

Board Meeting Minutes

March 17, 2025 Minutes

12:00 p.m.

Microsoft Teams Meeting



Richland #44 Foundation Minutes

Present: Megan Kummer, Katie Hegseth, Scott Johnson, Jenny Schmitt, Nicole Holdman, Dr. Britney Gandhi

Absent: Chad Ulven

Others Present: Janna Koble, Juli Mauch, Becky Bakke

Agenda Items	Discussion/Motion
FOUNDATION BOARD NEW BUSINESS: Megan Kummer called for any additions to the agenda. The upcoming public forum was added for discussion. With that addition, the agenda was approved.	
• Approval of the February 5, 2025 Minutes	SCOTT JOHNSON MOTIONED TO APPROVE THE FEBRUARY 5, 2025 MINUTES. JENNY SCHMITT SECONDED THE MOTION. THE MOTION CARRIED.
• Public Forum	<p>The group discussed preparations for the March 31st public forum being held to update Richland #44 communities about the 44 Venue and Foundation activities.</p> <ul style="list-style-type: none">• The event will be held in the Richland #44 High School gym• Will include a look at Foundation history (5-8 minutes)• Progress and updates about the 44 Venue.• Information will be disseminated via school announcements, social media, Colt Connection, and distribution of event flyers to post office and area businesses.
• Investment Account	<p>The Foundation has the opportunity to receive stock option donations; however, we are currently unable to accept them without an investment account.</p> <p>Establishing such an account would allow us to accept appreciated securities—often resulting in larger gifts—and align with donor expectations, particularly for endowed funds and ND tax credit opportunities.</p> <p>Additional benefits include improved donor accessibility, enhanced financial sustainability, and the ability to build reserves or stabilize long-term funding.</p> <p>The board also discussed potential fees and ongoing maintenance associated with the account.</p>

Agenda Items	Discussion/Motion
	<p>NICOLE HOLDMAN MOTIONED TO APPROVE THE ESTABLISHMENT OF AN INVESTMENT ACCOUNT WITH BELL BANK. SCOTT JOHNSON SECONDED THE MOTION. THE MOTION CARRIED.</p>
<ul style="list-style-type: none"> • Eide Bailly (<i>Foundation and 44 Venue Accounting Structure</i>) 	<p>The Foundation has been working with Eide Bailly to develop a plan for integrating the 44 Venue into the Foundation's accounting system. This includes onboarding the Venue's accounting processes, setting up sales tax, payroll, and building operations within the general ledger.</p> <p>After consultation with legal counsel, it was determined that the 44 Venue will operate as an LLC under the Foundation, rather than as a standalone LLC. Discussions are ongoing with legal and insurance providers to ensure appropriate liability coverage for both entities.</p> <p>Eide Bailly has outlined the following next steps:</p> <ul style="list-style-type: none"> • Engage National Tax Consulting to review revenue streams, tax implications, and overall structure. • Work with the Sales Tax group to assist with ND setup, identify taxable vs. exempt activities, and implement best practices for sales tax through POS systems. • Onboard Gusto payroll software with support from Eide Bailly's Payroll team. • Collaborate with the OMS team to structure the general ledger and develop sound accounting practices moving forward.
THE 44 VENUE BUSINESS:	
<ul style="list-style-type: none"> • Liquor License 	<p>Thank you to Amy Clark for assisting the Foundation with the liquor license process. The Colfax City Council is scheduled to review the application for approval on March 17, 2025. Pending their approval, the next steps will involve the state-level licensing process.</p>
<ul style="list-style-type: none"> • Construction Update 	<p>Dr. Gandhi updated the group on construction activities.</p> <p>Current Activities:</p> <ul style="list-style-type: none"> • Painting of walls, ductwork, and sprinkler pipes in Area C. • Electrical: Wiring and light fixture trim-out in Area C; fire alarm device trim-out in Area B. • Mechanical: Equipment installation in the mechanical room; baseboard heat in Area A. • Finishes: Installation of quartz and solid surface countertops, ceiling tiles (Areas A & B), folding partition wall, and specialties above counters. • Exterior & Doors: Storefront glass installation at the Event Center; ongoing metal panel installation in Areas A & C; phenolic panels starting in Area B; misc. doors and hardware being installed. • Wood ceiling installation started in Area B.

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	<p>Upcoming Activities:</p> <ul style="list-style-type: none"> • Final trim-out of devices and speakers in Area C. • Interior finishes: Touch-up painting, wood wall installation (Areas B & C), window shades, acoustic panels, carpet and base (Area B), and rubber base (Area C). • Flooring: Concrete polishing and interior caulking. • Sitework: Beginning preparation for the outdoor wedding venue. • Overhead door installation (garage and coiling doors). <p>The activities listed above are included within the \$11 million project budget. However, the Foundation will need to consider additional costs for building security, such as cameras, door access systems, and related infrastructure, which are not currently included in that budget.</p> <p>The city water and sewer system process is underway, with progress currently on hold pending the arrival of a control board necessary to proceed.</p>
<ul style="list-style-type: none"> • Project Budget Updates 	<p>The total projected cost for the EPAC building project is \$11 million. To date, \$10,994,331 has been charged to the project, with approximately \$2.5 million still remaining to be paid. The majority of funding has come from the JPA grant (\$5,500,000), the Foundation's line of credit (\$2,581,147 used out of \$4 million), and contributions from the Foundation itself (\$818,571).</p> <p>Of the total project costs, \$9.69 million is allocated to the construction GMP and \$1.3 million to owner soft costs. After accounting for the remaining line of credit funds (\$1.34 million), the current shortfall to complete the project is approximately \$1.17 million.</p> <p>All \$5.5 million from the JPA grant has been fully distributed, with payments made primarily to McGough Construction and Braun Intertec.</p>
<ul style="list-style-type: none"> • The 44 Venue General Manager Update~ Janna Koble 	<p><i>Operations & Marketing Updates:</i></p> <ul style="list-style-type: none"> • Committed to a 2-page spread in Meet Fargo and Spotlights Wedding Guide (Fall 2025). • Ongoing social media growth efforts and new blog content in development. • Fully onboarded with Planning Pod for event bookings and contract management. • Continuing construction meetings and building vendor partnerships. • Established hotel partnerships with Spring Hill Suites, Holiday Inn, and Courtyard by Marriott; secured 3 catering vendors. • Early planning underway for a bridal show in Fall 2025. • Developing job descriptions for future staffing needs. • The operational budget is being updated as new information becomes available.

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	<p><i>Booking Updates:</i></p> <ul style="list-style-type: none"> • 1 wedding and 1 Christmas party booked. • 2 proposals pending. • 10 active conversations with potential clients. <p><i>44 Venue items Board Approval/Discussion:</i> The board reviewed the following items for discussion.</p> <ol style="list-style-type: none"> 1. Discounted Wedding Pricing for 2025 <ul style="list-style-type: none"> ○ Proposal: 20% discount on 2025 wedding bookings if booked by May 1. ○ Includes full-weekend and single-day rental options. <p>KATIE HEGSETH MOTIONED TO APPROVE OFFERING A 20% DISCOUNT ON WEDDING BOOKINGS FOR THE REMAINDER OF 2025 IF BOOKED BY MAY 1, 2025. NICOLE HOLDMAN SECONDED THE MOTION. THE MOTION CARRIED.</p> 2. Concert Proposal – The Bellamy Brothers <ul style="list-style-type: none"> ○ Local promoter proposes hosting a summer concert series. ○ Requests rental fee be waived to allow feasibility. ○ Venue would earn revenue through alcohol sales only. ○ Estimated sponsorship cost exceeds \$20,000. ○ Proposed concert dates: June 22, July 10/13, August 7, September 4. <p>The board discussed the pros and cons of using The 44 Venue for this purpose.</p> <p><u>Pros:</u></p> <ul style="list-style-type: none"> • Increased Venue Visibility: Hosting a recognizable act like The Bellamy Brothers could generate strong local interest and boost public awareness of the new venue. • Community Engagement: Concerts foster community involvement and create a sense of excitement around the space. • Alcohol Revenue Potential: Although rental is waived, alcohol sales could generate income, especially with high attendance. • Promoter Covers Key Costs: The promoter is responsible for entertainment booking and ticket sales, reducing the Foundation's upfront risk. <p><u>Cons:</u></p> <ul style="list-style-type: none"> • No Rental Income: Waiving the rental fee means no guaranteed revenue from the event itself, relying solely on variable alcohol sales. • High Sponsorship Costs: With estimated sponsorship costs over \$20,000, the event may not be financially feasible for the promoter without substantial support or waivers. • Operational Costs & Staffing: The Foundation may still incur costs for staffing, utilities, cleaning, or security. • Limited Profit Margin: Ticket revenue would primarily cover band costs, potentially leaving little for marketing or reinvestment.

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	<ul style="list-style-type: none"> • Risk of Low Turnout: If attendance is lower than expected, alcohol sales may not offset the lost rental income. • Reputation Risk: A poorly executed or low-attendance event could reflect negatively on the new venue. <p>The concert proposal was tabled for further discussion at the April 2nd meeting.</p> <p><i>Grand Opening – Proposed Dates & Details</i></p> <ul style="list-style-type: none"> • Time: 3–7 p.m.; Potential July dates: 10, 16/17, 24. • Schedule: Ribbon cutting at 3 p.m., donor reception (3–5 p.m.), public event (5–7 p.m.). • Includes music, appetizers, drinks, and venue tours.
<ul style="list-style-type: none"> • EPAC Fundraising Updates 	<p>There will be a fundraising update at the April 2, 2025 meeting.</p>
Old Business	
<ul style="list-style-type: none"> • 2025 Giving Hearts Day Plan 	<ul style="list-style-type: none"> ♥ Raised \$11,035.00, 110.3% of \$10,000 goal. ♥ Raised online & via check \$8,035.00. ♥ Students did follow-up thank you calls. ♥ Computers are being ordered for students. The Foundation will reimburse the district invoice.
<ul style="list-style-type: none"> • Gaming Update 	<p>The initial gaming application has been submitted to the state. Waiting to here back. We will continue to work on establishing the gaming operation manual.</p>
<ul style="list-style-type: none"> • Foundation Executive Director Position 	<p>The board received a draft Executive Director job description for review. The item will be tabled for future discussion.</p>

The meeting was adjourned. Our next regularly scheduled meeting is April 2, 2025.

Respectfully Submitted, Becky Bakke & Juli Mauch