

**North Dakota Development Fund
Board of Directors Meeting Minutes
May 6, 2021
10:00 A.M. – 12:00 P.M.**

Board Members Present via Microsoft Teams:

Matt Dunlevy
Shayden Akason as James Leiman
Rob Lindberg
Erik Barner
Terri Zimmerman

Board Members Absent:

Scott Davis
Gary Goplen
Jim Albrecht, Chairman

Development Fund Staff Present via Microsoft Teams:

Hannah Lange
Jessica Nygaard

Other Attendees:

Call to Order

The meeting was called to order by Vice Chairman, Terri Zimmerman at 10:08 A.M.

Approval of Minutes

Approval of the minutes from 4/8/2021 was postponed to next meeting.

Staffing Updates

The Venture and Credit Analyst position was posted, and interviews took place this week. The staff hopes to have an update on who has filled the position at the next board meeting.

Current Pipeline

Venture Financing Manager, Hannah Lange, went over the deals in the pipeline.

Financial Report

Interim CEO Jessica Nygaard discussed the financial report. Total cash on hand was \$18,021,786.14. There was \$6,694,380.81 in the Development Fund, \$6,176,593.48 in the Rural Fund, \$3,801,474.72 in the Development Fund Venture Capital account, \$971,477.80 in New Business Tech, and \$377,859.33 in the Childcare Fund. There are \$2 million in CDs at the bank. Total unfunded commitments were \$2,322,682. Cash remaining after unfunded commitments is \$17,689,104.14.

The total requested amount from the received applications in the pipeline right now is \$3,000,000. There is \$750,000 in requests from the Development Fund, \$500,000 from the Rural Fund, and \$1,750,000 from the Development Fund Venture Capital Account. If all loans are approved, the NDDF will have \$14,689,104.14 remaining available cash on hand.

Motion: Erik Barner motioned to approve the financial reports as presented. Robert Lindberg seconded the motion. The motion carried unanimously.

Risk Rating Procedure

Ms. Lange presented the risk rating procedure the staff uses in the underwriting process. Discussion ensued on the procedure and the board members provided their feedback and suggestions on ways to improve the process.

Rural Incentive Growth Program

The legislature approved a change to section 54-34.3-13 in North Dakota Century Code that removes the primary sector requirement from the Rural Incentive Growth Program. Head of Investment and Innovation, Shayden Akason, provided background on the Rural Incentive Growth Program and explained the reason for the change. The staff hopes this change will make the funds available for more types of businesses. Discussion ensued on the program requirements and prior use of the Rural Incentive Growth Program. The staff is working on ways to market the program.

Charge-off Process

Ms. Nygaard shared that the NDDF does not have a procedure in place for charging off outstanding loans and investments. Discussion ensued on how charge-offs had been handled in the past. The staff will bring a tentative plan to strategic session where the topic will be discussed further.

The meeting was moved into executive session pursuant to North Dakota Century Code 10-30.5-07 at 10:48 A.M.

Adjourn

With no other business, the meeting was moved out of executive session at 11:42 A.M.

All Other Discussion

Legislative Update

Mr. Akason provided an update on the Legacy Funds. A decision on how the funds will be spent is not anticipated until August.

Mr. Akason explained that the Innovation and Technology Loan Fund (LIFT) was reappropriated \$15 mil which will be available July 1. Discussion ensued on the application process and loan terms.

SSBCI

Ms. Lange is actively working to develop a plan for programing for the SSBCI funds. She is focusing on filling the gaps within the financing continuum.

Motion

Motion: Robert Lindberg motioned to approve the \$750,000 convertible note to FarmQA as presented. Matt Dunlevy seconded the motion.

Roll call vote: Matt Dunlevy – Yes, Erik Barner – Abstain, Shayden Akason – Yes, Rob Lindberg – Yes, Terri Zimmerman – Abstain

Adjourn

With no further discussion, the meeting was adjourned at 11:52 am.