

Meeting Minutes
New Prague Economic Development Authority
Wednesday, May 12, 2004

Chairman Wolf called the meeting to order at 8:00 a.m. with the following members present: Babione, Berger, Dornbusch, Kratochvil, Wolf, and Executive Director Morris. Patty Solheid, Kathy Novotny and Gary Groen were invited guests.

1. Minutes of Last Meeting

The minutes were reviewed. Babione moved approval, Berger seconded and the Committee approved unanimously.

2. Claims for Payment

The claims for payment were reviewed. Dornbusch moved approval of the claims for payment as submitted, Babione seconded and the Committee approved unanimously.

3. 2003 EDA Financial Audit

Gary Groen, (CPA) recently completed an independent audit of the City of New Prague. Included in the City audit is a separate audit for the Economic Development Authority. Groen reviewed the EDA audit with the committee. The report started with a comparison of the 12/31/02 and 12/31/03 Balance Sheet. Groen noted cash was down from \$466k to \$347k primarily due to payment for Business Park infrastructure. Accounts receivable decreased from \$13k to \$6k because of improved collections from tenants. The second part of Groen's report included a review of Statements of Revenues, Expenses and Changes in Retained Earnings. He noted non-operating revenues were approximately \$185k higher in 2002 as compared to 2003 because of the sale of a large land parcel. The third part of the report was a review of cash flows which were significantly different because of the sale of assets. Groen completed the audit report with a review of Notes to Financial Statements. Wolf raised a question about the difference between the value of the Community Center note which shows on EDA books as a note receivable from the Community Center of \$151,861.00 and a note payable of \$151,532.00. The EDA essentially acts as a conduit for transfer of payments from the Community Center to the Bank. Novotny explained the \$329.00 difference resulted from occasional delays by the City in getting funds transferred to the Bank. This in turn resulted in the bank allocating more of the payment to interest and less to principal. Novotny said this problem has been corrected.

4. 2004 Financial Report Update

Novotny provided the EDA a review of the Balance Sheet and Income Statement thru April of 2004. Wolf asked for a clarification of the professional services account which appeared to be approximately \$2300.00 over budget. Novotny explained that this account was charged \$1358.00 for American Engineering fees and \$1000.00 for Minnesota Czech Country donation (that was reimbursed to the EDA by the Chamber of Commerce Gambling Fund). See Attachment "A".

5. Business Park Update

Morris reported the following on the Business Park:

- Three local inquires have been received from local developers but none of them have led to offers.
- Morris discussed the possibility of using the Southeast 2 or 3 acres of the property for a new fire hall. Bohnsack said it is premature for the City to consider such a decision. There are too many other financial demands on the City and too much uncertainty about funding.
- Morris said he had received a bid of \$500.00 to complete a pre-demolition asbestos audit of the two buildings in the Southeast corner of the Business Park. He also reported an estimate from Neisen Demolition Services of \$30,000.00 to tear down the buildings and haul them to the dump. Both of these buildings are currently occupied.
- The EDA requested that Morris secure bids to remove the old MVE office building.

6. Marv Deutsch

Marv is working with a potential tenant who will need 30,000 to 40,000 square feet of space plus railroad access. Morris will meet with the potential tenant to further refine the tenants needs.

7. Economic Development Director Activity Report

The EDA received a copy of the Economic Development Directors monthly report and discussed various aspects of the report.

8. Open Agenda

- The Committee requested a copy of the New Prague Golf Course Business Plan.
- The Committee requested a copy of the depreciation left on all buildings in the Business Park owned by the EDA. Gary Groen will provide this information.
- The Committee requested a copy of the insurance schedule showing building values and cost of insurance for each building.
- The committee requested that a large map of the Business Park be made available for future EDA meetings to aid the discussion of Business Park issues.

9. Next Meeting

The next meeting will be held at 8:00 A.M. on June 9, 2004.

10. Adjournment

Dornbusch moved, Babione seconded and the committee unanimously approved adjournment.