

MINUTES
PORT AUTHORITY REGULAR MEETING
WEDNESDAY, AUGUST 14, 2024
4:30 P.M.
CITY COUNCIL CHAMBERS

Members Present: Commissioners Jason Baskin, Geoff Smith, Jeff Austin, Kris Heichel, Michael Bednar, and Tim Ruzek.

Members Absent: Commissioner Lee Bjorndal.

Staff Present: Port Authority Attorney Craig Byram, Public Works Director Steven Lang, Port Authority Executive Director Craig Clark and Port Authority Secretary Tom Dankert.

Others Present: Taggart Medgaarden (Executive Director of the HRA), Craig Popenhagen (CLA), Alissa Oeltjenbruns (SMIF), Matt Bartholomew, Zach Morem, Terry Hall (via Zoom), Betsy Morem (via Zoom).

President Baskin called the meeting to order at 4:30 p.m.

Item #2. – Approval of minutes of the April 24, 2024 regular meeting: Motion by Commissioner Heichel, seconded by Commissioner Austin to approve the minutes of the April 24, 2024 regular meeting. Carried 6-0.

Item #3. – Claims for Payment: Mr. Dankert discussed the claims paid from March 24, 2024 through August 1, 2024 noting in total, payments made were \$27,359.20. Mr. Dankert noted some of the large unusual payments as follows:

- \$10,892 for the Walker Building property taxes for the whole year.
- \$7,340.00 and \$1,872.18 and \$1,082.77 for siding and roof repairs to Kiker Brothers.
- \$4,900 to Josph Company for some bollards to protect the building.

Motion by Commissioner Austin, seconded by Commissioner Ruzek to approve the claims for payment as presented. Carried 6-0.

Item #4. SMIF Annual Update: Alissa Oeltjenbruns representing the Southern Minnesota Initiative Foundation (SMIF) thanked the Port Authority for their continued support of SMIF. Ms. Oeltjenbruns discussed SMIF as a stop-gap loan funder, grantor for entrepreneurial areas, childcare provider help, book giveaway for school children, and many other endeavors in southern Minnesota.

President Baskin questioned if there are some grant areas SMIF specializes in. Ms. Oeltjenbruns noted they have grant application rounds throughout the year for almost any endeavor.

Item #5. – Audit Report Presentation: Auditor Craig Popenhagen from CliftonLarsonAllen, LLP (CLA) presented the audit report to the Board. Mr. Popenhagen noted the following:

- The Port Authority has been issued a clean, or unmodified opinion, meaning these statements are fairly presented.

- Designated fund balance has been set aside for the Port Authority's commitment to the infrastructure costs for a new road in the Creekside Business Park.
- As far as internal controls go, we have no findings. Mr. Popenhagen noted the Port Authority is in a unique position whereby Mr. Dankert can draft these financial statements, and the controls in place here at the City eliminate any finding that you have inadequate controls or an inability to understand the financial situation.
- As far as the Minnesota Legal Compliance, we have no findings.
- The governance letter indicates no changes in policies and no audit adjustments were needed.

President Baskin questioned the internal control comments. Mr. Popenhagen noted the Port Authority has staff with a strong financial background, and these days not many smaller entities can say that and eliminate an internal control finding.

Motion by Commissioner Smith, seconded by Commissioner Austin to approve the audited financial statements as presented. Carried 6-0.

Item #6. – Review of June 30, 2024 Unaudited Financial Statements: Mr. Dankert gave the Port Authority Board an update of their financial standing as of June 30, 2024, as follows:

- Overall cash in the bank is at \$2,981,145
- Long-term assets (leases, land, etc.) is at \$1,491,843
- Net book value of the fixed assets (Walker Building and Hormel Institute) is at \$19,742,855
- Overall, there is a net loss of \$344,277 for the first six months of the year, however, \$354,759 of this loss is the result of depreciation on the two fixed assets noted above.

Mr. Dankert then reviewed the individual funds that make up the totals discussed in the above bullet points.

Motion by Commissioner Bednar, seconded by Commissioner Austin to approve the unaudited financial statements as presented. Carried 6-0.

Item #7. – Joseph Company – Cost Share for Valley Gutter Extension: Mr. Clark reviewed his memo regarding a request from The Joseph Company to help pay for some repairs to a driveway, such that water would flow away from their building. Mr. Clark noted the repairs have already been completed in order to fix the problem. Total cost is \$9,500, with the request for the Port Authority to reimburse The Joseph Company \$4,750.

Motion by Commissioner Smith, seconded by Commissioner Ruzek to approve the payment of \$4,750 to The Joseph Company for the repairs. Carried 6-0.

Item #8. – BEEP Exterior Improvements: Mr. Byram discussed the history of the Austin Main Street Program and the BEEP program with their investments in the downtown area, along with funds from The Hormel Foundation and building owners. With that in mind, Taggart Medgaarden of the HRA discussed 5 proposals, as follows:

1. Terry Hall at 508 1st Drive NW requested \$100,000 from the BEEP program for the exterior easement on this building that he has recently purchased. The roof damage has been repaired and now we need to fix the internal problems that were a result of the roof leak.

2. Terry Hall at 508 1st Drive NW requested a \$200,000 general loan similar to the one the Port Authority granted him for the 117/119 2nd Avenue NW property (0% loan over 240 months, balloon payment at year 11).
3. Matt Bartholomew at 120 3rd Avenue NW requested a \$70,000 forgivable easement purchase for his newly purchased building.

Much discussion ensued on these projects and the estimated costs associated with each project. After further discussion, it was noted that the Port Authority Board is generally agreeable to the concepts, however, schematic drawings need to be created and presented to the Board before any approval could be made. Items will be reviewed at a future date when complete documentation is presented.

4. Terry Hall at 129 Main Street N. requested a sign approval at the former paint store that is now called Muse as a stylist lounge.

Discussion ensued regarding a sign appeal at 129 North Main Street. Mr. Medgaarden noted the sign committee rejected the first sign design, and this resulted in a new and improved sign that they have recommended approval on.

Commissioner Bednar questioned if the sign had already been installed. Mr. Medgaarden noted it has not been installed, but was just superimposed over the current building so you could see what it would look like.

Motion by Commissioner Austin, seconded by Commissioner Heichel to approve the sign request as proposed. Carried 6-0.

5. Zach Morem at 125 Main Street North requested exterior improvements.

Discussion ensued regarding Zach Morem and the redo of the front of his building. Water seeped in behind the windows and created water damage on the front of the building. The existing upper front level has been stripped down, and he is looking at replacing it with tiles that will match the existing building, as the other material cannot be sourced again. The building has a preservation and conservation easement, hence the need for the Port Authority to approve the change to the building.

Port Authority Attorney Craig Byram noted the HRA will take new pictures and record the pictures as part of the easement once the project is completed.

Motion by Commissioner Austin, seconded by Commissioner Ruzek to approve of the changes to the front for the preservation and conservation easement. Carried 6-0.

Item #9. – Executive Director Report: Mr. Clark noted the infrastructure at Creekside Business Park is 50% complete. Additionally, there is a FAARM listening session on August 22 from 5:00 p.m. to 7:00p.m.

Mr. Clark further noted the City Council approved an extension on the job creation requirements for NuTek to allow them more time to get to the 35 full-time jobs. Finally, a “large” project expressed interest in Austin, and that Creekside Business Park would not be large enough for the project. We will continue to work with this company to find a location.

Item #10. – Any other business: None.

Item #11. Adjournment: With no further business, motion by Commissioner Austin, seconded by Commissioner Heichel to adjourn the meeting at 5:08 pm. Carried 6-0.

Approved: _____

President: _____

Secretary: _____