Sep 2, 2026

RRSC board mtg

Attachments RRSC board mtg Notes by Gemini

Meeting records Transcript

Summary

Bylaw amendments and officer elections and financing approval occurred.

Bylaws and Officer Elections
Bylaws were updated for the Grant-In-Aid program. Officers were elected successfully.

Project and Financial Planning
Land was purchased and infrastructure was planned. Financing of $300,000.00 was approved.

Decisions

Aligned

- **Conflict of interest bylaw addendum** The club formally adopted an addendum to the bylaws regarding conflict of interest disclosure procedures for grant and aid programs.
- **Club officer appointments** The board appointed Jay Alsop as 2026-2027 President, Amber Stegman as Vice President, Linda Skarsten as Secretary, and Brian Chandler as Club Treasurer.
- **Building project line of credit** The board authorized obtaining a line of credit of up to $300,000 to finance the building construction project.
- **Borrowing limit authorized up to 300,000** The organization is authorized to borrow up to 300,000 for building and club costs.

Next steps

[Brian] Update Bylaws: Add the new bylaws to the organization website. Store the official document in the safe.

[The group] Vote Officers: Text individual votes for president, vice president, secretary, and treasurer to Brian.

[The group] Compare Banks: Contact multiple banks to compare interest rates for the building project loan.

[Brian] Send Schedule: Forward the loan amortization schedule to Scott for review.

[The group] Press Richard Strand: Contact Richard Strand to secure the promised sand donation for the building site.

[The group] Build Billboard: Construct and install a fundraising tracking display in front of the site.

[The group] Contact Donors: Approach potential donors using official tax deduction forms to secure capital.

Details

- **Amendment to Bylaws**: The club voted to add an addendum regarding conflict of interest to their bylaws to meet requirements for the Minnesota grant and aid program (00:01:03). The addition specifies that members must recuse themselves from votes where they have a conflict of interest, such as voting to hire a family member (00:01:30). Brian made a motion to vote on these new bylaws, which was carried, and the updated documents will be stored in the club safe (00:01:57).

- **Election of Officers**: The club discussed the roles of president, vice president, secretary, and treasurer. Brian Chandler volunteered to be treasurer, and Linda Skarsten was nominated for secretary (00:02:52) (00:03:54). Jay Alsop was nominated for president, and Amber Stegman was nominated for vice president (00:03:19). With no competing candidates, the motion for these positions carried, and they planned to announce the results officially (00:03:54).

- **Building Project Status and Land Purchase**: Brian provided an update on the building project, confirming the club purchased land from Delisle Properties for $33,378 includes closing costs of $878. (00:04:51). Delisle Properties, LLC paid Pribula engineering $1,770 for the land survey (00:05:47). Brian distributed a spreadsheet detailing expenditures and project progress, noting that after initial payments, the club has approximately $150,000 remaining in cash (00:04:51) (00:21:33).

- **Septic and Water Infrastructure**: Due to the lack of city sewer and water, the club needed to design a septic system and secure water access (00:05:47) (00:07:53). The club paid $350 for a septic plan designed by DBS Backhoe (Wade Delage) from Brooks, MN and initially received a bid over $30,000, which they negotiated down to approximately $1,500 labor and by purchasing their own tanks $6,154.00 (00:06:38) (00:07:26). For water, the club agreed to pay $11,550 for a connection to the Marshall County Polk Rural Water System, which offers a fixed rate of $10 per month. (00:07:53).
- **Permits and Utility Deposits**: The club paid $325 for a Minnesota state septic permit and $200 for a Polk County septic permit (00:08:28). A building permit from the city of East Grand Forks cost $3,195 and was granted recently. Additionally, the club paid a $500 deposit for electricity services with East Grand Forks Water and Light (00:08:57).
- **Architectural Planning**: Following requirements from the Minnesota inspector, Greg Hufnagel, the club hired Lukachick Architecture, LLC an architect from Bemidji to draw up building plans (00:09:25). The total cost for these plans was $2,000, with a $1,000 deposit paid and the balance completed on August 17th, 2026 (00:10:21).
- **Site Preparation and Concrete Work**: Richard Strand of Lakeside Construction offered to donate labor and materials for site preparation of the building and parking lot, an estimated $20,000 contribution (00:10:47). Brian discussed concrete bids, noting that initial quotes were high, but they negotiated a lower price from A & S Concrete Greg Stortroen. Also talked with David Cost CEO of Cost Materials, reducing costs from $195 to $160 per yard, saving approximately $25,000 from initial bids. (00:11:48) (00:12:41).
- **Plumbing and Electrical Contributions**: Nick Schuler Total Care Plumbing provided a bid of $14,880 for plumbing services and $9,356 for the installation of a boiler system for floor heat (00:17:07) (00:18:05). For electrical, Kyle Kozel owner of All Pro Electric offered to provide labor at (No Charge) also, fixtures, lights, all materials at cost, while Eagle Electric and other local professionals, such as Dale Dahlen offered to help with the electrical work as this was his profession. (00:16:05).
- **Building Construction Bids**: The club reviewed several bids for the construction of the building shell. Josh Bogatz submitted a bid of $117,000, Elim Troyer bid $50,000, and Gordy Weber (GW & Sons Construction) provided a verbal bid of $55,000. (00:18:36). The group expressed a preference for GW Construction due to their local reputation and existing relationship with the club, despite the slightly higher cost compared to other options. Also GW & Sons are a licensed contractor in Minnesota. (00:20:15).

- **Financial Reserves and Loan Strategy**: Brian confirmed the club has approximately $150,000 in cash available after previous expenditures (00:21:33). To complete the project, the club discussed borrowing funds, noting that banks have suggested an interest rate of around 6% (00:23:00) (00:24:03). The group discussed a "what-if" loan amortization schedule for a 20-year term to pay off the debt, emphasizing the potential for making annual balloon payments using proceeds from their annual fundraising events like Gun Purse Bingo which netted the club $35,000 last yr. (00:24:50) (00:25:47).
- **Property Tax Exemption Strategy**: Brian investigated the possibility of obtaining a property tax exemption for the building. By filing as a public facility, such as a warming house accessible to the community, the club believes they can achieve tax-exempt status (00:30:25) (00:32:23). The group discussed implementing measures like electronic locks or fobs to manage public access to the facility while maintaining security (00:31:43).
- **Fire Inspector Requirements and Building Design**: The club discussed significant requirements imposed by the inspector, Greg Hufnagel, including the installation of a firewall between the community room and the storage/groomer area (00:37:42). The construction must include double 5/8" gypsum board on both sides and structural separation to ensure fire safety (00:38:35). The inspector also mandated continuous exterior insulation, a requirement implemented in 2024 (00:40:13).
- **Debate on Building Configuration**: The group considered whether to split the project into two separate buildings to avoid the firewall requirement or proceed with the current single-building plan (00:44:45) (00:45:44). While separating the buildings could eliminate the need for a firewall, concerns were raised regarding the potential for delays, the cost of re-engineering, and the fact that site work and permitting for the current design were already underway (00:46:09) (00:48:28).
- **Motion to Secure Financing**: Brian proposed a motion to secure an operating line of credit of up to $300,000 to complete the building construction (00:54:01) (00:55:24). Following a discussion regarding the club's financial management and potential in-kind donations from community members, the board voted unanimously to approve the motion, with seven of nine board members present and in favor. President R. Scott Pearson (available on conference phone) Voted Yes. (00:55:42).
- **Future Fundraising and Community Growth**: The club discussed long-term goals, including using the new facility for snowmobile safety training, youth programs, and community events to increase membership and donations (00:57:04). Members highlighted the effectiveness of leveraging personal networks and 501(c)3 tax deduction

status to solicit major donations from individuals who support the club’s objectives (00:57:56) (00:59:07).

- **Fundraising Strategy**: Brian proposes that the organization can fundraise by leveraging the community's desire to support the club's new building (00:59:39). They emphasize that framing the initiative as a community-focused effort will increase public willingness to donate, which will ensure the club's longevity for future generations. (01:00:12).
- **Furniture Acquisition**: Amber confirms that they have furniture currently in storage at their warehouse available for use in the club, noting that they need to retrieve the items before visibility becomes an issue (01:00:33).
- **Loan Authorization**: Brian motions to authorize borrowing up to $300,000 for the club, a motion which is seconded and passed by the group with a unanimous "Yay" vote (01:00:33).
- **Staffing Considerations**: Jay discusses the possibility of hiring someone like GW to construct the building, noting that they would be an ideal choice for the position (01:01:02).
- **Next Board Meeting:** Jay suggested the next board meeting to be in 1 week Wednesday September 9th, 2026.
- **Meeting Adjournment**: Brian makes a motion to adjourn the meeting to discuss other matters at a later time, which is seconded by the group, and they decide to conclude the recording (01:01:02).