

KASSON ECONOMIC DEVELOPMENT AUTHORITY

Kasson City Hall
Tuesday, April 6th, 2021
12:00 PM

- I. Call Meeting to Order**
- II. Approve Minutes of the Previous Meeting 1**
- III. Financial Report**
 - a. Balance Sheet 4
 - b. Income Statement 7
 - c. EDA Loans 10
- IV. Coordinators Report 11**
 - a. Downtown Lots Assessed Values 14
- V. City Administrators Report 15**
- VI. Transition**
 - a. Matt Durand Introduction
- VII. Other Business/Open Discussion**
- VIII. Items for May EDA Meeting**
- IX. Adjourn**

The next EDA Board meeting will be held on Tuesday May 4th, 2021

KASSON ECONOMIC DEVELOPMENT AUTHORITY MEETING

Tuesday, March 2nd, 2021

12:00PM

DRAFT MINUTES

Pursuant to due call and notice thereof, a regular meeting of the Kasson Economic Development Authority (EDA) was held at City Hall this 2nd day of March 2021 at 12:00PM.

The following board members were present: Dan Eggler, Chris McKern, Tom Monson, Janice Borgstrom-Durst, Michael Peterson, Matthew Hemker, and Kathy O'Malley.

Absent: None.

The following staff members were present: Timothy Ibisch - City Administrator, Nicholas Ouellette - EDA Staff.

- I. Call Meeting to Order. Eggler called the meeting to order at 12:00PM.
- II. Approve Minutes of the Previous Meeting. Monson motioned to approve the October minutes. Borgstrom-Durst seconded.

Ayes (6), Nays (0). Motion carried.

- III. Financial Report. Ouellette informed the Board that no major updates to the EDA Financial Report. Ouellette noted L & A were making larger payments towards their loan and it appeared Daisy Mae Consignment had not made a payment on their loan. Ouellette informed the Board he would check with the Finance Director on the status of Daisy Mae Consignment's loan payments. Monson inquired about the remaining balance of \$0.02 on Gibbs Partnership, LLP's loan. Ouellette noted he would follow up with the Finance Director on the Gibbs loan as well.

Matthew Hemker joined the meeting at this point. Eggler and Ibisch welcomed Hemker as a new member of the EDA Board.

- IV. Business Façade Improvement Program. Ouellette reviewed the application submitted by Kasson Methodist United Church for a \$2,000 matching grant request to install handicap accessible doors. Monson discussed whether the project was more of an ADA accessibility project or beautification. Borgstrom-Durst did not think the project fit with the intentions of the program. The Board reviewed how program funds are retained by the EDA if they are unspent by the end of the year. Borgstrom-Durst motioned to deny the application for the Business Façade Improvement Program. Peterson seconded.

Ayes (7), Nays (0). Motion carried.

Ouellette informed the Board he had reached out to a new business, The Smiling Moose, to share the program application form. Borgstrom-Durst asked when the business would open and Eggler responded he had heard they plan to open in April.

- V. Coordinators Report. Ouellette noted that eight businesses in Kasson had received a grant award through the Dodge County's Business & Nonprofit Relief Program. Ouellette continued that final grant awards will be approved March 9th and the program will conclude shortly after. Ouellette also discussed his efforts to secure funds for the WPA Wall and Pillars restoration project, including reaching out to Senator Senjem's office and preparing an application for an Operation Round Up grant. Ouellette did not have an update on the market potential study. Ouellette discussed his meeting with Beth Sherden, who will be managing the co-working space project in the Butler's main street building. Ibisch asked the Board how much involvement they would like City staff to have in the Butler's project. The Board discussed that City staff should restrict time supporting this project to potential subsidy requests to the City. Ouellette discussed property listings and plans to familiarize himself with Location One services to post properties in the future. Ouellette continued with his report and discussed a meeting with Next Move Group, an article for the CEDA newsletter, attending the Chamber of Commerce meeting in March, and meetings with prospective business owners.

Ouellette also noted he had organized a tour through the Hindermann Concrete site and that all EDA Board members were welcome to join. O'Malley asked what was the purpose for investigating the Hindermann site. Ibisch noted that earlier this year the EDA Board had discussed investigating the site as a location for redevelopment. Ibisch discussed that it was unlikely private developers could clean and redevelop the site without some form of public assistance, and that the EDA has access to State programs to support such redevelopment. Monson clarified that the EDA was looking into the site's potential for redevelopment TIF. O'Malley raised concerns that if the City came into ownership of the property it would not be able to effectively redevelop the site. Ibisch noted the costs of redevelopment had impeded past efforts to redevelop the property. McKern stated the City doesn't have an interest in buying the property, and Ibisch clarified the EDA would be interested in mitigating the environmental issues we expect find on the site.

- VI. City Administrators Report. Ibisch presented his Administrators Report. Ibisch discussed the COVID relief package which includes direct aid to cities and counties with hopes that funds could be directed towards the EDA or EDA projects.
- VII. Other Business/Open Discussion.
- a. Community Foundation. McKern updated the Board that the current community foundation will collect and allocate funds towards the WPA Wall and Pillars preservation project. McKern expects the community foundation to cease operations following this project which would allow for another community foundation to begin anew. Ibisch discussed the benefits of partnering with SMIF to assist with the management of a community foundation. Monson proposed sending prospective community leaders to a leadership course which could provide new insight and a larger pool of community members to draw from for a community foundation board.
 - b. 2021 Priorities Memo. Ouellette presented a memo outlining the Board's priorities for 2021.

Borgstrom-Durst discussed the possibility of preserving the center block of the Old School Building. Borgstrom-Durst requested any suggestions or ideas to develop the center block of the building.

VIII. Items for the April EDA Meeting.

IX. Adjourn. McKern motioned to adjourn the meeting. Monson seconded.

Ayes (6), Nays (0). Motion carried. Meeting adjourned at 12:49PM.

The next meeting will be held at 12:00PM on April 6th, 2021.

Minutes Submitted by: _____
Nicholas Ouellette, EDA Coordinator

Dan Egger, EDA President

04/01/21
0:06:07

CITY OF KASSON
Balance Sheet
For the Accounting Period: 3 / 21

Page: 1 of 3
Report ID: L150

225 EDA FED MIF

Assets

Current Assets

CASH-OPERATING	109,687.42	
LOAN PRIN REC-WHITMARSH	2,609.85	
LOAN PRIN REC- 1760 MILLWORK	73,228.37	
LOAN PRIN REC- L & A (MAIN STREET FITNESS)	27,278.93	
LOAN PRIN REC- DOLLAR VIDEO	13,439.69	
SPECIAL ASSESSMENTS--DEFERRED	5,854.07	

Total Current Assets		232,098.33

Total Assets		232,098.33

Liabilities and Equity

Current Liabilities

Deferred Revenue Assessments	5,854.59	

Total Current Liabilities		5,854.59

Total Liabilities		5,854.59

Equity

UNRESERVED FUND BALANCE	225,138.93	
CURRENT YEAR INCOME/(LOSS)	1,104.81	

Total Equity		226,243.74

Total Liabilities & Equity		232,098.33

04/01/21
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CITY OF KASSON
Balance Sheet
For the Accounting Period: 3 / 21

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226 EDA RLF

Assets

Current Assets

CASH-OPERATING

79,999.00

Total Current Assets

79,999.00

Total Assets

79,999.00

Liabilities and Equity

Total Liabilities

Equity

UNRESERVED FUND BALANCE

79,962.00

CURRENT YEAR INCOME/ (LOSS)

37.00

Total Equity

79,999.00

Total Liabilities & Equity

79,999.00

14/01/21
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CITY OF KASSON
Balance Sheet
For the Accounting Period: 3 / 21

Page: 3 of 3
Report ID: L150

290 Economic Development

Assets

Current Assets

CASH-OPERATING	51,768.91	
DUE FROM OTHER FUNDS	81,677.89	
PREPAID ITEMS	10.00	

Total Current Assets		133,456.80

Total Assets		133,456.80

Liabilities and Equity

Current Liabilities

ACCRUED WAGE/SALARY PAYABLE	413.59	

Total Current Liabilities		413.59

Total Liabilities		413.59

Equity

UNRESERVED FUND BALANCE	149,942.91	
CURRENT YEAR INCOME/(LOSS)	(16,899.70)	

Total Equity		133,043.21

Total Liabilities & Equity		133,456.80

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 3 / 21

225 EDA FED MIF

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
Revenue						
Community/Economic Development						
3621 INTEREST EARNED	310.42		1,104.81		0.00	1,104.81
Total Department	310.42		1,104.81			1,104.81
Total Revenue	310.42	100.00	1,104.81	100.00	0.00	1,104.81
Net Income (Loss)	310.42		1,104.81			

CITY OF KASSON
Income Statement by Department
For the Accounting Period: 3 / 21

226 EDA RLF

	Actual			Actual			
	Period to Date	%		Year-To-Date	%	Annual Budget "	Variance
Revenue							
Community/Economic Development							
3621 INTEREST EARNED	0.00			37.00		0.00	37.00
Total Department				37.00			37.00
Total Revenue	0.00	100.00		37.00	100.00	0.00	37.00
Net Income (Loss)	0.00			37.00			

14/01/21

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CITY OF KASSON
Income Statement by Department
For the Accounting Period: 3 / 21

Page: 3 of 3
Report ID: L140

290 Economic Development

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
Revenue						
Community/Economic Development						
3101 CURRENT AD VALOREM TAXES	0.00		0.00		88,223.00	-88,223.00
3621 INTEREST EARNED	0.00		33.00	0.19	500.00	-467.00
Total Department			33.00	0.19	88,723.00	-88,690.00
Total Revenue	0.00	100.00	33.00	100.00	88,723.00	-88,690.00
Expenses						
Community/Economic Development						
Community/Economic Development						
101 FULL-TIME EMPLOYEES - REGULAR	971.84	63.25	2,891.49	17.08	11,700.00	8,808.51
121 EMPLOYER PERA CONTRIBUTIONS	72.89	4.74	216.87	1.28	878.00	661.13
122 EMPLOYER FICA CONTRIBUTIONS	58.18	3.79	173.04	1.02	725.00	551.96
123 EMPLOYER MEDICARE CONTRIBUTION	13.62	0.89	40.48	0.24	170.00	129.52
130 EMPLOYER PAID INSURANCE	178.55	11.62	535.66	3.16	5,500.00	4,964.34
150 WORKER'S COMPENSATION	0.00		73.00	0.43	100.00	27.00
210 OPERATING SUPPLIES	0.00		56.62	0.33	500.00	443.38
303 ENGINEERING FEES	0.00		0.00		1,500.00	1,500.00
304 LEGAL FEES	0.00		0.00		2,500.00	2,500.00
321 TELEPHONE	22.58	1.47	67.74	0.40	500.00	432.26
325 COMMUNICATION-OTHER	15.00	0.98	170.00	1.00	200.00	30.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		400.00	400.00
334 MEMBERSHIP DUES AND FEES	0.00		75.00	0.44	500.00	425.00
343 OTHER ADVERTISING	0.00		0.00		5,000.00	5,000.00
351 LEGAL NOTICES PUBLISHING	0.00		0.00		100.00	100.00
360 INSURANCE	203.80	13.26	203.80	1.20	400.00	196.20
414 COMMERCIAL PROGRAMS	0.00		375.00	2.21	10,000.00	9,625.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		520.00	3.07	3,500.00	2,980.00
440 PROFESSIONAL SERVICES	0.00		300.00	1.77	800.00	500.00
444 OTHER CONTRACTUAL SERVICES	0.00		11,234.00	66.35	43,750.00	32,516.00
Account Total						
	1,536.46	100.00	16,932.70	100.00	88,723.00	71,790.30
Total Department	1,536.46	100.00	16,932.70	100.00	88,723.00	71,790.30
Total Expenses	1,536.46	100.00	16,932.70	100.00	88,723.00	71,790.30
Net Income (Loss)	-1,536.46	-100.00	-16,899.70	-99.81		

EDA Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	12.31.20 Balance	Prin Recvd YTD	3.31.21 Balance
L & A(Main Street Fitness)	4/29/2009	\$ 75,000	3.0%	415.95	20 years 4/29/2029	36,762	9,483	27,279
Dollar Video	8/1/2009	\$ 50,000	3.0%	345.29	14 years 9/1/2024	14,370	930	13,440
Gibbs	10/14/2015	\$ 80,000	3.0%	772.49	10 years 1/1/2026	43,653	43,653	0
Millwork	7/1/2016	\$ 90,000	3.0%	499.14	20 years 6/1/2036	74,172	943	73,229
Whitmarsh	6/28/2018	\$ 5,000	4.75%	90	5 years 7/1/2023	2,847	237	2,610

EDA RLF Loans

Loan Name	Origination Date	Original Amount	Interest Rate	Monthly Payment	Term/ Due Date	Loan 12.31.20	Prin Recvd YTD	3.31.21 Balance
Daisie Mae Consignments	5/1/2020	\$ 2,400	0.0%	100	11/1/2022	2,300	2,300	0

Economic Development Authority Coordinators Report

Nicholas Ouellette
February 2, 2021 – March 2, 2021



State/County Business Relief Grants

The relief grant program has now concluded. A total of \$217,150 was granted out to Kasson businesses and nonprofits through the Dodge County Business & Nonprofit Relief Fund program. This included a \$10,000 grant to the Ice Arena.

WPA Wall & Pillars Preservation

City Administrator Timothy Ibisch and I testified in front of the Environment and Natural Resources Policy and Legacy Finance committee to promote the Kasson WPA Wall & Pillars preservation project. The bill to help fund the wall preservation project proposes to allocate \$30,000 towards the project.

I have submitted the application for People's Coop Operation Round-Up grant program with a request for a \$5,000 grant. People's Coop Energy expects to notify applicants for grant awards by the end of April.

Property Listings & LOIS

This is an item listed in the transition document for future staff to familiarize themselves with. The City has free access to the service, and listings could possibly be integrated into the new website. Jarrod Nelson, Electric Department Supervisor, has offered to use his drone to capture aerial images of properties that will be listed.

Trail Connections Grant

2021 reporting requirements have been completed for this project. Construction of the trail is expected to be completed this summer. I have contacted the Grant Supervisor to update the grant project contact to the City Administrator until CEDA brings on a replacement.

SW City-Owned Land – Infrastructure Grants

Research into potential sources for infrastructure funding has begun. I met with Chris Giesen, CEDA VP, to discuss the potential for a BDPI grant to fund infrastructure development on the industrial portion of the concept plan. This information will be passed along to the next EDA Staff. Matt Durand is exploring possibilities for housing programs to also fund infrastructure development.

Hindermann Concrete Plant

The City Administrator, Councilperson Dan Egger, and myself toured the site. There is likely a need for environmental remediation and it is good to be aware of the situation on site for any future development projects that may occur.

Kasson Chamber of Commerce

The plan is for the EDA staff to attend the March Chamber of Commerce meeting to share the EDA's programs and priorities for 2021. Highway 57 reconstruction will be discussed with respect to how the EDA can support businesses through the project.

Two potential assistance programs are the Short-Term Business Interruption Loan Program and a Business Façade Improvement Program focused on Main Street businesses. I followed up with Daisy Mae Consignment following, who recently paid off their COVID-19 STBIL loan, and they found the program to be helpful – payments were reasonable at \$100/month and not having interest on the loan “was fantastic”.

Revolving Loan Fund Outreach

EDA Staff will conduct outreach with local lenders to raise their awareness of the revolving loan fund program. This will be done to encourage more activity through the program.

Downtown Lots

I was contacted by someone interested in purchasing the two EDA owned lots on Main Street. Per the EDA's land sale policy, the prospective buyer was referred to the City Administrator. The listing on the website does not include a price, and I would like to ask the EDA Board if there is a sale price you would consider for the two properties. In 2018 they were listed at \$30,000 for both lots. The estimated value of the parcels that make up the EDA owned lots is included following the Coordinator's Report.

Transition

I have worked towards ensuring a smooth transition between myself, interim staff Matt Durand, and future CEDA staff. Matt Durand has been able to join me in Kasson for a few days which has aided in the transition process. A transition document has been created and includes:

- EDA Staff responsibilities
- Contacts
- Meeting preparation guide
- Current projects and priorities

Other Meetings

- I met with prospective buyers of a Main Street property to discuss subsidies and programs relevant to their proposed project.
- I shared the façade improvement program with businesses that expressed an interest in projects to improve their facades.
- I met with EDA Board member Matt Hemker to discuss EDA projects and priorities.



Dodge County Assessor – Total Value

1. \$ 4,600
2. \$ 2,800
3. \$ 3,600
4. \$ 4,900
5. \$27,100



To: City Council

Date: 3/24/2021

Agenda Heading: City Administrator's Report

"It was one of those March days when the sun shines hot and the wind blows cold: when it is summer in the light, and winter in the shade."

— Charles Dickens

- **Local Zoning Preemption Bill Advances in Senate.** The bill was amended and passed on a party-line vote of 4-3. It now goes to the Senate Local Government Policy Committee, where it will be heard on March 16. The adopted amendment removed some problematic provisions, but other problems remain. The bill would still preempt local zoning authority by, for example, limiting planned unit development (PUD) conditions and prohibiting aesthetic conditions.

At the hearing, the Prior Lake City Manager and Elko New Market City Administrator testified against the bill, along with the LMC and Metro Cities. They discussed the importance of local control for zoning. While proponents claim otherwise, PUDs are requested by developers, not by cities. Housing First and the MN Association of Realtors testified in support of the bill, claiming that zoning regulations are the reason residential development is driving up the cost of housing. However, it would seem that that land, labor, and materials are the highest cost drivers — not city regulations. If you have questions, I can get you more information.

- **Park and Rec Updates.** Included in the packet tonight for your approval is the hiring of the KAC lifeguards, managers and concessions workers. We are quite fortunate to have capable staff both returning this year and some new employees as well. The wage scales are also set, with a review completed by the Park Board. They are comparable to similar facilities in our area. We are hoping and expecting to have a normal year at the KAC and membership purchases are coming in steadily. Additionally, the Park Board reviewed the Veteran's Wall proposal and reiterated its support for the project. Ms. Sinning indicated that she has donations and pledges that total over \$40,000, and with hopes that Senator Senjem's bill will be approved and another grant applied for, we should be able to move this project forward without the use of any tax levy dollars. I know that was our target and I'm happy to say it is very near fruition. Finally, the Board reviewed the tree planting program at length. Ron Unger indicated that the costs are rising very quickly and I have directed him to check and see if collective purchasing would allow any cost savings, possibly sharing with another Tree City USA community.

- **ICS Library Project**. As we discussed at last meeting, here is a proposal for the final development and implementation of the library recommended corrective actions. It is structured with the contract pages prior to the Attachments are pretty much standard language. They do these projects in 2 phases – phase 1 is to finalize the actual scope of work and the costs associated with it (the targeted testing we want to do and budget establishment, front-end specifications, etc.) and phase 2 is for actual design, bidding, and construction services. You'll see that the more project specific language in here is in Attachments A, B, C, and D. Based off of our discussion the Council wants to move forward and this should put us on track for a late summer, early fall bidding.
- **American Rescue Plan With \$350 Billion for State and Local Governments**. It's being called the Coronavirus Local Fiscal Recovery Fund, and includes:
 - \$130 billion for local governments split evenly between municipalities and counties.
 - \$65 billion allocated to cities through a modified Community Development Block Grant formula as follows:
 - \$45.9 billion for entitlement communities (over 50,000 in population).
 - \$19.5 billion for non-entitlement communities (under 50,000 in population).
 - Funds will be released in two payments to local governments, with half following enactment and half paid 12 months following receipt of first payment.
 - There will be no minimum population threshold for payments, but non-entitlement distributions will be capped at 75% of the pre-pandemic city budget.
 - Funds can be used to replace lost revenue. Funds can be transferred between jurisdictions or to nonprofit partners.
 - There is an expenditure deadline of Dec. 31, 2024.

There are a lot of other details that aren't fully known at this time however I am watching the information coming out and will provide any details I receive. The lost revenue replacement component will be beneficial for the city utilities department with the number of accounts in arrears. For more information review this webinar: <https://www.lmc.org/learning-events/previous-events/recorded-webinars/road-to-recovery-series-coronavirus-local-fiscal-recovery-fund-introduction/>

- **Personnel Committee Follow-up**. Members of the Personnel Committee met to review a request to extend Kris Anderson's unpaid leave 90 days. After discussion, they are recommending not extending the leave. Additionally, they reviewed staffing levels and based on a request from the Police Chief, are recommending hiring an additional officer to start in May. This should bring the Police Department to the previously approved staffing levels. They also reviewed healthcare costs.
- **Health Insurance Estimates**. The City Clerk and I met with Bill Singer who is the City's Health insurance agent. We reviewed the performance multipliers and they show that the City's usage is very high. This is what is causing our continued steep premium increases. I directed him to prepare a cost comparison RFP to see whether the Co-op or another vendor would be more appropriate and while I am not optimistic, it's possible there could be some cost savings. What gets to the heart of the matter is that most municipalities have a workforce that is in the latter half of their work experience time. This leads to healthcare cost issues; we will receive the results of Bill's report in time to integrate it into the budget process this fall.

Meetings and Events Attended or Planned to attend

February 25	Witzel Subdivision Review
	ICS-Library
	Department Heads
February 26	Interview Prep Meeting-CMPAS
March 2	APPA Conference-virtual
	EDA Board
March 3	City Audit
	2 nd CMPAS interview meeting
	EMS Committee
March 4	City Engineer
	ICS-Public Safety Buildings
March 6	Council Worksession
	American Legion Steak Fry
March 8	Final Easement Meeting-Dodge County
	City Insurance Meeting
	Planning Commission
March 10	CMPAS Interview
	Regular City Council
March 11	CMPAS Interviews
March 12	CMPAS Meeting-Bloomington
March 16	MCMA Member Connect
	Park and Rec Board
March 17	City Health Insurance-Bill Singer
March 18	City Engineer
	ZED and Witzel Review
	Personnel Committee
March 22	WPA Wall Testifying
March 24	Regular City Council-2020 Budget Performance Review

Just as a reminder I will be out of the office next week on vacation.