

**City of Sault Ste. Marie
ECONOMIC DEVELOPMENT CORPORATION
Minutes of the Board of Directors Meeting
December 12, 2017**

1. Call to Order & Introductions

Chair Worley called the meeting to order with the time being 12:02 p.m. Abby Baker introduced herself and is our new EDC City Commission Liaison.

2. Roll Call

Members Present: Dan Dasho Tom Veum Bob Mattson
 Gwen Worley Dr. Rachael McCoy Kelley Bunker
 Jim Devaprasad Doug Welton
 Abby Baker, City Commission Liaison

Members Absent: Steve Glezen

Staff Present: Jeff Holt Tracey Laitinen

Also Present: Jeff Hagan, EUP Regional Planning & Development
 Josh Billington, SBDC
 John Allison, Central Savings Bank
 Chris Olson, Chippewa County EDC
 Tom Ewing, Chippewa County EDC
 Jeff Hagan, EUP Regional Planning
 Cheri Kruger, Central Savings Bank
 Alex Prasler, Central Savings Bank
 Tina Fuller, City of SSM Assessor
 Mark VanDoren, Smith & Co. Real Estate
 David Pawley, City of SSM Finance
 Amy Butler, Kanava International

3. Agenda: Changes, Additions, or Deletions

Holt added item 11. J. MEDC Search Project Needle

4. Matters presented by the Public

None at this time.

5. Approval of Minutes

It was moved by Bunker, supported by McCoy to accept the November 14, 2017 minutes. The motion carried unanimously.

6. Approval of Financial Report & Check Detail

Profit & Loss, Balance Sheet and Check Detail were submitted. Laitinen noted that a cd matured causing a temporary influx of cash into #0750 \$231,000 until it was reinvested.

It was moved by Welton, supported by Mattson to accept the financial report as presented. The motion carried unanimously.

7. Audit Presentation by Anderson Tackman (AT)

Ken Talsma reported on the EDC audit ending 6.30.17. AT gave the EDC their highest opinion of "unmodified". Talsma went through several charts explaining revenue and expenses over the last fiscal. Welton inquired on the net pension liability to which Talsma responded that a realistic goal for this long term liability would be 70-90% funded as this encompasses retirees, those soon to retire and incoming employees. Talsma explained trends including the EDC revenue has been increasing as well as a healthy fund balance with appropriate reserves. Talsma recommended making budget amendments more often if able as well as implementing the new receipting procedure and categorizing prepaid rent as deferred income. Holt thanked AT for their cooperation in the process and noted that AT was awarded the bid for the City and the EDC is under their umbrella. Worley supported the positive audit noting that it speaks well for the organization. Welton concurred as the change in staff and auditors has been challenging. Talsma summarized and is available for questions if they come up later.

It was moved by Bunker, supported by Devaprasad to accept the audit ending 6.30.17 as presented. The motion carried unanimously.

8. Finance Committee Report

Holt and Welton summarized the meeting on 12.5.17 of Welton, Veum, Holt, McCoy and Laitinen. The preliminary budgets are being compiled. Further discussion of the Old Mission Bank presentation brought ideas together to release a banking consolidation RFP. The Finance Committee reviewed the document with input from City Finance and Deputy City Manager. The full RFP will be released on 12.13.17 with a deadline of January 3, 2018. The committee will meet in late January and present their recommendation to the EDC board in February. The goal is to simplify banking and increase revenue. Allison noted that the RFP is welcomed and that the EDC needs to look out for the best interests of the organization itself. Worley agreed noting it is best to look competitively at proposals.

9. Events

Laitinen reviewed the attached media coverage that the EDC receives monthly in the Sault News. Tenant Lunch & Learn is a quarterly check in with tenants. This month things are going well and new connections were made. Billington was able to offer additional financial tools. PTAC workshop was the last of a series of 4 with 2 in attendance. PTAC is already looking to rebook for Fall 2018. The EDC and Capstone along with several other partners are looking to bring a retail sales training to the region in Spring 2018. Details were attached and a small fee will be attached for attending (\$20-\$25). If you are interested please let Laitinen know. Details will go out in the Sault News, Enewsletter and social media when the dates are firmed up. The EDC continues to work with the Corps of Engineers on a future Industry Day. We are currently waiting on a follow up report that should go out in December. April 10th is the day for the Pure Michigan Business Connect event at LSSU. The EDC will know more after a December 27th meeting.

11. Projects

Holt noted there were no additional interested parties in the air park lots this month. The Concierge Program could be advertised in the January 2018 Site Selector Magazine. It was felt that the ads were not in this year's budget. Sky Magazine was distributed to all attendees noting the EDC/Sanderson Field partnership and coverage. Holt gave updates on several projects including:

- Project Mocha – firm looking to expand into the Smartzone manufacturing space
- Project Brother – Dept. of Defense firm looking to relocate home from D.C.
- Project Data – cyber security firm looking to start up at our 1301 W. Easterday location

-MEDC Search Project Needle – with little turnaround from MI site selectors we were able to send in 4 properties that fit this manufacturing search.

Holt noted that we are in the ranking timeframe currently in the Capital Improvement Process (CIP) for 2018-2024 and referred to the City's timeline approval process.

12. Director's Report

Holt was excited to report that once again the City of Sault Ste. Marie had won the University of Michigan's Business Award (eCities) for place making and best practices. The award should be here shortly and a press release will follow. The EDC completed their annual report and it will be online soon. All attendees received a copy. Holt and Laitinen met with Dr. Paitson, the new Athletic Director at LSSU, as well as Hunter Perry, new LSSU marketing director. We look forward to working with them on projects in the near future. Holt noted there have been several tours given to potential tenants the last few weeks at the Smartzone and Incubator. Entrepreneurs are looking to start up and expand in early 2018.

13. Other Matters

None

14. It was moved by McCoy, supported by Veum to adjourn the meeting at 12:50 pm. The motion carried unanimously.



Dan DASHO, Secretary