

Minutes
Executive Board
South Eastern Council of Governments
March 22, 2006 Proceedings

Rich Knobe, Chairman

Present:

Mike Broderick, Legislator
Vernon Brown, Sioux Falls City Council
Marc Dick, McCook County Commissioner
Jeff Eckhoff, 2nd & 3rd Class Municipal Rep: Minnehaha
Mark Kasten, 2nd & 3rd Class Municipal Rep: Turner
De Knudson, Sioux Falls City Council
Anne Hajek, Minnehaha County Commissioner
Jon Klemme, 2nd & 3rd Class Municipal Rep: Lincoln
Luverne Langerock, Turner County Commissioner
Bruce Odson, 2nd & 3rd Class Municipal Rep: Clay/Union
John Prescott, Mayor's Appt. City of Vermillion
Kevin Smith, Mayor's Appt. City of Sioux Falls
Richard Spaans, Union County Commissioner
Keri Weems, Legislator
Dennis Weeldreyer, Lincoln County Commissioner
Ralph Westergaard, Clay County Commissioner

Absent:

Larry Beesley, City of Brandon
Tom Dempster, Legislator
Mike Kroger, Legislator
Darwin Müller, 2nd & 3rd Class Municipal Rep: McCook
BJ Nesselhuff, Legislator

Others Present:

John Brown, District Director - SBA

Staff Present:

Disa Henning
Lynne Keller

At 7:05 Vice-Chair Langerock called the meeting to order.

1) Introductions:

Vice-Chairman Langerock asked each person to take a minute to introduce themselves.

2) Approval of Minutes – December 7, 2005: With no questions or comments Anne Hajek made a motion to approve the December 7, 2005 minutes and was seconded by De Knudson. Motion passed unanimously.

3) Financial Statements as of December 31, 2005 (Preliminary): Lynne Keller presented the preliminary Financial Statements as of December 31, 2005 to the Board. Anne Hajek made a motion to approve and was seconded by Vernon Brown. Motion passed unanimously.

4) Annual Elections/Appointments of Chair, Vice-Chair, and Secretary/Treasurer: In December, Chairman Rick Knobe appointed a nominating committee consisting of Mike Broderick, Anne Hajek, and himself. The nominating committee presented the following recommendations for 2006: Ted Muenster, Chair; Anne Hajek, Vice-Chair; and Vernon Brown, Secretary/Treasurer. Mike Broderick made a motion to accept the nominations of the nominating committee. Rich Spaans seconded the motion. Bruce Odson made a motion that nominations cease and a unanimous ballot be cast for Ted Muenster, Chair; Anne Hajek, Vice-Chair, and Vernon Brown, Secretary/Treasurer. This was seconded by Ralph Westergaard. Motion passed unanimously.

5) South Eastern Regional Development Corporation

a) **CDC Application Update.** In November, based on advice from the SBA in Washington, DC, the South Eastern Regional Development Corporation (SERDC) was formed to seek designation as a Certified Development Company from the Small Business Administration to offer the 504 program in the region. In December, SECOG appointed the membership of SERDC which was comprised of a combination of twenty-two SECOG board members and five members of the South Eastern Development Foundation (SEDF). However, upon further review from the SBA in Washington, DC, SERDC was advised that the board composition violated the SBA's regulation that no one entity can have no more than 10% control. As a result, no more than two members of the SECOG board and two members of the SEDF board could remain on the SERDC membership and board of directors. Resignations were sought and received from numerous individuals in order to comply with this requirement. SERDC's Board of Directors then appointed a new membership to fill the vacancies on the board that were in compliance with the 10% regulation. The SERDC Board of Directors and membership also adopted new Articles of Incorporation and Bylaws to satisfy additional changes requested by the SBA, and voted to approve a Memorandum of

Understanding between SECOG and SERDC to address staffing of the CDC. Upon approval by SECOG's Board of the MOU, the revised materials will be resubmitted to the SBA in Washington, DC.

At this point Rick Knobe entered the meeting and finished chairing the balance of the meeting.

- b) Approval of Memorandum of Understanding between SERDC and SECOG. Bruce Odson made a motion to approve the MOU between SECOG and SERDC and was seconded by Jeff Eckhoff. Vernon Brown, Mike Broderick, Mark Kasten, and Jon Klemme abstained. Motion passed unanimously.
- 6) **Appointment of Operations Committee for 2006 – Rick Knobe:** Chairman Knobe informed the Board that Darwin Miiller, Kevin Smith, Ralph Westergaard, Jeff Eckhoff and John Prescott will remain on the Operations Committee for 2006.
- 7) **Legislative Update.** Keri Weems and Mike Broderick provided the Board with an update of activities from the 2006 Legislative Session.
- 8) **Small Business Administration – John Brown, District Director:** John Brown, District Director of the Small Business Administration in Sioux Falls, gave a brief presentation on the Small Business Administration's Programs and answered questions from the Board.
- 9) **Other Business:**
- Jon Klemme serves as the representative for the 2nd and 3rd Class Municipalities in Lincoln County. It is a requirement that the person serving in that position not be an elected official. Klemme will soon be seated as a City Councilman for the City of Harrisburg which will make him ineligible to continue to serve on SECOG's Board. As such, Jon Klemme submitted his verbal resignation to the Board. Chairman Knobe accepted his resignation and thanked him for his service.
- Mark Kasten serves as the representative for the 2nd and 3rd Class Municipalities in Turner County. When the 10% control issue arose with the SBA, Mark Kasten made the decision to resign from SECOG and remain on the SERDC Board instead. As such, Mark Kasten also submitted his verbal resignation to the Board. Chairman Knobe accepted his resignation and thanked him for his service.
- Keller will work with the 2nd and 3rd Class Municipalities in Lincoln and Turner Counties to find replacements for Jon Klemme and Mark Kasten.
- Rick Knobe has served as the Chair of SECOG's Board for innumerable years. In December of 2005, he informed the Board of his intent to resign as Chair in 2006. After a brief presentation, all members of the SECOG Board wished Rick Knobe good luck and thanked him for all his work with the Board.
- 10) **Adjournment:** Jeff Eckhoff made a motion to adjourn and was seconded by Mike Broderick. Meeting adjourned at 8:20.