

**CITY OF HANOVER
ECONOMIC DEVELOPMENT AUTHORITY MEETING
AUGUST 9, 2018 – OFFICIAL MINUTES**

Call to Order

Vice Chair Warpula called the regular EDA meeting of August 9, 2018 to order at 8:02 a.m. Present were Members Jessica Johnson, Brian Dismang, Ted Zrust, Tony Ross, Ken Warpula, and MaryAnn Hallstein. Also present was City Administrator Brian Hagen. Absent was Todd Bartels.

Approval of Agenda

MOTION by Hallstein to approve the agenda as presented, seconded by Johnson. **Motion carried unanimously.**

Approval of Minutes from July 12, 2018 Regular Meeting

MOTION by Dismang to approve minutes as presented, seconded by Zrust. **Motion carried unanimously.**

Approval of Accounts Payable and Financial Reports

Johnson noted that all loans were current. Expenses included the purchase of the downtown sign replacement. Revenue included the first half tax settlements.

MOTION by Johnson to approve the Accounts Payable and Financial Reports as presented, seconded by Hallstein. **Motion carried unanimously.**

Citizen's Forum

Unfinished Business

New Business

Low Interest Loan Request – Astro Engineering

EDA Member Tony Ross abstained from the discussion as an EDA Official, however, spoke during the discussion as an applicant on the request.

Hagen outlined the loan application noting that Astro Engineering requested half of the equipment purchase amount in loan dollars. Given the program guidelines, Hagen requested that BankWest review the application in the amount of \$100,000 to match the maximum loan amount as identified in the program guidelines. Hagen further noted that BankWest reviewed the financial statements of the business and the business owners and feel the EDA would have low risk in approving the request at \$100,000. Should the EDA want to consider a higher loan amount, the EDA should have BankWest adjust their review to that amount. Zrust added that BankWest recommends being placed first on a UCC filing on the equipment and require personal guarantees from the business owners.

Ross explained the equipment being purchased and identified better efficiencies with a desire to add production and potential jobs because of this purchase. Ross also identified limited space in the building and a potential expansion. Ross further noted that the equipment has been ordered and is being shipped. Consensus of the EDA was to approve this request to show the EDA's goal of partnering with local businesses. The EDA further felt a limitation of total amount of loan funds to one business should be practiced. They felt one business should not have more than the maximum loan amount in outstanding principal balance at any given time.

MOTION by Zrust to approve a \$100,000 low interest loan to Astro Engineer for the purchase of equipment and the conditions of the Hanover EDA being placed first on a UCC filing and receive personal guarantees from the business owners, seconded by Dismang. **Motion carried unanimously.**

Regular Meeting Date Change

Hagen explained there is a conflict of events for new member Tony Ross on the second Thursday of each month. Additionally, Hagen noted that there are generally three weeks between the EDA meeting and the next Council Business meeting to have final approvals happen on EDA business items. Hagen inquired as to whether the group would support a change to holding regular meetings on a different day of the month.

The consensus was yes, but to review at the next meeting when all members would be present. Hagen stated he would review the EDA By-Laws to determine the action needed to change the meeting date.

2019 Preliminary Budget – Draft 1

The board reviewed the preliminary budget and levy. Hagen noted minor changes were made, but the levy remains consistent with past years.

MOTION by Johnson to approve a \$49,000 Preliminary EDA Levy, seconded by Hallstein. **Motion carried unanimously.**

Reports

Adjournment

MOTION by Dismang to adjourn at 9:24 a.m., seconded by Ross. **Motion carried unanimously.**

ATTEST:

Brian Hagen, City Administrator