

**North Dakota Development Fund
Board of Directors Meeting Minutes
March 18, 2021
10:00 A.M. – 12:00 P.M.**

Board Members Present via Microsoft Teams:

Gary Goplen
Jim Albrecht, Chairman
Matt Dunlevy
Erik Barner
Josh Teigen as James Leiman

Board Members Absent:

Scott Davis
Rob Lindberg
Terri Zimmerman

Staff Present via Microsoft Teams:

Hannah Lange
Jessica Nygaard

Call to Order

The meeting was called to order by Chairman, Jim Albrecht at 10:04 A.M.

Approval of Minutes

A motion was made by Erik Barner to approve the February 11, 2021 and February 25, 2021 board meeting minutes. With a second from Matt Dunlevy, the motion carried unanimously.

Financial Report

Jessica discussed the financial report. Total cash on hand was \$19,721,318.68. There was \$6,558,134.98 in the Development Fund, \$6,013,786.64 in the Rural Fund, \$3,789,861.09 in the Development Fund Venture Capital account, \$971,395.30 in New Business Tech, and \$388,140.67 in the Childcare Fund. There are \$2 million in CDs at the bank. Total unfunded commitments was \$2,424,313.54. Cash remaining after unfunded commitments is \$17,297,005.15.

The total requested amount from the received applications in the pipeline right now is \$3,595,000. There is \$1,245,000 in requests from the Development Fund, \$500,000 from the Rural Fund, \$100,000 from the Childcare Fund, and \$1,750,000 from the Development Fund Venture Capital Account. If all loans are approved, the NDDF will have \$12,702,005.14 remaining available cash on hand.

Jessica updated the spreadsheet by adding a sheet for each month with that month's financial information to allow the board to easily look back at prior months.

Jim said he said likes this and would like to see something similar for each of the NDDF investments. We are managing cash but also assets, so he believes it is important to evaluate the loans/investments as well. He would like to see what has been written off, risk rating changes, etc. He thinks this would provide a good basis for potentially bringing people in to give updates in the future.

A motion was made by Gary Goplen to approve the financial reports as presented. With a second from Matt Dunlevy, the motion carried unanimously.

The meeting was ahead of schedule, so the agenda was modified and the deals in the pipeline were discussed next.

Current Deals in the Pipeline

Hannah provided an overview of the applications we have received and that are currently in our queue to review.

In Process			
Company	Dollar Amount	Credit Display	Fund
3domFuel	\$60,000.00	In Process	NDDF
3domFuel	\$185,000.00	In Process	NDDF
PushSave	\$150,000.00	On Hold	NDDF/DFVC
ELF Technology	\$400,000.00	In Process	NDDF/DFVC
LUCIT	\$600,000.00		NDDF/DFVC
Premier Refinery	\$500,000.00	In Process	Rural Fund
Kiddie Clubhouse	\$100,000.00	In Process	Childcare
Meditek, LLC	\$1,000,000.00		DFVC
FarmQA	\$750,000.00		DFVC
Pipeline Total	\$3,925,000.00		

Eric asked if FarmQA has to raise private capital to get access to these funds. Hannah said he does not. Josh added that Erik may be thinking of the LIFT fund which does require some matching investment.

Jim asked Hannah if she would like input on how to steer conversations with companies who are requesting large amounts of money. Hannah responded stating that she works with the company to figure out what they actually need. She makes sure they are aware of the advance per job policy. She also works with the other funding partners to make sure that their ask is in line with what they need. Hannah encourages companies to reach out to their bank before coming to the NDDF because we do not compete with them. Gary added that we should make sure they know that our job requirement is a guideline and it does not mean they will actually get that much money. There are a lot of other factors that come into play.

Jim liked the fact that Hannah makes sure the company has gone to their bank first. He encouraged the staff to continue to work with the companies and putting together a “script” for how they fit into the ND economy.

Erik stated that underwriting in credit and equity is very much the same in that the same documents are required. For instance, governance documents should be needed in all instances. He asked if there was a list of things the NDDF will do, like background and credit checks, and documents that are needed from applicants so that it is the same every time. Also, he mentioned tax diligence and making sure that a company is in good standing with the state. He said having these things shows how good of operators a company is. Erik suggested using a 3rd party law firm to do some basic diligence.

Hannah explained that the application lists all the required documentation and that the governance documents are required before funding. She said she has now been requesting this documentation up front.

Jessica added that she and Hannah had recently had a conversation about this, and they are definitely going to work on putting something like this together.

Jim said having a template on how we look at each company is a very good suggestions because it will help the board and the staff justify its decision and make the process uniform for everyone.

The meeting was moved into executive session pursuant to North Dakota Century Code 10-30.5-07 at 10:20 A.M.

Adjourn

With no other business, the meeting was moved out of executive session at 11:02 A.M.

Motion: A motion was made by Gary Goplen to approve both the \$185,000 loan and \$60,000 loan to 3DomFuel, Inc. as presented. A second was provided by Matt Dunlevy.

Roll call vote: Gary Goplen – Yes, Jim Albrecht – Yes, Matt Dunlevy – Yes, Erik Barner – Yes, Josh Teigen – Yes

Adjourn

With no further discussion, the meeting was adjourned unanimously at 11:03 AM.