

Harmony EDA Minutes

August 4, 2011
7:30 a.m.

Council Room
Community Center

Present: Chris Skaalen, Deb Scrabeck, Steve Donney, Roxanne Johnson, Steve Cremer
Present: Jerome Illg, Chris Giesen

Meeting was called to order 7:34 a.m. by Roxanne Johnson

Minutes

Motion by Donney, seconded by Skaalen to approve the minutes from July 7th, as corrected. Motion carried.

Financials

Jerome gave an update on revolving loans. Past due loans were discussed. Two loans were paid in full during June.

Motion by Cremer, seconded by Scrabeck to approve financials. Motion carried.

Commercial Rehab Loan

There were three commercial rehab requests as described below:

Torgerson Paint and Floor Covering requested a contribution of \$6,517; their total project is \$13,034. This project would remove and replace the existing awning, replace exterior soffit and fascia, replace front windows and storm doors as well as some new tile near the window and entrance.

KNR Properties (Kruegel Building) requested a contribution of \$7,053.84; their total project is \$14,107.67. This project would replace siding and windows, and make modifications to the entrance sidewalk.

Wildcat Properties (D&D Building) requested a contribution of \$10,000; their total project is \$20,127.08. This project would provide a new storefront, new siding, and an awning with lighting. They would be using interior remodeling work towards their match.

The loan committee recommended that all three loans be approved by the EDA. The committee also recommended that since the commercial rehab fund is getting lower, that these projects be substantially completed within six months, or the applicants would have to reapply.

Discussion occurred on whether or not an applicant, who is also a contractor, should be able to include costs billed to their own company as eligible expenses under the program. This was because of concern that projects request more funding based on inflated costs. Consensus was that because the applicant/contractor is still required to submit price

quotes for their work, that staff and the board should continue to have discretion as to whether or not the quote(s) submitted were for reasonable amounts, as with all other applications.

Motion by Donney, second by Skaalen to approve all three loan requests, as requested, with the requirement that each project be sustainably complete within six months.
Motion carried.

Chamber

Emily Ellis Nikoloski and Jill Fishbaugher gave the chamber update. They reported that they saw 200-250 visitors a week in the visitor's center and were getting ready for customer appreciation night. The chamber also discussed their upcoming events, including the grand opening for Oak Meadow Meats, and that the chamber was looking at moving into the former Bluff Country office in the visitor's center. It was also mentioned that the 4th of July celebration ended with a positive fund balance this year.

Heritage Grove

Tim Trimble, Mark Dixon, Lynette from Home Comfort Care, and Kristi Kiehne were present to give an update on Heritage Grove.

Kristi gave the operations report, noting that AL and MC were nearly full. In addition that independent living was full with a waiting list, and all the garages were full with a waiting list. Some repairs will be needed on one of the facility washing machines, but for cost-effectiveness purposes it was recommended that a new washing machine be purchased.

It was discussed that the design process for the website has begun. The board felt that marketing the AL and MC vacancies should be a priority.

Lynette from Home Comfort Care discussed the questions raised by the board on wages. She showed facts and figures release from the Minnesota Department of Employment and Economic Development on wages for the industry. She noted that the average number of hours per month was between 1400 and 1488, the average per hour wage was \$9.04 in January and \$9.60 February through June. Benefits are in addition to hourly wages. About 7 or 8 people currently have enough hours to draw benefits.

The board discussed that they felt that they should have been included in the discussion to increase wages, and Tim and Mark said that it was their mistake that the EDA was not.

Also discussed was the need to conduct a rent survey. The board questioned how the facility would break even; either by raising rents, or cutting expenses. The board was very concerned that even though the vacancy rate was low, the facility was still losing money.

The differences between having a flexible spending account versus regular insurance was costing an estimated \$2.31 more an hour (at 32 hours) and this also concerned the board.

Other issues concerning the board included the \$1,000 per month maintenance fee and the management fee to Home Comfort Care of \$2,000 per month.

Tim said that they will get a hold of Richard to see if he would be interested in regular maintenance.

Consensus of the board was that the EDA is responsible for setting the budget and that budget wasn't followed.

Tim discussed the prospective buyer, and that the financing situation still needed to be ironed out.

Consensus of the board was that changes need to be made at the next meeting and that a list of questions to be answered will be presented to Oxford.

2012 Budget

The 2012 budget was discussed. With concerns over the effect Hertiage Grove will have on next year's budget, the board decided to wait until the September meeting to discuss the 2012 budget further.

Prospects

Giesen discussed some prospects.

At 9:42 a.m. motion was made by Donney to adjourn, seconded by Skaalen. Motion carried.