

Pursuant to due call and notice thereof, a meeting of the North Mankato Port Authority Commission was held in the Council Chambers of the Municipal Building on Monday, August 20, 2018.

President Arnold called the meeting to order at 6:30 p.m. The following were present: Commissioners Arnold, Olenius, Dehen, Whitlock, Freyberg, Steiner and Norland, Executive Vice President Harrenstein, Finance Director McCann, and City Clerk Van Genderen.

Approval of the Minutes

Commissioner Dehen moved, seconded by Commissioner Norland, to approve the minutes of the Port Authority meeting of August 6, 2018. Vote on the motion: Arnold, Olenius, Dehen, Freyberg, Whitlock, and Norland aye; Steiner abstain. Motion carried.

Approval of Bills

None.

Public Hearing, 6:30 p.m. to Consider Business Subsidy Loan of \$300,000 to NextGen RF Design, Inc.

Executive Vice President Harrenstein noted the loan was for \$300,000 with a fixed rate of 4% for 180 months.

Barb Church, 102 Wheeler Avenue, appeared before the Port Authority and requested clarification on how much will be left in the Revolving Loan Fund after the loan is made. Community Development Director Fischer indicated there would be approximately \$300,000 left. Ms. Church asked for confirmation that the rate and terms were good. She requested clarification on if a portion of the loan would be used for equipment because the Port Authority policy says the term for the purchase of equipment is seven years. President Arnold indicated that because of the nature of the loan the term would be for the 15 years. He stated if the company was specifically buying equipment the loan term would be seven years.

With no one else appearing before the Port Authority, President Arnold closed the Public Hearing.

New Business

Res. No. 5-18 Approving Terms of Loan to NextGen RF Design, Inc. its Affiliates, Granting a Business Subsidy, and Authorizing the Execution of Loan Documents.

Commissioner Norland moved, seconded by Commissioner Whitlock to Approve the Terms of the Loan to NextGen RF Design, Inc. its Affiliates, Granting a Business Subsidy, and Authorizing the Execution of Loan Documents. Vote on the motion: Arnold, Olenius, Dehen, Steiner, Whitlock and Norland aye; Freyberg abstain. Motion carried.

Res. 6-18 Amending Port Authority Policies.

Executive Vice President Harrenstein reported a discussion held by the Port Authority indicated the desire to establish a preferred loan package. The current policies were established in 2014, and with experienced banking professionals on the Port Authorities questions about rates and terms have been discussed. He stated the proposed terms and rates were as follows: a maximum of \$300,000 and not to exceed 20% of the project, the preferred interest rate is prime or 4%, whichever is greater, the term is 10 years with the possibility to have a different amortization schedule with a balloon payment at the end of the year. Executive Vice President Harrenstein indicated the amendment would leave the guidelines adopted in 2014 still in place but would set a preferred package allowing the Port Authority flexibility in setting the rates. He stated the policies could be changed to reflect the regional, state, and federal economic conditions and the will of the Port Authority as the body changes. Commissioner Dehen moved, seconded by Commissioner Olenius to adopt Res. No. 6-18 Amending Port Authority Policies. Vote on the motion: Arnold, Olenius, Dehen, Freyberg, Steiner, Whitlock, and Norland, aye; no nays. Motion Carried.

Res. No. 7-18 Setting North Mankato Port Authority Loan Terms and Conditions.

Executive Vice President Harrenstein noted this resolution would set the new terms. Commissioner Dehen moved, seconded by Commissioner Norland to adopt Res. No. 7-18 Setting North Mankato Port Authority Loan Terms and Conditions. Vote on the motion: Arnold, Olenius, Dehen, Freyberg, Steiner, Whitlock, and Norland, aye; no nays. Motion Carried.

Open Meeting to the Public

None.

There being no further business, Commissioner Norland moved, seconded by Commissioner Steiner, to adjourn. Vote on the motion: all ayes. Motion carried. The meeting was adjourned at 6:47 p.m.

President

Secretary