



MINUTES OF THE REGULAR EDA MEETING

EDA Members Present: Russ Smith, Steve Micke, Dave Bjerkness, Ross Peterson, Roger Maki,

EDA/Ex-Officio/Staff Members Absent: Shelly Peterson, Mike Schultz (EDA); Aaron Reeves (City), Kelly Zink (Chamber)

Ex-Officio Staff/Staff Members Present: Holly Hansen, James Barclay (City), Connie Christenson (Carlton County EDA)

CALL TO ORDER

President Ross Peterson called the meeting to order at 8:02 a.m.

ANNOUNCEMENTS, ADJUSTMENTS, CORRESPONDENCE AND OTHER

None.

EDA COMMISSIONER/EX-OFFICIO RECOGNITION

EDA members thanked:

- EDA Commissioner/City Councilor Bjerkness for fifteen years of service and leadership!
- EDA Commissioner Shelly Peterson for eleven years of service and leadership!
- Wished Connie Christenson congratulations on pending January 2019 retirement and thanked her for involvement with the EDA

APPROVAL OF MEETING MINUTES

President Ross Peterson asked for any corrections or additions to the October 3, 2018 Meeting Minutes? Hearing none he asked for a motion.

Motion: Commissioner Bjerkness moved, and Commissioner Smith seconded, that the EDA approve the Meeting Minutes from October 3, 2018. (Motion passed 5-0.)

SEPTEMBER 2018 EDA FINANCIALS

Ms. Hansen reviewed the September 2018 cash balances and loans for the EDA. For the cash balances, she noted increases in Funds 201, 202, 203 and 206. She noted the operational deficit of Fund 207 due to two loans and referred to the balance sheet that shows the fund is solvent but cash poor due to the loans. Ms. Hansen provided an update on the Daqota Systems loan deferral and said the status for Avenue C Restaurant still involved ongoing collateral collections refinancing. She said two Owner Occupied grant projects sold their homes in August yielding unexpected September funding repayment from those grants and loans thereby doubling the balance in Fund 206. President Ross Peterson asked for a motion to approve the September 2018 Cloquet EDA financials.

Motion: Commissioner Micke moved, and Commissioner Bjerkness seconded, that the EDA September 2018 financials be approved. (Motion passed 5-0).



OCTOBER 2018 EDA FINANCIALS

Ms. Hansen reviewed the October 2018 cash balances and loans for the EDA. For the cash balances, she noted increases in Funds 201, 203 and 206. She noted no change in Fund 202 and an operational deficit of Fund 207 due to two loans and referred to the balance sheet that shows the fund is solvent but cash poor due to the loans. Ms. Hansen provided an update on the Daqota Systems loan deferral and said the status for Avenue C Restaurant still involved ongoing collateral collections refinancing. President Ross Peterson asked for a motion to approve the October 2018 Cloquet EDA financials.

Motion: Commissioner Micke moved, and Commissioner Bjerkness seconded, that the EDA October 2018 financials be approved. (Motion passed 5-0).

ACTION ITEMS / PRESENTATION / DISCUSSION

Cloquet MCPP Renewal 2019

Ms. Hansen reviewed the Minnesota Cities Participation Program (MCPP) saying these are tracked designated bonding funds providing first time home buyer assistance with down payment and closing costs loans and then secondly first-time homebuyer loans. In 2018, Cloquet had 14 loans with a utilization rate of 727% (allocated \$210,730.67 and usage to date is \$1,745,344). President Ross Peterson asked for a motion to approve renewal in the MCPP Program for 2019.

Motion: Commissioner Micke moved, and Commissioner Smith seconded, that the EDA recommend to Council renewing in 2019 with the MCPP Program. (Motion passed 5-0).

EDA At-Large Commissioner Seats Open

The EDA identified a list of businesses/leaders that would add value to filling an At-Large Commissioner seat on the EDA. In considering candidates, the EDA evaluated the current mix of representation of the five At-Large seats examining the type of business, size of business and need to build stronger ties with the City-EDA/leadership gaps that will exist with vacating Commissioners. On January 2nd the Council will appoint two City Councilors to the EDA and two At-Large Commissioners to the EDA. (The EDA extends ex-officio staff invitations to the Chamber of Commerce and County EDA to attend monthly meetings). There will be two At-Large Commissioner openings on the EDA:

1. Steve Micke, Reliable Insurance (term expired 12/31/18). Commissioner Micke expressed an interest in renewing his term for another six years to serve as a small/mid-size business.
2. Shelly Peterson, Boldt Construction (term expires 12/31/19) resigned to pursue a new career pathway out of state. Shelly represents the MN headquarters of the Boldt Office, national commercial/industrial/healthcare construction firm and has one year remaining to fill on her term.

Commissioner Micke said he was ok filling Peterson's one-year slot or renewing for six years. Micke stated he plans to retire in five years. EDA President Peterson requested discussion on recommending reappointment of Commissioner to EDA, the Board concurred this was logical.

Ms. Hansen briefly noted that after experiencing the Jarden plant closure that she felt it was important to proactively outreach to both USG and ULF to vet interest on the EDA and had heard back from USG that



they were interested and was still waiting to hear more from ULF. The EDA President requested discussion. Commissioner Bjerkness opened the discussion referring back to past interest from Ray Riihiluoma Construction Inc. (RRI) and with the vacancy being created by Boldt Construction that filling it with construction represented at the table, both commercial and residential, makes importance sense. EDA further discussed and concurred that this made sense. In devising a short list, EDA members suggested that ULF be second, and then USG third (as large industry is well represented with Sappi). The EDA unanimously concurred that outreaching to John Riihiluoma as the top candidate was the best move to represent construction.

Motion: Commissioner R. Peterson moved, and Commissioner Bjerkness seconded, that the EDA recommend to Council the reappointment of Steve Micke for a term of six years to the At-Large EDA Commissioner seat. (Motion passed 5-0).

Motion: Commissioner R. Peterson moved, and Commissioner Bjerkness seconded, that the EDA recommend recruit Ray Riihiluoma Inc. representation to the EDA to represent the construction industry specifically outreaching to John Riihiluoma to fill the one year term left on Shelly Peterson's seat who has resigned, second ranked recruitment if RRI declines is ULF and third is USG. (Motion passed 5-0).

Digital Marketing Project (Adv Advantage)

Ms. Hansen reported that the first LinkedIn ad would run Thursday this week and then another next week and she will report on effectiveness/leads at future meetings.

Cloquet EDA Website

www.cloqueteda.com has been launched since late October. Due to media challenges the EDA was not able to view on the TVs.

Review of Agenda Information Attachments/EDA Discussion

EDA members reviewed and discussed the updates thanking Ms. Christenson for the U of M Future's Workshop, well spent time. Ms. Christenson discussed the new Regional Transportation Coordinating Council (RTCC) being facilitated by ARDC.

Next meeting date

January 9, 2019

ADJOURNED 9:17 a.m.

Respectfully submitted,

Holly L. Hansen, Community Development Director