

Manufacturer's Round Table

July 12, 2017

Location: Hosted by Builders First Source at the La Quinta Inn & Suites
Meeting Record

Present: Dan Halverson, Havlerson Consulting Group; Shirley Meyer, Senator Heitkamp; Mary Urlacher, Job Service North Dakota; Arnold Karsky, Builders FirstSource; Lisa Roers, Roers West; Dennis Johnson, TMI; Thomas Mitzel, Dickinson State University; Shawn Kessel, City of Dickinson; Ryan Jilek, Stark Development Corporation; and Danita Tysver, Stark Development Corporation.

Business – Go – Round:

Ryan Jilek welcomed the group.

Arnold Karsky, Builders FirstSource – Year to date the City of Dickinson has 33 single family home permits. Last year to date there was 15 permits and 29 for the year. There is a shortage of framers and drywall installers. Import tariffs are increasing lumber costs. Oil industry traffic has been picking up.

Lisa Roers, Roers West – Just finished construction on Blue 42. Will be starting on the Methodist church near the new middle school. Completed repairs on Blue Hawk Square, started leasing. Working on an agriculture building in Belfield. Also working on projects in Bismarck and Williston. Apartments are at about 65% occupancy.

Discussion took place about rental prices and occupancy rates. Hoping to get a roundtable group of management firms together.

Dennis Johnson, TMI – Having a good year, sales up 10% over last year. Profitability continues to improve. 2016 was respectable, 2017 will be better. Sales are still off from prior recession years. Direct sales division is strong. National construction growing modestly. Markets are more competitive than expected. TMI wages are possibly \$6.00 an hour higher than their competitors. Have a \$23.8 million backlog. Essentially even from last year. Next year may be a flat year but it is too early to tell. Have 270 employees. Had a little over 400 at their peak. Have 30 seasonal employees which is 10 more than last year. Truck drivers and CAD technicians are hard positions to fill. Would like two years of experience for truck driver positions. Have three employees in Minnesota and hope to employ more CAD technicians there. Have six employees in West Fargo.

Thomas Mitzel, DSU – The Foundation is now located in the Foundation House. The old foundation hearing is coming to a close and should be concluded in the next 30-40 days. Fundraising has been slow over the summer. Many moves are happening on campus. The DSU store is moving to the front of the building. Campus security has moved to the Student Center to extend the hours to stay open 24 hours seven days a week. The old fitness room will be turned into a non-alcoholic bar. Admissions has moved into the student center. Academics has moved to the second floor in May Hall. Financial is on the

first floor. Selke Hall will be closed this year to save money. Closed the south campus art building, the art department has been moved to the main campus. Plan to lease South Campus. May sell the north apartments. Trying to be efficient without losing programs. Just finished a four-year budget projection. Enrollment is paramount. Partnered with Royall to achieve higher enrollment. Goal is to increase enrollment 7-9% over next 3 years. The Foundation may also start fundraising for programs. Promoting the campus for the use of community events. Students spend about \$10,000 a during a year in Dickinson.

Shawn Kessel, City of Dickinson – Working on budgets, need numbers by August first for the legislature. Total assessed value of the community has gone down 8%. Mills will go up. The City won't be increasing property taxes. Budgeting is a challenge. Turnover has gone up. Construction permits have increased. The Veterans building will be City owned and operated. Sales tax is a little ahead of last year. Working with DSU on a police academy program. Have built a tuition reimbursement system into their budget. The hub city funding bill has been changed and funds received from the bill continue to go down. Working to wean the City off the subsidy but it will be challenging. Rich Wardner is working on an interim study. The road/maintenance department has 25% more lane miles since 10 years ago and have the same number of employees. Considering options for maintenance that will fit the budget. Currently they already charge for water and sewer hook ups for new residences. Park & Rec is working on a 22 acre park near Sundance Coves. The Crooked Crane trail ribbon cutting will be tomorrow.

Discussion took place regarding property taxes and additional utility billing options.

Ryan Jilek, Stark Development Corporation – Partnering with the SBDC to host an entrepreneurial startup weekend. Hope to have 40 people attend. Had a joint meeting with Stark Development Board of Directors and the City Commission to fulfill our contract. Had good discussion. Looking at new incentive programs. Working to utilize flex PACE for more projects. CHI has committed to start leasing the old hospital at \$8.00 a square foot. Mental Health will be a large part of the facility. Working with a group on the Ivanhoe building project. Many entrepreneurs have come into the office.

Shawn Kessel, City of Dickinson – Curbside recycling will be starting November first. \$6.12 will be added to each utility bill. A bin will be provided. Working to give a break to those who qualify for the homestead tax credit.

Dan Halverson, Havlerson Consulting Group – Works all over the State consulting, plans to work more on this side of the State. Also works for BEK Broadcasting, working with Consolidated to broadcast Dickinson games.

Shirley Meyer, Senator Heitkamp – Working on drought relief. Having weekly meetings with climatologist. With the hiring freeze it has made it complicated to assist people. Also working on finance extensions. Meeting with the Forest Service regarding the fire near Magpie campground.

Mary Urlacher, Job Service North Dakota – See attached handout. US unemployment rate is 4.5%. The region has 988 job openings in a variety of positions. Williston and Watford City have seen an increase in oil job openings.

Discussion took place on apprenticeship and internship programs.

Next meeting will be Wednesday, September 13, 2017 at 2:30 PM, location to be announced.