

REGULAR MEETING OF THE CALEDONIA
ECONOMIC DEVELOPMENT AUTHORITY
CALEDONIA, MINNESOTA
Tuesday, August 16, 2011

CALL TO ORDER: Following due call and notice thereof, Member Murphy called the meeting to order at 1:00 p.m. in the Council Room, City Hall.

ROLL CALL: Craig Schroeder, President; Members present: Kathy Nelson, Randi Vick, Tom Murphy, Harley Meiners, Mike Werner and Jon Hagerott. Members absent: None. Consultants and City Staff present: EDA Director Andrew Barbes, City Accountant Stephanie Mann and City Clerk/Administrator Jennifer Feely. Visitors present: Ron Ziegler with CEDA.

MINUTES OF PAST MEETINGS: Following a brief review, a motion was made by Member Werner, seconded by Member Meiners, to approve the minutes of the July 12, 2011 meeting, as presented. All members present voted in favor and the motion was declared carried.

EDA FINANCIAL UPDATE: Andrew Barbes, EDA Director, reported \$207,791.29 in the Checking Account, \$6,376.12 in the Small Cities Development Commercial Program, and \$214,167.41 in the DEED and Intermediary Relending Program. Outstanding loan balances currently total \$224,367.22. Following review of the above balances, a motion was made by Member Nelson, seconded by Member Murphy, to approve the financial report. All members present voted in favor and the motion was declared carried.

VISITORS AND COMMUNICATIONS. None.

GENERAL EDA: BUSINESS PROJECTS/UPDATES.

A. COMMUNITY ECONOMIC DEVELOPMENT ASSOCIATES (CEDA) CONTRACT. Member Murphy stated that due to the tour at the last meeting and other items on the agenda, there wasn't sufficient time to finish discussing the EDA contract with CEDA at the July 12 meeting. It was pointed out that given that the City has access to the Houston County EDA Director and the Houston County Attorney for EDA related matters at no extra cost, there is a concern about duplication of services. Member Murphy went on to note that the City has a Clerk/Administrator to handle the day to day EDA matters and an Accountant to handle financial reports. Discussion ensued regarding retaining Ron Ziegler with CEDA on an as needed basis at \$55.00 per hour. Ziegler stated that the City may not have immediate access to him as it has in the past but that he would be willing to contract with the City on an as needed basis at an hourly rate of \$55.00, plus mileage. Member Murphy stated that money is not a driving factor in eliminating the contract with CEDA. Member Hagerott inquired as to why then the Council is worried about cutting the position when money isn't a factor. Discussion then ensued regarding how much money to leave in the budget for EDA consultant services. It was noted that a review

will be conducted monthly to determine how the new arrangement is working. If, for some reason, there is a desire to reinstate the existing arrangement with CEDA, the consensus was that sufficient funding needs to be available in the budget. A motion was made by Member Werner, seconded by Member Schroeder, to recommend to the City Council that a contract be established with CEDA on an "as needed" hourly basis, effective October 1, 2011, thereby eliminating a staff person at City Hall two days a week, and leaving the same amount of money in the budget for EDA consultant services as was done in 2011. Voting in Favor: Murphy, Werner, Schroeder, Meiners, Nelson and Vick. Voting Against: Hagerott. Abstaining: None. The motion was declared carried.

B. SNO PAC TAX ABATEMENT REQUEST/REQUEST FOR A PUBLIC HEARING. EDA Director Barbes reported that he and City Clerk/Administrator Feely recently met with Sno Pac Foods to discuss options available with respect to tax abatement for a proposed expansion. It was noted that Sno Pac requested a 20-year tax abatement at \$10,080.00 per year. Discussion ensued. It was further noted that the County was also considering a tax abatement for Sno Pac. A motion was made by Member Werner, seconded by Member Murphy, to recommend that the City Council hold a public hearing to consider a tax abatement for 10 years at 75% each year with a cap of \$84,000.00. All members voted in favor and the motion was declared carried.

C. SELF EVALUATION AND TRANSITION PLAN REQUIREMENTS. EDA Director Barbes reported that he was contacted by USDA Rural Development regarding conducting a self evaluation and transition plan. Discussion ensued.

D. SMALL CITIES UPDATE. EDA Director Barbes reported that he will find out the time frame shortly.

E. PROJECT/ACTIVITIES LIST. Member Meiners inquired as to whether Elliot Jewelers was interested in opening a store in Caledonia. EDA Director Barbes stated that Elliot Jewelers is not interested in opening up a store in Caledonia at this time. Member Meiners stated that if someone is interested in opening a quilt shop but can't secure space, the EDA will find the space. Member Nelson stated that Jeannie Hosch is a great resource to contact about a quilt shop.

ADJOURNMENT: A motion to adjourn at 2:34 p.m. was made by Member Nelson, seconded by President Schroeder. All members present voted in favor and the motion was declared carried. The next regular meeting of the EDA is scheduled for 1:00 p.m. on Tuesday, September 20, 2011 in the Council Chambers located at City Hall.

Craig Schroeder, President

Jennifer Feely, City Clerk/Administrator