

**City of Sault Ste. Marie**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**Minutes of the Board of Directors Meeting**  
**February 14, 2017**

**1. Call to Order**

Chairman Welton called the meeting to order with the time being 12:10 p.m.

**2. Roll Call**

Members Present:	Steve Glezen	Gwen Worley	Dan Dasho
	Dr. Rachael McCoy	Bob Mattson	Doug Welton

Members Absent:	Tom Veum	Jim Devaprasad	Kelley Bunker
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Staff Present:	Jeff Holt	Tracey Laitinen
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Also Present:	Lee Brown, Superior Insurance
	Ray Bauer, City Commission Liaison
	Amy Berglund, MEDC
	David Pawley, City of SSM Finance Dept.

**3. Agenda: Changes, Additions, or Deletions**

It was moved by Worley, supported by Mattson to remove item #10. Holt will work with EUPRP to have them present on the study at a later date. The motion carried unanimously.

**4. Matters presented by the Public**

None at this time.

**5. Approval of Minutes**

It was moved by Worley, supported by Glezen to accept the January 10, 2014 minutes. The motion carried unanimously. Holt noted that the minutes included more detail and were transcribed in a quick manner. Welton would like the minutes emailed to him once they are typed to review before approval.

**6. Approval of Financial Report & Check Detail**

Profit & Loss, Balance Sheet and Check Detail were submitted. Worley inquired on heating bills and Laitinen reported that Albert Heating & Cooling had been working on repairing items that were overdue to be repaired at the Incubator location. With an annual maintenance contract there will no longer be delays. Welton noted that revenue was higher than expected at this time and expenses were under budget. Holt reported that a 6-month update was giving to the City ending 12.31.16 and there were no issues as we were under budget.

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

**7. Budget Approval – Contingency, Operations, Incubator & Essex – additional handouts**

Laitinen noted that the Finance Committee met on 1.27.17 and that meeting summary was included in the board packet. Welton, Veum, Holt, and Laitinen have put extensive time into putting these together.

The Contingency (car) budget was reviewed. This is an interest only account and funds that were being saved for a vehicle in the future. No other funds are being put into this account at this time.

EDC Operations budget was reviewed. The board appreciated all the notes on each line item. Dasho inquired about contracted services. Laitinen noted that when the EDC took over the building as of 7.1.16 there was no budget and now with having been operating the facility for 6-months a better estimate has been created. McCoy noted that the LSSU Sim lease is set to expire the end of 2017. A short discussion ensued about their potential relocation, but no timelines were firm.

The Incubator budget and Essex budgets were also reviewed.

The Airport budget was approved by the Airport Board at their last meeting. A tentative TIFA III budget has been put together and Laitinen will be meeting with Turner for more input. The TIFA III Board will vote on that budget in March.

All budgets will now go to the City Commission for approval and we will learn more from here out until May.

It was moved by Dasho, supported by Glezen to accept the Contingency, Operations, Incubator and Essex budgets as presented. The motion carried unanimously.

**8. CD Maturing**

We manage 4 CDs, 1 of which is coming to maturity before our next board meeting:

#6103 Central Savings Bank ESSEX CD \$75,707.79 matures on 3-24-17 \*36 mo term 1.19%

Glezen inquired about the prepayment penalty and noted it may be worthwhile if rates spike to pay the penalty and reinvest. Laitinen will check current rates before reinvesting on the maturity date.

It was moved by Dasho, supported by Worley to reinvest the EDC CD in the amount of \$75,707.79 with Central Savings Bank for a term of 12 months at an interest rate of 0.70%. The motion carried unanimously. Glezen abstained from voting.

**9. T. Laitinen Vacation**

Holt included a memo in the meeting packet regarding vacation time for EDC Specialist Laitinen. Holt had been under the impression that Laitinen would start to accrue vacation monthly upon her 6 month anniversary and this will rectify that situation. Holt asked for 5 days of vacation to be allotted now. Worley inquired if they were prepaid days and would be taken from future allotment to which Holt replied that they were not. Welton and Glezen noted that this may have been an oversight that we are correcting. Worley noted that all employees need to be treated the same.

It was moved by Glezen, supported by Dasho to allot 5 paid vacation days to T. Laitinen as long as the EDC has the authority to make such changes. The motion carried unanimously.

**10. Omitted**

Holt is working with Tom Dodds on updating the Twin Sault's agreement dating back to 2014. Meetings are being scheduled.

Holt, Laitinen, Turner and Becks had a meeting on 12.14.16 to discuss Smartzone operations. A reminder that TIFA III has agreed to cover the EDC building operation costs for this and next fiscal year, since LDFA has no funding at this time.

**11. Membership on Committees**

Welton noted that in the past there were several EDC subcommittees with Finance being the most active. Welton asked for more involvement and Glezen said he would be interested in joining Welton and Veum on the committee moving forward. Meetings are heavier in January – March.

**12. Open Meetings Act & FOIA**

A separate packet was distributed to each board member at this time. Holt noted that we want to make sure we are in compliance so an annual update is necessary.

**13. Events**

SBDC and the EDC are hosting a quarterly program participant luncheon on Feb 16<sup>th</sup> from 11am to 1pm to allow start-ups to give input on the program and to network with other companies that are in the building.

The EDC has partnered with the Chamber and the Hampton Inn to put together a huge event to be held on March 16<sup>th</sup> from 5-7pm at the Hampton Inn to unveil our Concierge Program as well as highlight their investment of \$4 million dollars into renovations. This will also serve as the Hampton's official Open House. Wicked Sister will be providing the food and Soo Brewery and 1668 Winery will be serving beverages on site. Food and beverage will be paid for by Hampton. The EDC is picking up the marketing costs.

The Construction Summit plans are coming along nicely. Look for a more in-depth look next month.

**14. Goals**

Holt, Laitinen, Cannello, Turner, Mayor Bosbous and Commission Gerrie (CREAD) had a meeting to discuss the future development of the Air Industrial Park on 1.26.17. Holt needs to revise the 2012 agreement between the City and the EDC and then another meeting can be scheduled.

The Incubator offices are ready for renovation. The EDC is looking for input on the design and layout of new potential office and meeting space. Once Capital Improvement Plans are approved by the City Commission in the months to come we will know if this is a priority project with funding.

Holt is still working on obtaining business plans from our manufacturers.

**15. Director's Report**

Holt reported that the Smartzone is now a new City polling location instead of Washington School. The EDC is looking forward to having public traffic so folks know more about what we do. Grants are available in the future for improvements to polling sites.

Quansor is moving forward with their design and is now in the process of looking for funding.

The Concierge program was unveiled at the February 6, 2017 City Commission meeting. Laitinen has been working on a marketing plan for outreach and disbursement of materials. Thank you to the ERA group for help in putting this together. Glezen suggested getting the information out to commercial lenders. Worley suggested airports. Glezen noted that Laitinen's presentation to the Board of Realtors was well received. Laitinen asked for input on the materials and to contact her regarding other ways to reach out. Speaking engagements have been scheduled for the Noon Rotary Club as well as the Convention & Visitors Bureau this month.

Silver Valley repairs according to the EDC agreement have all been completed prior to January 31, 2017. Expenses came in at \$10,111.00. Another court date has been scheduled for March 8<sup>th</sup> and at that time we hope to get an order to vacate the premises due to nonpayment of rent.

Holt has had contact with Soo Ontario and another Twin Sault's meeting should be scheduled shortly. EDC Board members that attended the meeting last time will be invited again.


**16. Other matters**

Holt referred to Bunker's email about meeting at a later time. Welton noted that only 2-3 people have suggested alternate times but this seems to work for the majority. Mattson noted that there would not be a time that worked for everyone. Holt noted that this year had been challenging and that we had a lot to overcome in a short amount of time. The board wanted more transparency so that in turn means longer meetings. Holt anticipates tightening up the meeting so it falls within the 1 hour timeframe moving forward, but noted that Brownfield and TIFA III meetings are additional in some months. There was discussion about alternate days and times. Worley noted that some members may wish to meet outside of the normal workday. McCoy noted that after school lets out near 3 pm, commitments are greater.

Holt then introduced David Pawley and Amy Berglund. Berglund noted that she is our MEDC Business Development Manager and focuses on retention and growth for small and large businesses.

**17. Adjournment**

It was moved by Glezen, supported by Mattson to adjourn the meeting at 1:15 pm. The motion carried unanimously.



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Dan Dasho, Secretary