

# Minutes

## Executive Board

### South Eastern Council of Governments

#### July 25, 2007 Proceedings

#### **Ted Muenster, Chairman**

##### **Present:**

Barth, Jeff; Minnehaha County Commission (for Anne Hajek )  
Brown, Vernon; Sioux Falls City Council (4:06)  
Dybdahl, Ralph; McCook County Commissioner  
Eckhoff, Jeff; Private Representative  
Hansen, Bill; Private Representative (4:05)  
Holcomb, Jeff; Private Representative (4:09)  
Karpen, Doyle; Union County Commissioner (for Marvin Schempp)  
Langerock, Luverne; Turner County Commissioner  
Litz, Bob; Sioux Falls City Council (for Pat Costello)  
Miiller, Darwin; Private Representative  
Odson, Bruce; Private Representative (5:00)  
Olson, Dennis; City of Brandon (for Larry Beesley)  
Prescott, John; Mayor's Appt. City of Vermillion  
Schultz, Mike; Private Representative  
Smith, Kevin; Mayor's Appt. City of Sioux Falls  
Weeldreyer, Dennis; Lincoln County Commissioner  
Westergaard, Ralph; Clay County Commissioner

##### **Absent:**

Broderick, Mike; Private Representative  
Knudson, Dave; Legislator  
Nesselhuf, BJ; Legislator  
Weems, Keri; Legislator

##### **Others Present:**

Benda, Richard; Secretary of Tourism and State Development  
Frank, J.L. "Corky"; Hyperion Energy  
White, Richard; Hyperion Energy

##### **Staff Present:**

Henning, Disa  
Keller, Lynne  
Pritchett, Shawn (4:30)  
Wyland, Brenda (4:30)

At 4:02, Chairman Muenster called the meeting to order.

#### **1) Introductions:**

Chairman Muenster asked each person to take a minute to introduce themselves.

- 2) **Approval of Minutes – May 23, 2007:** With no questions or comments, Darwin Miiller made a motion to approve the May 23, 2007, minutes and was seconded by John Prescott. Motion passed unanimously.
- 3) **Financial Statements as of June 30, 2007:** Lynne Keller presented the Financial Statements as of June 30, 2007, to the Board.
- 4) **Presentation of SECOG's 2006 Audit-Keith Knudson:** Keith Knudson from Wohlenberg, Ritzman & Co presented SECOG's 2006 audit to the Board. Knutson noted that the 2006 audit did not contain any findings, and the audit had been accepted by Legislative Audit. John Prescott made a motion that the SECOG Board accept SECOG's 2006 audit and was seconded by Mike Schultz. Motion passed unanimously.
- 5) **Operations Committee – Jeff Eckhoff/Lynne Keller:**
  - a) **Pay Plan Revision.** SECOG hired Wipfli LLP from Milwaukee, WI to update its current Pay Plan. The Operations Committee recommended adopting the revised pay plan. Vernon Brown made a motion to adopt the revised pay plan effective 1/1/08 and was seconded by Bill Hansen. Motion passed unanimously.
  - b) **2007 Budget Revision.** Lynne Keller presented a revised 2007 budget to the Board. Dennis Weeldreyer made a motion to approve the revised 2007 budget and was seconded by Ralph Westergaard. Motion passed unanimously.
  - c) **Establishment of 2008 Budget Reserve Fund Balance.** On July 24, 2002, the Board adopted Resolution #2002-02 to set the Operational Reserves balance on an annual basis in conjunction with the adoption of the agency budget. In accordance with Resolution #2002-02, the Operations Committee recommended setting the Operational Reserves balance for 2008 at \$100,000. Luverne Langerock made a motion to set the Reserve Fund at \$100,000 and was seconded by Ralph Dybdahl. Motion passed unanimously.

- d) Adoption of 2008 Budget. Lynne Keller presented the 2008 budget which included a 3% Cost of Living Allowance for SECOG employees. Bill Hansen made a motion to approve the 2008 Budget and was seconded by Darwin Müller. Motion passed unanimously.
  - e) Building Update. Lynne Keller reported that the building purchase was completed on June 29, 2007. The price was reduced from \$325,000 to \$315,000 to compensate for some HVAC and roof issues that were discovered during the inspections. Competitive bids were solicited from five contractors for the renovations. Two general contractors submitted bids with Mike Schultz Construction submitting the low bid. Numerous subcontracts were bid separately by SECOG in an effort to save time and money. SECOG also utilized the State's prison labor program to perform some of the painting and carpet removal in an effort to save money. This item was informational only.
  - f) Proposed Rental Rate Structure. There will be four suites available to lease out to other tenants. The Operations Committee recommended setting the rate at \$10 gross per square foot plus the cost of any taxes SECOG is charged on their space and common area, if applicable. The Operations Committee recommended soliciting non-profit tenants for three months before soliciting for profit tenants. Ralph Westergaard made a motion to set the rental rates at a baseline of \$10 per square ft. gross plus applicable taxes with the Operations Committee having the authority to negotiate and approve offers that may vary from the established rate structure. The motion was seconded by Vernon Brown. Motion passed unanimously.
- 6) Hyperion Presentation. Dick White and J.L. "Corky" Frank from Hyperion Energy were on hand to discuss the potential refinery project in Union County.
- 7) Other business. There was no other business.
- 8) Adjournment: Ralph Westergaard made a motion to adjourn and was seconded by Mike Schultz. Meeting adjourned at 5:50 p.m.