**Rugby Job Development Authority**

**June 27th, 2019 – 12:00 PM**

**Board Minutes**

**Regular Meeting**

**JDA Office**

**Members Present:** Chairman Blair Brattvet; Rob St. Michel; Susan Selensky; Terry Hoffert; Jodi Schaan; and Mayor Susan Steinke. **Members Absent:** None. Also present was Executive Director Liz Heisey, Mary Beth Votava from the Minot Small Business Development Center, and Sue Sitter from the Pierce County Tribune.

**Call to Order:** Brattvet called the meeting to order at 12:05 PM

**Consideration of Agenda - amendments, additions, deletions to the agenda:** There were no amendments, additions, deletions to the agenda. Motion by Steinke to approve the agenda. Second by St. Michel, no further discussion was held, vote was unanimous to approve, motion carried.

**Consider Approval of Minutes for May 23rd, 2019 JDA regular meeting:** Motion by Kraft to approve the May 23rd, 2019 regular meeting. Second by Schaan, vote was unanimous to approve, motion carried.

**ND Small Business Development Center Regional Director – Mary Beth Votava –** Votava gave a brief presentation on the Small Business Development Centers and the services they provide. Votava thanked the Board for the support. The state and Federal funded and local match program is nationally accredited. Votava briefed them on center’s funding sources including the Small business Administration, the University of ND, the ND Department of Commerce. Votava covers 7 counties in our region. They provide taxpayer supported service and technical assistance for any stage of business. They are 3rd party neutral and they are free and confidential. She works with over 150 clients a year. 3 out of 5 businesses fail in the first two years. The biggest reasons businesses fails is Cash flow, customers – not knowing, not properly addressing their needs and management. 60 % fail the first 5 years. 82% the first 10 years. Businesses that work with the SBDC on average see sales increase, clients have much higher job growth, stay healthy and stay open. 60% of the people they see in ND start a business and 90% stay open after 5 years. A question and answer session with Board Members was held.

**Treasurer’s Report - Consider Approval of JDA Bills/Financials:** Bills/Financials were presented by Executive Director Heisey and reviewed by the Board. St. Michael led discussion on JDA fund balances. Motion by Kraft to approve the bills and financials. Second by St. Michel, roll call vote, all voting yes, motion carried**.**

**2019 Budget –** Year to date information for the 2019 Budget was presented, reviewed and a brief discussion was held.

**Director’s Report –** Heisey reported on the past month’s activities including working with the Brady Martz for the audit of 2019 financials and government compliance, work on the 2020 budget, meeting with potential new businesses, and providing information on JDA/Partner programs as well as referrals to Minot Small Business Development Center. Heisey had attended the summer EDND conference in Mandan June 17-19 and described key takeaways from the conference. Workforce attraction will be the biggest challenge for North Dakota. ND has an unemployment rate of 2.3% and had a total of 15,100 open and available online job openings in May 2019. That basically means everyone in ND that wants to work is working. North Dakota in the next 20 years is anticipated to grow by over 100,000 people. Recruit earlier, be a convener between business and education, provide student loan incentives to attract workers, focus on regional talent, but expand to Global Thinking were some of the strategies other cities are implementing to address workforce shortages. Successful community project examples were also shared at the conference included Daycare incentives, façade improvements, sales and property tax incentives, marketing strategies, and housing projects. 13 Ways to Kill your Community presentation by Doug Griffiths was summarized for the board – Forget the water, Don’t attract business, Don’t engage youth, Deceive yourself, Shop Elsewhere, Don’t Paint, Don’t Cooperate, Live in the past, Shut out your seniors, reject everything new, ignore outsiders, Grow complacent, and don’t take responsibility. Heisey spoke on the significance of Economic Development in our community and summarized multiple partnership projects. She emphasized the importance of the JDA partnership with the Bank of North Dakota in buying down interest on long term loans for new and expanding business. To be eligible for the program, the BND program requires a community match, the JDA provides that match in the form of a grant. The BND PACE program has been accessed by numerous business within the Rugby Community because of the match made possible by the Rugby JDA funds.

**Consider Approval of Quote for New Appraisal of Chalmer’s Addition Lots –** Discussion was held by the Board to consider updating the 2016 appraisal for the Chalmer’s Addition lots based upon 2015 information. Hoffert expressed concern over the cost, noting that it would probably not change the price that the lots were selling at and felt that the JDA had already invested enough in those lots. Brattvet felt that the appraisal will be same as what we have been selling them for and that we could do our own market analysis. A quote was obtained from Integrity Appraisals in Rugby for $500 for an appraisal for one lot and $700 to update all other listings based upon the appraisal of lot. Motion by Steinke to table the Quote for a New Appraisal. Second by Hoffert, all voting yes, motion carried.

**Old Business:**

**2020 Preliminary Budget DRAFT –** The draft of 2020 Preliminary Budget was presented to the Board prepared by Heisey. Discussion was held on the proposed reduction of Projected Sales Tax based upon City analysis. Rental income from the Johnson Clinic and Thrivent Financial, interest, and property tax.Discussion was held on expenditures based upon the continuation current programs and expenses. Heisey noted that the City was proposing reducing the JDA’s portion of sales tax from 35% to 33%. Anticipating a possible reduction of sales tax, the budget included a reduction to the administrative assistant/youth engagement expenditures. Discussion was held on the projected on the beginning and ending fund balance. There was concern among all board members regarding ending fund balance and the impact of the reduction in sales tax. The request of up to 4 mills and the average cost to a taxpayer with a $100,000 home was discussed at length. Hoffert explained the sales tax keeps the property tax lower and expressed concern over the request of 4 mills that will raise property taxes. Steinke expressed the importance of job development and highlighted the good things the JDA is doing such as the Student Loan Incentive Program, the Physician Recruitment program, PACE, and other good economic development news soon to be released. Kraft also spoke out in favor or the mill levy noting that the JDA has the same authority to request the mills as the Library and other similar entities. Motion by Steinke to table the budget until after the City Council’s decision on sales tax at their next meeting, Second by Schaan, all voting yes, motion carried.

**Student Loan Incentive Program –** Heisey provided updates and feedback on the current student loan program. Recent graduates of the program were well pleased and thought they program helped them a lot. The program recipients receive $125 a month for 24 months, the payments are made directly to the recipients student loan account. The board briefly discussed the current guidelines.

**Policy Amendments –** Brief Discussion on rough drafts of policy amendments. No decisions were made.

**New Business:**

**Video Marketing –** Brief discussion was held on video marketing, a quote from KKBOLD was reviewed. Additional quotes are being sought. Schaan suggested to reaching out to one of the colleges.

**Correspondence Received, Special Meetings and Reminders -** 2019 Regular Meeting –Thursday, July 25, 2019 - JDA office 12:00PM

**Adjournment:** 1:35PM