

Union County Economic Development Corporation

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Minutes July 16, 2009

Monthly Meeting: 6:00 p.m. at UCEDC Office, 102 Depot Street, La Grande, OR
Meeting Facilitator: Howard Perry, President
Board Reporter: Janis Bozarth, Administrative Assistant
Executive Director: Mike Sanford
Members Present: Howard Perry, John Howard, Gary Lillard, Robert Strope, Mark Davidson,
Jeff Puckett, Dale Case, Bill Rosholt, Bill Whittemore, Mike Poe
Absentees: Steve Anderson, Tim Seydel, Janet Hume-Schwarz

The meeting was called to order at 6:00 p.m. by Howard Perry, President.

Howard called for a motion to approve the June minutes. Bill Rosholt moved that the June minutes be approved. Seconded by Robert Strope. The motion carried.

OLD BUSINESS:

Alicel Project – Mike Sanford

Mike reported that the Alicel project is nearing the end, and the fourth invoice had been submitted to the State. Monday (7/20) an employee from Idaho Northern will be in La Grande, and an inspection will be performed on the rail. Construction is complete on the bins. Rod McKee, the project representative, is working on a final spreadsheet of expenses. Mike reported that PGG had not been holding the 5 percent retainage from the contractor, but that UCEDC still has a payment coming from the state, so it should work out. Howard asked Mike to report on the budget for the Alicel project. Mike said it would be close. There was a discrepancy of \$51,000 in the construction agreement that Swaggert signed with PGG. Mark Davidson asked if the agreement stated that PGG would be responsible for any overruns, and Mike stated that was the case. Mike said the spreadsheet would show what UCEDC has invoiced ODOT, what we've received, what PGG has been paid, what PGG has paid the contractor – a financial recap of the entire project.

La Grande Business Park Real Estate Listing – Robert Strope

Robert reported that the City Council, acting as the Urban Renewal Agency, delegated authority to select a listing agent for the City to UCEDC. Howard reminded the Board that in the June meeting, Phil Burling was given through the end of July. A decision needs to be made if UCEDC plans to continue with Phil and for how long. Phil asked for a listing through the end of January 2010. The suggestion at last month's meeting was to list with Phil for six months and then, if that wasn't working, a change would be made after that six-month period. Discussion followed on when the best time would be to make a listing change. Howard suggested that during the month of January changes are being made with new board members, etc., and, because of that, it would be better to renew the listing agreement either the first of December or the first of February, 2010.

Bill Rosholt moved that the listing agent agreement with Phil Burling be extended through March 1, 2010. Seconded by Gary Lillard. Motion carried.

Mike Sanford will call Phil Burling and ask that a new listing agreement be prepared for UCEDC signature.

Business Park Signs – Robert Strope

Robert reported that UCEDC and the City got together as a group (three members from the Urban Renewal Agency and three members of the UCEDC Board of Directors) and looked at a variety of options for the sign at the Business Park. The recommendation of the group was to delete Task 1 of the Specific Tasks FY 2008-09 between UCEDC and the City to take out the two-sign requirement and add the following task to FY 2009-10: “Design and construct a permanent sign at the main entrance of the Business and Technology Park not later than October 1, 2009. UCEDC and the City will each fund 50 percent of the cost of the sign and associated landscaping.” During this meeting, conversation centered around trying to make the sign look good by adding some landscaping. Doing that would add another \$1,000. It works out to a cost savings for both the City and UCEDC by sharing in the cost. Instead of a cost of \$15,000 to UCEDC for one sign, the cost for the City and UCEDC each will be approximately \$8,400, including landscaping, for one sign at the main entrance. UCEDC will take the lead in hiring a sign company to construct and place the sign. Mike said the group selected Mat Barber to construct the sign. Discussion followed on the location of the sign and what type of landscaping. Robert suggested that the Marketing Committee or property Committee take over the landscaping and placement of the sign. This was agreed to.

John Howard moved that the assignment for placement of the sign and landscaping be given to the Marketing Committee. Seconded by Jeff Puckett. Motion carried.

Robert reminded the Board that a motion was needed to change the agreement with UCEDC to delete the existing Task 1 of the Specific Tasks and replace it with the proposed wording.

Dale Case moved that Task 1 of Specific Tasks FY 2008-2009 be deleted and that the following task be added to FY 2009-10 : “Design and construct a permanent sign at the main entrance of the Business and Technology Park not later than October 1, 2009. UCEDC and the City will each fund 50 percent of the cost of the sign and associated landscaping.” Seconded by Robert. Motion carried.

Additional discussion followed here on the type of landscaping. Howard would like to have landscaping that is fairly low maintenance with a few shrubs and build the sign up so it’s easier to see. Howard would like to see a time-line put in the agreement with the sign contractor. Mike will follow up on this.

Strategic Plan – Mike Sanford

Mike reported there had been three Steering Committee meetings. In the last meeting, specific assignments on who would have the responsibility to be the lead on each task were made. An additional meeting will be held on August 4. Howard stated that before the strategic plan is finalized it should come before the UCEDC Board. Howard asked for comments from Board members who are on the Strategic Plan committee. Mark feels it’s moving along, that there still is some work to do, but he looks forward to seeing the finished product. Howard thanked everyone for their work on the planning.

Employment Policies and Practices—Jeff Puckett

At the last board meeting, the Board reviewed the first draft of the Employment Policies and Practices. The biggest topic last month concerned that with Mike working the hours he is working, he should be considered an hourly employee. Also, there was discussion on who Mike should be reporting to, so the wording that Mike was reporting to the Executive Board was removed. It was also recommended at the last Board meeting that a job description be developed, which has been done. A “Conflict of Interest” policy was also added, and Janis and Mike will each sign a copy of this for the personnel files. Howard stated that the policies could be changed in the future, when needed. Jeff asked where the original of the “Conflict of Interest” should be kept, and it was agreed that the originals should be kept in the UCEDC office.

Gary Lillard moved that the Employment Policies and Practices and the job description be approved. Seconded by John Howard. Motion carried.

Mark Davidson asked who Mike should be reporting to. He stated that in the Job Description, it says the Executive Director reports to the UCEDC Board of Directors. His understanding was that the Board had discussed and agreed that Mike would work for the President, so he only has one boss to answer to. The general feeling was that for routine things, day-to-day supervision in between Board meetings, such as time off, the President is who Mike would report to. In other specific matters, Mike would report to the Board as a body.

REPORTS

Finance Committee – Mike Poe

Mike reported that he has been on vacation and working out of town. He reported that he had talked to Mark about some questions that Mark had about the financial statements. He reported he would get with Janis in the next couple of weeks and start putting together the information for the annual tax report and financial statements that his office, Seydel, Lewis, Poe, et al, does. The accounting firm does this work in-kind for UCEDC and has for many years. At that time, any necessary adjustments will be made to the budget/financials. Mike will try and figure out a way to get the financial figures for PGG tracked. Howard reminded the Board that separate accounts were set up with U.S. Bank to track the PGG funds independent of other funds. Mike Sanford reminded the Board we would need to formalize the next step of UCEDC's construction loan with U.S. Bank around the end of the month.

Discussion followed here with questions to Mike regarding the budget. Mark said that with the reduction of the city's funding from \$35,000 to \$30,000, the net operating loss will increase and the only way you can come into a balance situation is by estimating \$44,000 in property sales. Based on the last fiscal year, this may not be possible. Jeff stated this is something that comes up quite often. UCEDC needs to determine if that's what they're going to do – balance the budget by property liquidation. Howard said he didn't realize the budget was being balanced with property sales. He was of the understanding that we were keeping our property sales' principals safe from operating. We need to either adjust our expenditures next year to avoid that, or decide if we're willing to do that. Jeff stated it appears that has been the practice for the last couple of years. Mark indicated that policy was started when Craig Thompson was hired as the Director. Howard recommended this be referred to the Finance Committee and ask them to give us a recommendation next month on if there is a way some adjustments can be made. Jeff Puckett agreed since it is something that keeps coming up. Howard suggested that at some point in time there be a good discussion regarding the use of the property funds, and set down a policy so there isn't this uncertainty. As he understood, the interest from the property transactions could be used for operating funds, but the principal would be protected and maintained in the property account. Discussion followed and Robert asked where the figures in the budget came from – how they came up with them? He suggested that committees, such as Marketing Committee, identify what their costs may be and provide that figure to the Finance Committee when preparing the budget. Howard asked that this item be put on next month's agenda. He suggested that the Marketing Committee be asked next year to provide a plan to the Finance Committee. Mike Poe said it would be helpful to the Finance Committee in future years, when putting the budget together, if there was a policy.

Property Committee – Dale Case

No report. Committee has not met since the last meeting.

Communications/Marketing – Gary Lillard

Gary reported that the committee had not met since the last meeting. He said the most pressing thing at this time is to follow up with EOU to meet the new President. Mike Sanford indicated that Tim Seydel said he would bring the new President to a UCEDC Board meeting. Mike will follow up with Tim on this. Howard suggested the Marketing Committee or the full Board taking a tour of the EOU campus and make suggestions that could improve or enhance the marketability of EOU and its facilities. John Howard mentioned a visit by Board members to Grande Ronde Hospital.

Membership Committee – Bill Rosholt

Bill reported that this committee had not met since the last meeting, but he had met with Judy Hector. Mike Sanford said he also talked with Judy and she was very positive about the possibility of some kind of combined membership campaign. Bill said he would have more to report at the next meeting.

EOU – Tim Seydel

No report.

Administrative Report – Janis Bozarth

Janis reported that the membership list had been updated through June. Renewing members for June included Action Plumbing, Joseph Petrussek, Training and Employment Consortium. Invoices for July membership renewals were sent out. The financial reports through June were prepared. The newsletter is being worked on. With Mike Poe's help, UCEDC is now on-line with U.S. Bank.

Executive Report – Mike Sanford

Mike reported that he had made a presentation to the County for UCEDC funding for this next year. The funding will be the same as last year, \$36,180. Attended the Chamber Board meeting. He's involved with the Main Street Committee, and they are conducting a business survey downtown. The Marketing Committee had a meeting with Community Bank. Attended the Greg Walden breakfast at the Chamber Networking lunch. Has a monthly meeting scheduled with Annette-Shelton-Tiederman, the Worksource Analyst, touching base with her. Submitted a request to EOCDD for the \$10,000 grant for the Economic Strategic Plan. Mike has vacation scheduled from August 6 through August 16. Mike also reported that Janis would be leaving to spend more time with her grandchildren. She said she would stay at least through August, and Violet has agreed to come in and work if Janis' needs to leave before we find her replacement. He has listed the position with Teri Berry at the Employment Office. The Board suggested an advertisement also be put in the newspaper. Howard suggested getting the word out to people you know. Jeff asked if an interview committee would be selected. The feeling was that Mike could handle the interviewing. Mike indicated he would contact one of the other Board members to assist with this and would like to have Janis sit on the interview committee also.

Mark asked Mike how attendance was at the Chamber networking lunches. Mike reported that numbers were down for the last one, but he encouraged members to attend if they have the opportunity. They meetings are held on the second Thursday of the month at EOU. John commended Mike for being involved in the community and expressed that it's good to see the Executive Director involved.

EXECUTIVE SESSION

No Executive Session

NEW BUSINESS

Office Lease – Mike Sanford

Mike reported that the UCEDC lease expires the end of July. UCEDC has been paying \$450.00 per month plus electricity costs. Ray Hyde has been paying for the gas. He has proposed reducing the lease amount to \$375 and having UCEDC pay for the gas. He has estimated that the average cost for the gas would be approximately \$45.00/month. Mike feels Ray Hyde may have dropped the monthly rent a little because UCEDC is now responsible for cleaning the restroom. Discussion followed on whether we should try and extend the lease period. Howard asked if UCEDC had their own heating system for the space and Mike confirmed they did. Invoices will be sent directly from the utility company to UCEDC. Robert supports renewing the lease for the one year period, but would like to recommend that next year we mark our calendar 90 days in advance of the expiration date, and put this on the Board as an agenda item to review the lease prior to its expiration.

Robert moved that the new lease be accepted at \$375.00/month with UCEDC paying for their electricity and gas, effective August 1. Seconded by Dale. Motion carried.

Discussion then followed about whether UCEDC should try and lock this amount in for at least a two-year period. Jeff suggested renewing for one year with the right to renew for a second year. Mike Sanford will contact Ray Hyde to discuss either a two-year lease or a one-year lease with the right to renew for a second year.

FOR THE GOOD OF THE ORDER

The question was raised about the number of meetings that can be missed by a Board member. Mike Sanford and Howard will follow up with this.

Dale said that he thought Crazy Days this year was a great event this year, and everyone who worked on it should be commended. The only negative was the overflowing garbage cans, which always seems to be a problem for downtown events.

Howard that with the PGG project now winding down, he would like to see UCEDC find something else to begin working on. He realizes there still is the strategic plan to work on and it isn't yet known how much time will be involved with that, but UCEDC needs to have a goal or some other project to start working toward. Discussion followed on a couple of items, the incubator building which has been mentioned previously, and Mark brought up the crime lab project – following through with EOU and OSP. Generally, it was felt the crime lab would be a good project to start investigating, and Mike Sanford felt UCEDC needs to continue investigating land that can be zone heavy-industrial.

John asked Robert about the City's Goal 9 Process. Robert said the process is not yet finished. Salem has been causing some delays. The City has tabled it until their meeting in August. John asked if anyone had heard anything about Boise Cascade. Mike responded that he had talked with Tom Insko about the potential for the diesel brewing company, and he will follow up on that. Howard asked Mark if the County was looking at any consideration for industrial land zoning. Mark said that the County is very supportive of the City of La Grande's endeavors, and will go from there. The County has an agreement with the City that the County would support industrial development within their boundaries because of the tax benefits to the communities. There still is quite a bit of land at the airport and they could pursue development there. The County right now is waiting on the City. Howard doesn't feel the LCDC will be very supportive of La Grande in freezing the UGB to include any real significant industrial land. Robert said the City will see what the State has to say. He feels there are some individuals who are willing to push the issue with the State. The City has willing participants and willing landowners that are not going to challenge what the City wants to do and are on board with the process the City has gone through at the local level. Howard said if UCEDC can help in some way so it isn't just the City, UCEDC should take that role.

The meeting was adjourned at 7:30 p.m.

Respectfully submitted by:
Janis Bozarth, Administrative Assistant

Note:

Next Board Meeting: Thursday August 20, 2009 at 6:00 p.m.
UCEDC Office at 102 Depot St.

Executive Meeting: Tuesday, August 4, 2009 at 7:30 a.m.
UCEDC Office at 102 Depot St.