

CITY OF TIOGA
Tioga Fund Advisory Board Minutes
Tuesday, April 10, 2018
Unofficial

A meeting of the Tioga Fund Advisory Board of the City of Tioga was called to order at 6:05 pm on Tuesday, April 10, 2018, at the Tioga City Hall, by President of the Tioga Fund Advisory Board, David Grubb.

PRESENT: David Grubb, Russ Papineau, Myles Rosencrans, Todd Thompson, and Ronica Pederson

ABSENT: Roger Enders and Don Freborg

Guest: Wayne Knutson, Dennis Lindahl, Sarah Davis, and Mark Erjavec (by phone)

Minutes:

- 1.) February 28, 2018 minutes

Papineau made a motion to approve the minutes, second by Rosencrans.

Call: Aye- David Grubb, Russ Papineau, Myles Rosencrans

Nay- None

Reports:

- 2.) Tioga Fund Balance

Rosencrans made a motion to approve the balance sheets, second by Papineau.

Call: Aye- David Grubb, Russ Papineau, Myles Rosencrans

Nay- None

New Business:

- 3.) Application for Aero Fleet One Corporation-Loan

Lindahl gave a presentation showing support from the Tioga Area EDC regarding business recruitment and getting jobs in Tioga, advocating and coordinating with Aero Fleet One in bringing this business to Tioga. Mark Erjavec, over telephone, gave a presentation summarizing Beyond Visual Line of Sight drone technology and having several sponsors that would allow BVLOS drones for their operations. Erjavec explained the company and bringing it into North America being based out of Tioga and opportunities working with Colleges in North Dakota. Erjavec also explained the process of certification and processes involved with the FAA and UAV. Discussions were held regarding performance, operations and cost associated with operations and employment, as well as the potential for creating jobs in Tioga. Profit and loss projections were discussed with concerns regarding the Guarantee of the Note; Erjavec stated if the US business were to fail, overall business would continue and if in 2 years there were no changes, the business would have to make a decision of not continuing, but paying back the loan would fall on the "Parent Company" known as Aero Drone. Knutson expressed his concerns regarding spraying, getting BVLOS approval and the potential dangers associated with

BVLOS, certifications, and the durability of the drone under certain weather conditions. Call was lost, dialed Erjavek again; he explained the capacity with drone for spraying and agriculture, how drones do not have capability of the extent to which Knutson sprays, but how drones would be for precision spraying, zeroing in on specific targets or locations spraying for insects and agriculture. Erjavek also address the certifications for the drone the and having sponsors that would allow them to operate BVLOS. He also address the drone and operating in windy and other weather conditions. Discussions Held.

Rosencrans made a motion to approve the application as a \$30,000.00 loan from Economic Development fund with the written commitment to stay in Tioga until the loan has been fulfilled, second by Papineau.

Call: Aye- David Grubb, Russ Papineau, Myles Rosencrans
Nay- None

4.) Application for Haleakala Shaved Ice

Davis gave a presentation regarding the business that was previously located in Ray, explaining the current owners are moving and her interests in purchasing the business to bring to Tioga as a seasonal business to operate near the parks, pool, and community center once open. She has spoken to members on Park and Rec Boards which they gave her a verbal approval of the potential new business, but will discuss at upcoming Park Board meeting to have on record. The new business would bring a couple part-time jobs available, which she stated has a couple high school kids in mind. Discussion was held regarding the application for a "For-Profit" business is typically treated as a loan, but with profit margins on the lower side and Davis's discussion for potential plan of making donations towards Parks and Rec, discussion on portion of application being grant with other half as loan. Discussions held.

Rosencrans made a motion to approve the application as ½ grant, not to exceed \$10,000.00 and the other ½, not to exceed \$10,000.00, as a loan at 1% interest for 5 years, second by Papineau.

Call: Aye- David Grubb, Russ Papineau, Myles Rosencrans
Nay- None

With no further business, the meeting of the Tioga Fund Advisory Board was adjourned at 8:10 p.m.

David Grubb, President of the Tioga Fund Advisory Board

ATTEST:

Ronica Pederson, Deputy Auditor