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# ECONOMIC DEVELOPMENT AUTHORITY

## CITY OF WELLS, MINNESOTA

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Wells Economic Development Authority Mission Statement:  
"To encourage, attract, promote and develop economically sound industry,  
business and commerce within the City of Wells."

### MINUTES

#### Regular Meeting – 5:00 pm

**Tuesday, March 15, 2011**

Conference Room, Wells City Hall

125 S. Broadway Wells, MN 56097

#### **Call to Order / Roll Call**

Chair Heggen called the meeting to order at 5:04pm.

Members Present: Steve Burns, Jim Durfee, Brad Heggen, Jim Heckman, Darin Magnuson, Bruce Mandler, and Kim Sorenson.

Members Absent: None.

Staff Present: Christopher Elvebak, Community Development Director.

#### **Reading/Approval of Meeting Agenda**

Chair Heggen asked to add items to the agenda: Under old business add items E) Incubator Building wastewater line, F) South Industrial Park / platting, G) Singleteary Foods, H) Terms of Office, and I) Kwik Trip.

Under New Business Commissioner Heckman asked to add item E) Process & Procedures under New Business. Director Elvebak asked to add F) Legislative Updates.

Commissioner Sorenson moved to approve the agenda as amended. Commission Heckman seconded and the motion passed.

Wells Economic Development Authority (WEDA) Membership:  
President, Brad Heggen; Vice President, Kim Sorenson; Secretary/Treasurer, Darin Magnuson;  
Commissioners Jim Heckman and Bruce Mandler; Council Representatives Steve Burns and Jim Durfee.

### **Reading/Approval of Meeting Minutes**

Chair Heggen noted a spelling correction to a proper name in the February 15, 2011 minutes. By consensus the EDA approved the change.

Commissioner Heckman asked the board to review the following draft paragraph to reflect that the business item was not delivered to the City Council:

“Director Elvebak said he was also not present at the last meeting but reading from the minutes it appeared that the item was sent to City Council to avoid the appearance of any potential conflict of interest. Chair Heggen suggested that the EDA meet and he and Commissioner Heckman could excuse themselves from the meeting before that item on the agenda came up for discussion.”

After discussion, it was moved by Commissioner Sorenson and seconded by Commissioner Heckman to amend the minutes as follows (bold type):

“Director Elvebak said he was also not present at the last meeting but reading from the minutes it appeared that the item was **NOT** sent to City Council to avoid the appearance of any potential conflict of interest. Chair Heggen suggested that the EDA meet and he and Commissioner Heckman could excuse themselves from the meeting before that item on the agenda came up for discussion.”

After additional discussion the motion passed.

### **Public Forum**

No one came forward to address the board.

### **Financial Reports**

- a. Bills:
  - Lamperts (Door sweep for incubator building)
  
- b. Statements:
  - Proposed 2011 Property Taxes
  - Monthly Financial Statements: 2010 Final and 2011 revised
  - Profit & Loss Detail
  - EDA Checking Monthly Reconciliation
  - EDA Money Market Monthly Reconciliation
  - Deposit / Collateral Position

The members discussed the bill Lamperts bill. It was charged to the EDA via Schrader Enterprises for a “door sweep” replacement without prior approval.

Commissioner Magnuson moved to approve the bill as presented with Commissioner Sorenson seconding the motion. After discussion the motion was approved.

The Board reviewed the property tax statements. It was determined that the correct name is “Wells Economic Development Authority.” To avoid confusion in records Chair Heggen entertained a motion to correct said documents with the proper name.

Commissioner Burns moved the correction of the name in the documents. Commissioner Mandler seconded and the motion passed.

Commissioner Magnuson moved to accept the financial statements as presented. Commissioner Mandler seconded and the motion passed.

### **Old Business**

#### a. Wildcats RLF

Materials were distributed to the membership by staff. Commissioner Heckman updated the board on the findings, or lack thereof, when he and Director Elvebak reviewed the EDA files. A series of concerns were discussed. These related primarily to the lack of any signed promissory note, an amended amortization schedule that pertains to the second promissory note signed by Wildcats ownership but not the first, and a lack of updated owners from Wildcats on any forms.

Director Elvebak informed the board that Wildcats was two months behind schedule and nearly to their third without payment. The ability to call the loan could be compromised but he wanted a review by the city attorney before any action was taken.

By consensus the board decided to lay aside any further discussion of forbearance or default letters until the attorney completed his review and delivered his findings.

#### b. Small Cities Development Program

Director Elvebak said that no updates have come since the last report.

#### c. Veterinarian Building & Property

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Chair Heggen informed the board that a pending sale / closing was underway with the vet building. This would include the entire vacant lot, garage, and office space. Commissioner Heckman suggested the EDA talk to the new owner about the vacant land about a possible sale to the EDA. Commissioner Sorenson suggested the EDA avoid any additional land purchases in the area for now.

d. Joe's Lawn & Sport Loan

Director Elvebak informed the membership that new staff officials have taken over the account at Region 9. The transition from the retiring previous accounting official to the appointed replacement could explain some of the delay in collecting and closing this old loan.

e. Incubator Building wastewater line

Chair Heggen reported that there is a problem with wastewater backup in the floor drain of the incubator building. When the weather permits, the line will be more closely examined to determine the cause.

f. South industrial park / platting

Dir. Elvebak said that he had been in touch with the regional D.E.E.D. representative. Christine Schieber has been invited and plans on attending the April EDA meeting to review the program with the members. Staff hoped that by that time a formal announcement will be made pertaining the funding of the Wells/Winnebago final application. She will also review some other DEED programs that could be potential fits for assisting us with the industrial park development.

### **New Business**

a. Incubator building – window replacement

Dir. Elvebak delivered a request from Schrader Enterprises for a window replacement and/or repair due to a moisture leak. Chair Heggen and Commissioner Durfee volunteered to visit the site to see if a replacement was in order or if it could simply be repaired.

b. Faribault Co. Register: Wells Area Visitors Guide Advertisement

Staff delivered a quote from the Faribault County Register for continued advertising in the Wells Area Visitors Guide. Commissioner Durfee moved to hold off on additional advertising until the current supply diminishes. Commissioner Burns seconded the motion. Discussion on the motion

revealed that many guidebooks remained from the previous version. Unanimously the motion to pass on advertising this year was passed.

c. Region 9: Request for Prevailing Wage statements

Staff delivered a request from Region 9 to submit any issues or concerns that member counties, cities, development agencies, and their staffs have had with prevailing wage requirements. Region 9 plans on continued lobbying to amend some of these requirements.

d. University of MN Extension Service Programs

Staff delivered some informational pieces from the University of MN Extension Services Office regarding some software utilized for measuring and assessing the impacts of economic development events.

e. Process & Procedures

Discussion held on staff procedure when interested businesses contact the Community Development office about EDA programs and the role of EDA board members. Director Elvebak explained he followed the procedures as outlined by his supervisor, the City Administrator, and ultimately the City Council. He said the EDA board operates according to the body's enabling ordinance and bylaws.

Commissioners Sorenson said that the only reason Singleteary Food Solutions worked was because staff at the time immediately informed the board and the board took action. Commissioner Heckman suggested that any idea or question be tallied and sent to the board so that nothing is missed in any potential miscommunication. Commissioner Magnuson suggested a telephone tally sheet be kept and all potential leads be brought to the board.

Director Elvebak reiterated that he reported to the City Administrator, not the EDA. Commissioner Heckman suggested that the City Administrator attend next meeting to discuss in greater detail as the roles of the individual members was still unclear. Director Elvebak concurred that it could be a healthy discussion and would relay the invitation to the Administrator.

Commissioners Burns exited the meeting at 7:04 pm.

f. Legislative Updates

The board reviewed legislative updates from the League of MN Cities. No action was required on the informational items.

g. Singleteary Food Solutions

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Commissioner Durfee informed the board of some challenges and progress to date with the Singleteary Food Solutions plant. He told the membership that they should be operating and producing in May.

h. Terms of Office

Chair Heggen asked for an update on the previous discussion of the members' terms of office. Director Elvebak said it is in the hands of the attorney to deliver a proposal for how to get the members terms back in line with statutory requirements. When the attorney finishes his recommendation the City Council and their boards will be notified.

i. Kwik Trip

The membership briefly discussed the Kwik Trip site and what new developments, if any, were taking place. No new information was presented.

**Adjournment**

Commissioner Durfee moved to adjourn. Commissioner Mandler seconded and the motion passed at 7:18 pm.

Respectfully Submitted:

Christopher Elvebak  
Community Development Director

Attest:

Darin Magnuson  
Secretary/Treasurer