

Union County Economic Development Corporation

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Minutes March 15, 2007

Monthly Meeting: 6:00 p.m. at UCEDC Office 1119 Washington Avenue,
La Grande

Meeting Facilitator: Howard Perry, Vice-President
Board Reporter: Violet Trapp, Administrative Assistant
Executive Director: Craig Thompson
Members Present: Tim Seydel, Janet Hume-Schwarz, Sheri McDonald, Bill Whittemore,
John Howard, Dale Case, Howard Perry, Lee Lindsey, and Mike Poe
Absentees: Dennis Spray, Russell Lester and Lori Hines

Visitors: Mark Davidson

The meeting was called to order at 6:01 p.m. by Tim Seydel, President.

Tim Seydel welcomed Mark Davidson. On behalf of the board, a plaque was presented to Mark for the years of service and dedication that he gave to UCEDC and a verbal "Thank you" was expressed to Mark. Upon his acceptance of the plaque and expressed appreciation, Mark left the meeting.

Tim asked for a motion to approve the February 15th Board Meeting Minutes.

Janet Hume-Schwarz said that she wanted more information written into the minutes concerning the elections held in the February meeting and asked that the approval of the minutes be tabled until the April board meeting. Janet will write a paragraph and send to Violet to be entered into the minutes.

John Howard moved that the February Minutes be tabled until the April 19th board meeting. Sheri McDonald seconded the motion. Motion carried.

Tim asked for approval of the March 6 Special Called Board Meeting.

Bill Whittemore moved the board accepts the minutes. Janet Hume-Schwarz seconded the

motion. The motion carried.

OLD BUSINESS:

Epping Proposal Update – Craig Thompson

At the March 6th special board meeting the board voted to accept the counter offer from Tracy Epping for \$55,000 with the job creation. Craig faxed the board's acceptance of the counter offer to Linda Shirley at Valley Realty who is representing Epping. A short time later Craig received a call from Linda, saying the deal was off because Epping cannot obtain financing for this project.

Bill Whittemore stated that the board should not be called to a special meeting until the prospective purchaser has proof of financial backing. John Howard said that in the future, a buyer needs to have a letter from a financial institution giving evidence that the buyer is approved for funding and that the buyer is a qualified purchaser. From now on when an inquiry is made and it gets to the point of what it costs to hook up to water and sewer and an offer is submitted that is the time the pre-approval letter needs to be in place and John will tell the real estate agents this is what UCEDC has requested. John said that he will advertise the land at \$55,000 per acre with job creation within 2 years after occupancy. Craig added that the addendum and memorandum written by Attorney David Baum need to be revised and made into templates for all future sales. Craig suggested this should go to the Property Committee and also to the Work Study group with the City of La Grande and UCEDC.

The board agreed to send this to the Property Committee and the Work Study Group.

Water Rights: Business Park – Craig Thompson/Howard Perry

The water right in the La Grande Business & Technology Park is for sale. There is a party interested in purchasing the water right. The Property Committee met and discussed the offer. There were some questions concerning the right. Howard Perry talked with Paul Dalgliesh, the Ditch Master. Paul confirmed that water has been used within the past 5 years making this a valid water right. Howard asked Paul to prepare a letter. At the time of the board meeting, Howard had not received a letter. Craig said that when the letter does arrive UCEDC will proceed with advertising the water right as a 40 acre Grande Ronde River Water Right.

As Chairman of the Property Committee, Dale Case moves, that UCEDC advertise the water right in the LGB&T Park for sale, upon receipt of the validation of the water rights are in deed. John Howard seconded the motion. The motion was approved.

It was agreed by the board that Craig contact Paul Dalgliesh about the letter and if Paul wants, Craig will draft a letter of validation of the water right and have Paul sign the letter.

By-laws – Tim Seydel

Bill Whittemore moved the by-laws revision be tabled until the April board meeting. Dale Case seconded the motion. Motion carried.

Committee Assignments – Tim Seydel

Tim asked the board members to decide on what committee each wants to serve and call Tim or Craig within the next week to let them know. Pending the outcome of the information received assignments will be made to the committees and brought to the April board meeting.

Janet Hume-Schwarz asked to be removed from the Membership Committee and said she would like to serve on the Property Committee.

Web Site Update - Craig Thompson/John Howard

The web site redesign continues to progress. Most of the text information was sent to the consultant for entry into the site. Photos of the Union County Commissioners and La Grande Mayor, Colleen Johnson, with a welcoming letter for the opening page are yet to be sent. Craig passed around the table the opening page so the board members could see what the opening page will look like.

Bill Whittemore asked if UCEDC received the funding requested from the Transient Fund. Craig said Commissioner Colleen McLeod called him to let Craig know that Union County agreed to fund \$1500, half of the \$3000 UCEDC requested.

REPORTS:

Finance Committee: - Mike Poe

Mike met with Violet and looked at the Adjusting Journal Entries and made corrections where needed so UCEDC's 2006 books match the figures in the 2006 Financial Statement prepared by SLMP&G, LLC. The primary change was in the Oveson loss which is less than in the previous reports. Through February the overall balance shows a loss of \$116,000. The Oveson loss is \$122,000. Mike also looked at the day to day operations and made some recommendations on how the day to day receipts are handled. Also, Mike asked Craig to check into the CD at US Bank. Craig added that UCEDC continues to be over budget on income and under budget on expenses.

The finance committee met, Mike, Tim and Craig. The US Bank CD matures on April 3, 2007. The interest rate is 5.75%. It was discussed at to what should be done with the CD. Craig called several banks to get the current interest rates. The new interest rates are as follows:

US Bank – 5 yr CD – 5.25%

Banner Bank (New UCEDC Member) – 2 yr CD – 5.25% and 5 yr – 5.2%

The recommendation of the Committee is to diversify the funds by keeping \$200,000 in US Bank for a 5year term and placing \$100,000 in Banner Bank for a 2 year term. Craig is waiting for a return call from Steve Williams to ask for a written statement that US Bank will collateralize the \$200,000. Tim said that the committee also recommends the checking and money market accounts be moved to Community Bank.

Howard Perry suggested that Community Bank be contacted about CD interest rates because UCEDC will be selling lots in the business park and that CD money should be placed with Community Bank also.

Janet Hume-Schwarz moved that UCEDC proceeds to do whatever is necessary to protect the money, taking into consideration the FDIC Insurance and additional collateral. Dale Case seconded the motion. The motion carried.

Mike brought before the board the fact that Seydel, Lewis, Poe, Moeller and Gunderson, LLC has done an In-kind tax return compilation for UCEDC for the past number of year. Now that Mike is treasurer of UCEDC he is not comfortable with SLPM&G,LLC continuing the tax returns while he serves on the board and suggested that UCEDC have another CPA do the tax returns. This was sent to the Finance Committee for discussion and a recommendation of what should be done.

Property Committee: - Dale Case

The Property Committee met and the report was discussed earlier on the agenda under the Epping Proposal.

Communications/Marketing Committee: – Tim Seydel

This report was dealt with on the agenda under the Web Site Update.

Membership Committee – Janet Hume-Schwarz

No report

Executive Director: – Craig Thompson

- Craig continues to work on the Downtown Renaissance Committee. The last couple of meetings have centered round looking for potential funding sources for the downtown renaissance project. This may lead to the hiring of a full time director.
- Received in the mail a subpoena for Michael Neilson who was the director for UCEDC in 1994-1996. UCEDC received a subpoena to give any or all information and records. Craig contacted Brandon at David Baum's office to make sure that he does not submit any information that will put UCEDC into jeopardy. Craig will submit what information UCEDC has. There is not a great deal of information on Michael in the UCEDC files but what there is will be sent to the Portland attorney.
- Received an email concerning a financing seminar, "Financing Made Easy". The nearest seminar is in Pendleton on May 31, 2007. No time set.

Administrative Assistant Report – Violet Trapp

- January Minutes were sent to the membership and partnerships.
- Financial Reports (Balance Sheet, Profit & Loss Statement and the Budget vs Actual), through February were given to Mike Poe for the Financial Report.
- The membership list is updated through the month of February.
- All the board member binders are updated for the March Board Meeting.
- Invoices and letters for March membership renewals were sent.
- Thank you letters and membership certificates were prepared and ready for Craig to deliver to members.
- The renewed members of UCEDC for February are:
Boise Wood Products, City of La Grande, Eagle Cap Steel & Supply, Joseph Petrusek, The Observer and WC Construction.
- Continued helping Craig get information together for the web site redesigning and updating.
- Have received notice from QuickBooks that service for QBks 2004 is discontinuing effective May 31, 2007. UCEDC needs to update to a more recent version. Violet checked into the cost of updating to 2007. The cost for QBks Pro is \$169.95 and the Premier is \$339.95. The Pro version is what UCEDC is using and is preferred by Violet. For the size of business and payroll premier has a lot of extras that are not necessary.

Janet suggested that Violet have the computer checked to see if there is enough memory space to add the QBK's 2007 because the new program takes quite a bit of space. Violet will have Ken Howard take a look at the computer to verify the amount of memory available.

NEW BUSINESS:

UCEDC-La Grande Study Group Meeting – Tim Seydel

The study group met on March 8 with Mary Ann Miesner, Gary Lillard, Steve Clements, Dale Case, Sheri McDonald, and Tim Seydel in attendance. The group reviewed the motion and letter

that UCEDC sent to the City of La Grande and also reviewed the motion made by the City Council.

The group discussed:

- The makeup of the UCEDC Board, who the partners are and what role do they play and the history of the board.
- Communication between the board and the city council, what is the best way to create better communication. Tim said that if the city council is really serious about this then it should have a representative on the board.
- Board membership appointees.
- Accountability of monies received by the partners.

The outcome was a recommendation that Steve Clements send a note to Ron Singel, City Manager, and Craig Thompson asking them to work together on an MOU.

The group looked at the two goals the councilors established for UCEDC last summer:

- To improve the business climate in La Grande
- To attract new businesses to La Grande with the LGB&T Park.

The MOU work by Ron and Craig and a report by Gary Lillard will be discussed at the group meeting before going to the separate organizations.

State Project Lead – Craig Thompson

John Howard moved and Dale Case seconded that the board go into Executive Session. Motion approved.

EXECUTIVE SESSION:

The board came out of Executive Session

FOR THE GOOD OF THE ORDER

Janet mentioned that the new board members need to sign the Confidentiality Statement. There are no unsigned statements in the office file. Craig said he will get some from the Contact Committee.

Meeting Adjourned 7:40 p.m.

Respectfully Submitted by:
Violet Trapp
Administrative Assistant

Note:

Next Board Meeting: **Thursday April 19, 2007 at 6:00 p.m.**
UCEDC Office at 1119 Washington Avenue

Executive Meeting: **Tuesday, April 10, 2007 at 7:30 a.m.**
UCEDC Office at 1119 Washington Avenue