

Minutes

Executive Board

South Eastern Council of Governments

January 26, 2005 Proceedings

Rich Knobe, Chairman

Present:

Larry Beesley, City of Brandon
Liesel Hallwas, Clay/Union County Representative
Anne Hajek, Minnehaha County Commission
De Knudson, City of Sioux Falls
Mark Kasten, Turner County Representative
Luverne Langerock, Turner County Commission
Jack Powell, Mayor's Appointment, City of Vermillion
Kevin Smith – Mayor's Appointment, City of Sioux Falls
Ralph Westergaard, Clay County Representative
Vernon Brown, City of Sioux Falls

Absent:

Richard Spaans, Union County Commission
Billie Jo Waara, Minnehaha County Representative
Darwin Miiller, McCook County Representative
Mike Kroger, Legislator (Excused)
BJ Nesselhuf, Legislator (Excused)
Jim Schmidt, Lincoln County Commission
Marc Dick, McCook County Commission
John Lawler, Lincoln County Representative

Staff Present:

Disa Henning
Brenda Wyland (left 7:15)
Lynne Keller

Others Present:

Tim Kromminga, SEDF
Dean Nielsen, SEDF
De Vee Dykstra, SEDF
Diane Sieperda, Rural Development

With a quorum present, Chairman Rick Knobe called the meeting to order at 7:02 p.m.

- 1) **Introductions:** Two new members were introduced to the Board. Vernon Brown representing the City of Sioux Falls, and Mark Kasten representing the 2nd and 3rd Class Municipalities in Turner County.
- 2) **South Eastern Development Foundation 2004 Report – SEDF Board:** Tim Kromminga, President of the South Eastern Development Foundation Board of Directors introduced the members of that Board that were present and then gave a report of the activities for the past year.
- 3) **Approval of December 1, 2004 Minutes:** Anne Hajek made a motion to approve the December 1, 2004, minutes. She was seconded by Larry Beesley. Motion passed unanimously.
- 4) **Financial Statements as of December 31, 2004 (preliminary):** Lynne Keller presented the preliminary financial statements as of December 31, 2004, to the Board. Keller explained that this is informational only. There were no questions or comments.
- 5) **Annual Elections/Appointments:** Anne Hajek explained that the nominating committee, comprised of Larry Beesley, Ralph Westergaard, and herself, recommended the following:
 - a) **Chair:** Rick Knobe
 - b) **Vice-Chair:** Luverne Langerock
 - c) **Secretary/Treasurer:** Billie Jo Waara. However, Keller commented that Waara had recently taken a job in Pierre and may not be available to sign checks during the week. De Knudson made a motion to approve the nomination of Rick Knobe for Chair, Luverne Langerock for Vice-Chair, and Vernon Brown for Secretary/Treasurer. Kevin Smith seconded that motion. Motion passed unanimously.
 - d) **Legislators:** Senators Tom Dempster and Mike Broderick and Representative Keri Weems. Anne Hajek made a motion to approve the addition of Senator Tom Dempster, Representative Keri Weems and Senator Mike Broderick to serve on the Board. This was seconded by Larry Beesley and approved unanimously by the Board.

- e) Rick Knobe recommended reappointing the current members of the Operations Committee: Kevin Smith, Billie Jo Waara, Jim Schmidt, Liesel Hallwas, and Darwin Miiller. Anne Hajek made a motion to retain all members of the Operations Committee and was seconded by Ralph Westergaard. Motion passed unanimously.
- 6) **Revision of Bylaws – Lynne Keller:** Lynne Keller explained that only non-profits are eligible to apply to become a CDC (Certified Development Company). Instead of forming a separate non-profit, SECOG requested Senator Thune to inquire as to whether SECOG would meet the Small Business Administration’s definition of a non-profit. Keller requested the addition of the new language in Article VII added to the Bylaws subject to SECOG being approved as the non-profit. De Knudson made a motion to approve the Bylaw revision contingent on approval from the Small Business Administration that SECOG qualified as a non-profit to meet the CDC requirements. This was seconded by Liesel Hallwas. Motion passed unanimously.
- 7) **Operations Committee:**
- a) **Surplus Furniture:** SECOG purchased some furniture from Senator Daschle’s office when it closed so a list of old, surplus furniture was presented to the Board. Vernon Brown made a motion to declare the furniture surplus. This was seconded by Ralph Westergaard. Motion passed unanimously.
- 8) **Other Business – Lynne Keller:**
- a) Certified Development Company (CDC) Application Update: Pending a response from Senator Thune and the Small Business Administration regarding the non-profit status of SECOG.
- b) DENR Funding Proposal Update. Currently, if a community receives a State Revolving Fund loan from DENR, the community generally must borrow additional funds to pay SECOG to assist with the administration of the loan. SECOG approached the Governor’s office in August on behalf of all of the planning districts in an effort to access the administrative dollars directly from DENR, similar to CDBG, rather than the cities borrowing the funds. In November, the Planning Districts testified before the Board of Water and Natural Resources, and the Board recommended approval of paying the Planning Districts \$7500 for each loan application that is approved and administered.
- c) Sales Tax Legislation. There are two pieces of legislation that Senator Dick Kelly will be introducing on behalf of SECOG and SEDF. The first bill will exempt SEDF from paying sales tax on the \$55,000 it pays to SECOG to administer its funds. This will save SEDF approximately \$3,000 per year. The second bill will address the Department of Revenue’s ruling that SEDF, and like entities, needs to obtain lending and mortgage licenses. This bill would essentially exempt political subdivisions and non-profits from the lending license requirements and costs.
- 9) **Adjourn.** Anne Hajek made a motion to adjourn and was seconded by Luverne Langerock. Rick Knobe adjourned the meeting at 7:47 p.m.