South Dakota Ellsworth Development Authority (SDEDA)
Board Meeting Minutes
March 1, 2010, 9:00 AM
Black Hills Visitor Center, 1851 Discovery Circle Drive
Rapid City, SD 57701

1. **Call to Order: Chairman Rampelberg called the meeting to order (9:01 AM)**
   Board members present: Bruce Rampelberg, Mark Roby, Stanley Porch, Glen Kane, Jeff Erickson, Mark Johnston and Gary Grittner.

2. **Approval of March 1st Agenda**
   MOTION: Jeff Erickson made a motion to approve the agenda. Stanley Porch seconded the motion. The agenda was approved by a unanimous roll call vote.

3. **Approval of the minutes from the December 7th and 8th board meetings**
   MOTION: Glen Kane made a motion to approve the minutes from the December 7th and 8th board meetings. Jeff Erickson seconded the motion. The minutes were approved by a unanimous roll call vote.

4. **Executive Session (9:02 AM)**
   MOTION: Mark Johnston made a motion to go into executive session pursuant to:

   - S.D.C.L. § 1-25-2(3) to (consult with legal counsel about proposed contractual matters)
   - S.D.C.L. § 1-25-2(3) to (discuss marketing or pricing strategies by a board of a business owned by the state or any of its political subdivisions, when public discussion may be harmful to the competitive position of the business); and/or
   - S.D.C.L. § 1-16J-18 (strategy related to contract negotiations and discussion of commercial or financial information regarding the operation of a business).

   Jeff Erickson seconded the motion. The motion was approved by a unanimous roll call vote. The Members entered into executive session at approximately 9:06 AM.

5. **Recess out of Executive Session (12:50 PM)**
   - Chairman Rampelberg declared the Members out of Executive Session at and recessed the meeting until 1:00 PM.

6. **Reconvene: Chairman Rampelberg called the afternoon session to order (1:00 PM)**
   - The Chairman suggested that the board members make an adjustment to the agenda order by agreeing to have item 7a-2, PEPL coverage, moved up in the order to accommodate the schedule of legal counsel, Greg Erlandson.

   MOTION: Jeff Erickson made a motion to amend the agenda to facilitate the Chairman's request. Mark Johnston seconded the motion. The motion was approved by a unanimous roll call vote.

7. **PEPL Insurance coverage**
   - Chairman Rampelberg gave a brief description of the PEPL – Public Entity Pool for Liability insurance coverage offered by the state of South Dakota. Greg Erlandson gave a brief summary of the PEPL coverage. Executive Director Merchen suggested that the Members accept the PEPL insurance until more funding is available to consider alternative insurance options. Chairman Rampelberg indicated that a motion to accept the PEPL insurance would be addressed in the order that it was originally indicated on the agenda.

8. **Executive Director's Report (1:11 PM)**
   - Executive Director Merchen announced that the next public meeting will be held on June 14th, 2010 at the Rapid City Visitors Center. Merchen indicated that future quarterly meeting dates would be set at the previous meeting.

   - Mr. Merchen announced that SDEDA had moved into new office space located at 14 St. Joseph Street, Rapid City, SD on the second floor of the Great Western Bank Building. The office is open to the public and the operating hours are 8:00-5:00. Further information can be found at www.ellsworthdevelopmentauthority.org

   - Mr. Merchen provided an update on the activities of the Moving Forward with Ellsworth Steering Committee, grants that the SDEDA is actively pursuing and the public response to the December 7th and 9th SDEDA board meeting.

9. **Commencement of Public Comment Period (1:22 PM)**
   - Chairman Rampelberg opened the meeting for public comments.

10. **Conclusion of Public Comment Period (2:02 PM)**
    - Chairman Rampelberg closed the public comment period.

11. **Old Business**
    - Consideration of Resolution to Establish Conflict of Interest Policy:

    MOTION: Gary Grittner made a motion to table the conflict of interest policy until a further date. Jeff Erickson seconded the motion. The motion was approved by a unanimous roll call vote.

12. **New Business (2:05 PM)**
    - Management and Operations Contract with the Future Foundation

      - Executive Director Merchen provided an overview of the proposed Management and Operations contract.

      MOTION: Mark Roby made a motion to approve the Future Foundation / SDEDA Management & Operations contract, contingent upon a formal award by OEA to the State of South Dakota for the benefit of SDEDA management

and operations of grant funds sufficient to match the management and operations of SDEDA, as set out in Exhibit B – SDEDA Budget of the proposed management and operations agreement between the Future Foundation and SDEDA and direct the Chair to execute said agreement subject to approval by all other parties to the agreement. Stanley Porch seconded the motion.

- After discussion Chairman Rampelberg called for a roll call vote:

Erickson voted yes
Grittner voted no
Johnston voted yes
Kane voted yes
Porch voted yes
Rampelberg voted yes
Roby voted yes

Motion was approved by a 6 to 1 vote.

- Consideration of PEPL coverage or purchase private Directors & Officers Liability, as well as General Liability Insurance. George Frear from First Western Insurance, Rapid City, SD made a presentation setting out coverage's and costs for private insurance coverage.

  - Gary Grittner requested the Executive Director obtain additional quotes before making a decision regarding insurance options.

    MOTION: Mark Roby made a motion that the board accept the PEPL coverage as discussed and solicit a second bid for private sector general liability and errors and omissions coverage consistent with the proposal provided by First Western Insurance. Once the second bid is obtained, and subject to funds being available from anticipated grant funds, there shall be an administrative option to accept the best bid [not necessarily the cheapest] or decide the coverage over a teleconference with board members. Gary Grittner seconded the motion. The motion was approved by a unanimous roll call vote.

  - Mark Johnston wanted to acknowledge the considerable amount of work that has already been done gathering insurance quotes by Mark Merchen, Bruce Rampelberg and George Frear.

- Executive Director Merchen explained the need for Resolution 10-01 allowing the Executive Director and Chairman to determine alternative legal representation when a conflict of interest is identified by general counsel Bangs McCullen Law Firm regarding legal representation for SDEDA.

MOTION: Mark Roby made a motion to approve the resolution. Stanley Porch seconded the motion. The motion was approved by a unanimous roll call vote.

- Pending real estate transactions.

  - Consideration of unsolicited offers to purchase land to be conveyed by Ellsworth Air Force Base to the South Dakota Ellsworth Development Authority.

  - Mark Merchen explained that two unsolicited offers had been received on the 6.6 acres of land to be transferred from EAFB to SDEDA, commonly referred to as the Nike site on Radar Hill Road. Mr. Merchen detailed the background information regarding the offers. Mr. Merchen recommended that:

    - SDEDA accept the City of Box Elder offer of 21.43 acres for 6.6 acres of land on Radar Hill Road now in the process of being transferred to SDEDA from EAFB; and

    - direct the SDEDA Executive Director to work with Mayor Dial to enter into a final purchase agreement with the City, which would be subject to final approval by the SDEDA Board and Box Elder City Council; and

    - any such purchase agreement accepted by both parties would also be subject to the final transfer of title of the 6.6 acres in question from EAFB to SDEDA.

  MOTION: Jeff Erickson made a motion that the board move forward with the offer from the City of Box Elder as presented in the proposal provided by Mayor Al Dial, subject to the conditions recommended by the Executive Director. Gary Grittner seconded the motion. Motion was approved by a unanimous roll call vote.

13. Adjournment (3:00 PM)

- Gary Grittner made a motion to adjourn the meeting. Glen Kane seconded the motion. Motion was approved by a unanimous roll call vote.

Minutes Approved by Chairman Rampelberg: Bruce Rampelberg