Piekarski asked if the Secretary would be paid by the EDA.

Mr. Lynch replied that until an EDA budget was established any staff time would come out of the 2011 General Fund budget. If an EDA budget was not established staff time would continue to come out of the General Fund.

Motion by Grannis, second by Piekarski Krech, to appoint the City's Finance Director as Assistant Treasurer of the EDA and that the Secretary be the Executive Director's designee.

Ayes: 5

Nays: 0 Motion carried.

C. Establishing Regular Meetings Dates

Mr. Link suggested meeting on the first Monday in February, May, August, and November.

Boardmember Klein asked if the Board had the power to cancel a quarterly meeting and if so, who would make that determination.

Mr. Kuntz replied that Article V, Section 1, of the bylaws states that all regular meetings will be held on the first Monday of February, May, August, and November at 6:00 p.m. at the City of Inver Grove Heights City Hall unless otherwise determined by the Board after notice as required for a special meeting. If the EDA would like to cancel a meeting, he would assume they would follow the same protocol. He added that if a quorum is not present at any meeting the meeting cannot take place.

Boardmember Grannis recommended that the meeting notices for the EDA be published similarly to the notices for City Council meetings.

Mr. Kuntz recommended that if the Board desired additional notice they should pass a motion to that effect.

President Tourville recommended that the City establish a section for the EDA on its website listing such information as meeting dates, minutes, activity, Treasurers report, etc.

Boardmember Piekarski Krech asked if special meetings were required to be noticed similar to that of City Council meetings.

Mr. Kuntz replied in the affirmative, stating at least three days posted notice was required.

Motion by Klein, second by Grannis, to establish regular meeting dates on the first Monday of February, May, August and to establish on the City's website the meeting dates, minutes, etc. for the EDA.

Ayes: 5

Nays: 0 Motion carried.

D. Designation of Official Newspaper

Motion by Piekarski Krech, second by Klein, to designate the *Southwest Review* as the EDA's official newspaper.

Ayes: 5

Nays: 0 Motion carried.

E. Designation of Official Depository

Motion by Klein, second by Grannis, to designate Bremer Bank N.A., RBC Public Funds Services, US Bancorp Investments, Wells Fargo Securities LLC, Morgan Stanley Smith Barney, American Bank, and Stifel, Nicolaus & Co. Inc. as the EDA's Official Depositories.

Ayes: 5

Nays: 0 Motion carried.

Motion by Klein, second by Madden, to designate Key Community Bank as an Official Depository for the EDA.

Ayes: 4

Nays: 0

Abstain: 1 (Tourville) Motion carried.

4. 2011 WORK PLAN

Mr. Link stated City Council previously discussed that the 2011 Work Plan would consist of 1) the acquisition policy, 2) Small Business Loan Program, 3) Progress Plus marketing activities, and 4) funding of EDA activities. With the help of Progress Plus, staff gathered information from other organizations regarding Small Business Loan Programs and acquisition policies; this information could be provided to the Board for their next meeting. Staff would also like to discuss the EDA budget at the next meeting.

Boardmember Piekarski Krech recommended taking a look review at how much money an acquisition policy would require and whether the EDA had the ability to budget for it.

President Tourville asked if the EDA would be provided a preliminary budget for the next meeting.

Mr. Link replied the EDA would be given a preliminary budget for 2012.

Boardmember Piekarski Krech suggested working first with property the City already owns rather than acquiring new property, and requested that staff provide the EDA with an accounting of City-owned developable properties.

President Tourville agreed, stating he would like an inventory of all City-owned excess property and the different variables, such as whether or not an environmental assessment had been done, etc.

Mr. Lynch noted that the City owned a substantial amount of property for conservation and right-of-way easements.

Boardmember Piekarski Krech stated they only needed a list of useable property.

President Tourville suggested they narrow it down to an inventory of potentially developable excess City-owned properties. He noted they would also discuss funding of EDA activities and the budget. .

Mr. Link stated he would not recommend discussing all four 2011 Work Plan items at the next meeting as it would be too extensive.

Boardmember Piekarski Krech stated she would prefer to proceed slowly on the funding.

Mr. Link stated staff would provide the Board, for their May 2nd meeting, the 2012 budget, acquisition policies from other organizations, an inventory of excess City-owned potentially developable properties, and information regarding Small Business Loan Programs.

Boardmember Grannis requested that the information for the next meeting be delivered 2-3 weeks prior to the meeting to give Boardmembers time to review the material.

Boardmember Piekarski Krech advised that the information could be emailed to her.

5. OTHER BUSINESS

Ms. Piekarski asked if the City's Small Business Loan Program would include small loans to individual citizens.

Mr. Link replied that the programs he was familiar with gave loans to existing or new businesses for a particular use.

Ms. Piekarski stated she believed the City of West St. Paul funded some property maintenance issues through their EDA.

President Tourville stated he thought that was a function of an HRA rather than an EDA. He stated the Board would have to decide if this was something they wanted to do for individuals or if it was more for economic development purposes.

Ms. Piekarski stated keeping properties in good condition would be related to economic development as it would result in more tax revenue.

Ms. Piekarski asked for clarification of whether the EDA was going to continue discussing a budget.

Boardmember Piekarski Krech advised that staff is going to present a preliminary budget at the next meeting.

Boardmember Klein stated that the EDA would not necessarily approve it.

President Tourville stated the EDA had the ability to transfer up to \$500,000 from the Host Community Fund to the Economic Development Fund; however, that would not necessarily happen.

Boardmember Madden stated the EDA has the ability to help the City in a way that the City Council could not per the laws of the State.

6. ADJOURNMENT: Motion by Klein, second by Grannis, to adjourn. The meeting was adjourned by a unanimous vote at 7:19 p.m.