

# CONSOLIDATION STUDY

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FOR THE GRAND FORKS AND EAST GRAND FORKS  
CHAMBERS OF COMMERCE



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A W H I T E P A P E R

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Prepared by the  
Joint Chamber Task Force  
September 21, 2004

# Foreword

*Why one chamber? Why two chambers? Those questions have been asked of the decision makers of both Chambers for years. The Joint Chamber Task Force has put forward a plan for one consolidated chamber for Grand Forks and East Grand Forks. The issue can be complex, but the answer is short and simple.*

*In recent years, we have set out to examine the issue. As leaders we felt a duty to study what our members' opinions are, and to provide credible evidence of our findings. After considerable research and much discussion, we believe the rationale for two chambers is outweighed by the rationale for one.*

*Once we reached this conclusion, we set out to construct a plan we think can garner the broadest possible support, and sustain long term growth and strength far into the future. You will find this plan not too long on detail, but firm on certain principles. Some of which include; awareness of our cultural differences, commitment to our staff, and most of all, dedication to serving our members.*

*In a recent newsletter, Dave Molmen describes this as an historic opportunity. This process came about, at least in part as a result of the historic events of recent years. Mother Nature has a way of showing us how much we have in common. It also showed us what good neighbors we have and how much we need each other.*

*Having discovered these truths we committed to a deliberate, sincere, and sustained effort to strengthen the relationship between our two organizations.  
History will be the judge of how we have done.*

*So let's have a healthy discussion on the merits of this plan, and let's cast our votes in December. Then, ultimately, we will have the short and simple answer.*

*Why one Chamber? Why two chambers?*

*It's what our members want.*

*Mike Pokrzywinski,  
on behalf of the Joint Chamber Task Force*

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## *∞ Acknowledgement ∞*

*The Task Force wishes to express its thanks to the Knight Foundation for generously funding the facilitation of this process.*

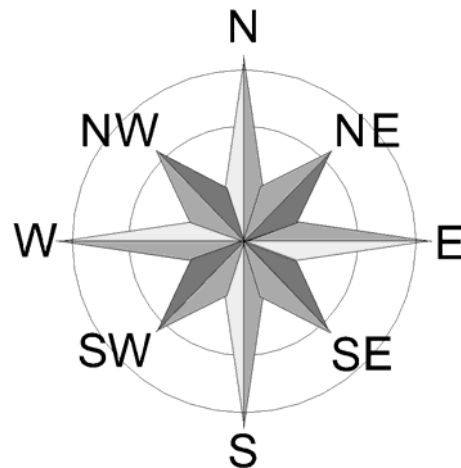
# *Executive Summary*

The East Grand Forks and Grand Forks Chambers of Commerce have worked together for many years, increasingly so in recent times.

In 2003, a study group was commissioned by the Grand Forks and East Grand Forks Chambers of Commerce to investigate ways the two Chambers could more closely work together. The processes and information gathered provided a better understanding of the similarities and differences between the Chambers and how the members of each Chamber felt about collaboration between the Chambers.

Study findings showed a number of common objectives between the two chambers, joint activities, ongoing positive communication between staff and members, some unique interests, 130 common members, and solid financial standings for both organizations. A loss of identity was cited as a major concern for East Grand Forks. Members of both Chambers strongly supported more collaboration, and most indicated strong support for developing a plan of consolidation.

As a result of this study, the East Grand Forks and Grand Forks Chamber Boards passed identical resolutions in January 2004, establishing a Joint Chamber Task Force to study and prepare a plan of consolidation for the boards to consider. The scope of the Task Force was to consider any and all operational, legal, financial, and human aspects related to the Plan of Consolidation it recommended. In particular, the Joint Chamber Task Force was to consider the impact its recommendation would have on current and future member services and to the business community as a whole.



The Task Force, funded by the Knight Foundation, studied current operational structures and staffing of each Chamber, conducted a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis of a consolidated Chamber, discussed and clarified the charter, studied consolidation efforts in other communities, interviewed stakeholders, and developed a proposal and recommendation.

The Task Force concluded that the advantages of consolidation far outweighed the disadvantages. Several key benefits were identified:

- (1) Consolidation would develop a **regional** Chamber of Commerce.
- (2) A consolidated Chamber would be more **efficient**, eliminating duplication of cost and effort.
- (3) Consolidation would create a more **effective** Chamber, with greater advocacy influence and program offerings.

Based on these benefits, the ***Joint Chamber Relations Task Force recommends that the Grand Forks and East Grand Forks Chambers enter into a full consolidation, creating a single regional Chamber of Commerce to serve members and the community.***

Both the Grand Forks and East Grand Forks Boards unanimously have moved to bring the recommendation of the Joint Chamber Task Force to a vote of the full Chamber memberships. Therefore, a membership vote of the Plan of Consolidation is planned for early December 2004.

The Joint Chamber Task Force also developed a mission, vision, and structure for the consolidated Chamber, which are detailed in this plan.

# Project Background

The East Grand Forks and Grand Forks Chambers of Commerce have collaborated formally and informally for many years. In the past decade, volunteer leaders and staff have increasingly worked together on important community and regional issues on behalf of the business community. Primarily, these collaborations developed to address specific opportunities as they arose, but several have been long-standing, such as the Joint Military Affairs Committee.

Over the past several years, the executive committees of both chambers have met jointly on a quarterly basis to discuss issues of common interest to both groups. In 2002, that joint committee proposed an initiative to study more formal partnering between the organizations on strategic issues. Acting on that recommendation, the Grand Forks and East Grand Forks Chamber Boards commissioned a group to investigate ways the two Chambers could more closely work together.

Members of the study group were:

Representing Grand Forks – Dave Molmen, Altru Health System; Kim Woods, Alerus Financial; Wade Pearson, Home of Economy; and Doug Norby, Norby's Work Perks

Representing East Grand Forks – Philip Gisi, Edgewood Vista Senior Living & East Grand Station; Craig Buckalew, Hardware Hank; Marilyn Bren, Floan-Sanders; and Oscar Sutherland, Community Bank of the Red River Valley

Dan Schenkein and Diane Blair also participated in the study process and provided staff resources.

The group met through the first eight months of 2003. Through the study process, information gathered provided a better understanding of the similarities and differences between the Chambers and how the members of each Chamber felt about collaboration between the Chambers.

## **Internal and External Study and Findings**

The study group reviewed chamber organization and programs, such as committee structures, chamber activity schedules, mission statements, past and present goals and objectives, membership data, financial detail and budgets, etc. It also gathered external data concerning chamber consolidations in cities across

the country, including a review of various types of consolidation and merger models. These models ranged from cooperative ventures, to consolidated committees, to full mergers.

Some of the findings identified included the following:

- Many common objectives are clearly evident on both sides, including base retention and military affairs, governmental relations, tourism, economic development, agriculture, UND, further development of relationships between the Chambers, “downtowns”, and bridges.
- Specific joint chamber activities include: The Military Affairs Committee, Fall & Spring Business Expo, Business Government Alliance (BGA), Hospitality Training, Knight Foundation Grant (ABC initiatives), Joint City Leadership Networking Event, and Joint Executive Committee Meetings.
- There is regular, positive and open communication between chamber staff members.
- Some issues were more unique interests of one chamber or the other (e.g., Alerus/Hotel/Water Park issue in Grand Forks and Red River State Recreational Area Campground in East Grand Forks).
- There are approximately 130 businesses belonging to both Chambers (Dual Members). The East Grand Forks Chamber has approximately 250 members (52% are Dual Members) and the Grand Forks Chamber about 825 members (16% are Dual Members).
- A significant and growing portion of both Chambers’ income comes from sources other than membership dues—61% for the East Grand Forks Chamber and 46% for the Grand Forks Chamber. Therefore, program revenues, advertising income, etc., are critical to the survival of each Chamber.
- Both Chambers are on solid financial footing, with strong support from their members.



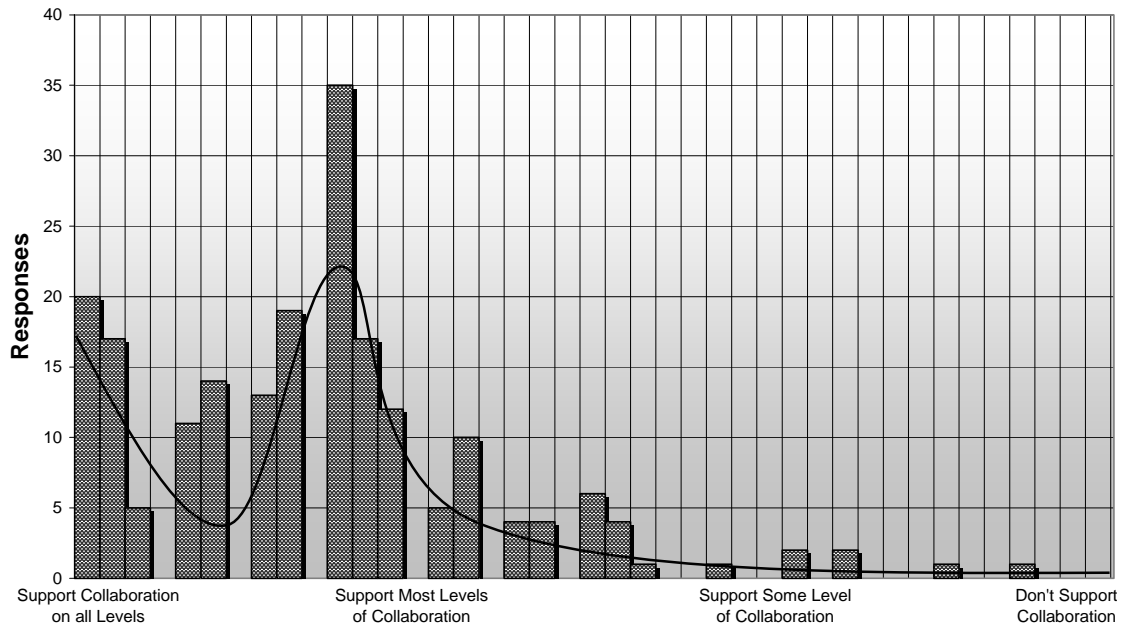
### **Member Survey**

A survey was developed to assess member attitudes concerning collaboration between the chambers. The survey was designed to obtain specific feedback on various levels of cooperation, from minimal joint initiatives to complete consolidation.

Overall, the survey responses revealed support for various levels of collaboration. There were two main clusters of attitude toward collaboration, and both were positive. Over half of the responses fell in a cluster generally favoring most levels of collaboration. Another group of responses, about 20% of the total, strongly agreed with virtually all levels of increased collaboration.

- Greater than 80% of all members expressed support for the Chambers to pursue joint sponsorship of events, joint educational activities, sharing of staff expertise, and expanded formation of joint committees. The pattern of response for Grand Forks and East Grand Forks members was similar for these questions.
- About 70% of all respondents agreed or strongly agreed with the concept of developing a plan of consolidation, while about 10% of respondents disagreed or strongly disagreed. The proportion of disagreement was slightly higher for members from East Grand Forks.
- 53% of East Grand Forks Chamber members felt that if the Chambers collaborated more, their community might lose some of its independent identity (although the question did not quantify how important this was to the member). Only 13% of the Grand Forks Chamber members felt this way, and even fewer of the Dual Members felt this way.
- There was strong support for both Chambers to take a more regional approach to their activities and promote business development for the entire area, not just the immediate community.

**Support for Various Levels of Collaboration**  
**Survey Results for EGF / GF Chamber of Commerce Members**



**Recommendations**

In its report, issued on September 1, 2003, the study group made the following recommendations:

1. The chambers should pursue joint sponsorship of current programs, education, events, publications, etc.
2. Each Chamber should create a process whereby all new programs or events should be considered for joint sponsorship.
3. The Chambers should clearly publicize their collaborative efforts in newsletters and other publications.
4. The Chambers should evaluate and address possible implementation of a plan of consolidation of the Chambers.

# ∞ The Joint Task Force

In the fall of 2003, the Boards of both Chambers extensively reviewed and discussed the findings of the study group. Each Board devoted a portion of its annual planning session to the topic and discussed the recommendations at their regular board meetings. Ultimately, both boards adopted all four recommendations for chamber collaboration. Specifically with regard to the consolidation issue, the East Grand Forks and Grand Forks Chamber Boards passed identical resolutions establishing a Joint Chamber Task Force to study and prepare a plan of consolidation for the boards to consider.

## **Task Force Mission**

The resolution which created the Joint Chamber Task Force directed that:

*The Joint Chamber Task Force shall develop a Plan of Consolidation for the Grand Forks and East Grand Forks Chambers of Commerce to consider. This Plan of Consolidation shall show the proposed extent of collaboration and consolidation now and in the future between the two Chambers, and the timeline to which the Chambers should commit.*

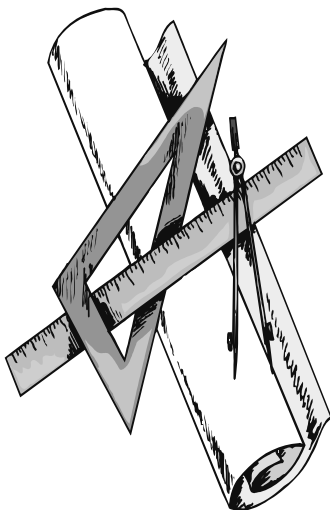
The resolution further specified that the Task Force should consider any and all operational, legal, financial, and human aspects related to the Plan of Consolidation it recommends. In particular, the Task Force shall consider the impact its recommendation will have on current and future member services and to the business community as a whole.

## **Task Force Members**

Four members were appointed to serve on the Task Force by each Board Chair. In addition, the President of each Chamber served as members on the committee.

Members representing the East Grand Forks Chamber of Commerce:

- Philip Gisi – Edgewood Vista Senior Living & East Grand Station
- Mike Pokrzywinski – Canine Clips
- Tom Stennes – Stennes Funeral Home
- Barb Schultz – Ideal Aerosmith, Inc.
- Diane Blair – President, East Grand Forks Chamber of Commerce



Members representing the Grand Forks Chamber of Commerce:

- Dave Molmen – Altru Health System
- Judi Paukert – Xcel Energy
- Rich Becker – BacTee Systems, Becker Marketing Consultants
- Kim Woods – Alerus Financial
- Dan Schenkein – President, Grand Forks Chamber of Commerce

A generous grant by the Knight Foundation provided funding to facilitate the study process. Gretchen Schatz served as Task Force Coordinator.

# Study Process

The Joint Chamber Task Force began meeting in January of 2004 and met throughout the year to complete its work. Following is the 2004 meeting schedule:

- |               |                |
|---------------|----------------|
| ■ January 29  | ■ June 10      |
| ■ February 5  | ■ June 24      |
| ■ February 19 | ■ July 8       |
| ■ March 4     | ■ July 22      |
| ■ March 18    | ■ August 5     |
| ■ April 1     | ■ August 12    |
| ■ April 15    | ■ September 9  |
| ■ April 29    | ■ September 21 |
| ■ May 13      | ■ October 4    |
| ■ May 27      | ■ October 12   |

In the course of its study, the Task Force accomplished a number of activities:

- It discussed and clarified the charter established by the boards.
- It conducted an analysis of the strengths, weaknesses, opportunities, and threats of a consolidated chamber entity.
- It studied consolidation efforts in other communities and interviewed stakeholders.
- It reviewed operations/committees/staffing of current chambers.
- It studied potential structures and obtained input, where available.
- It developed a proposed plan of consolidation and recommendation.

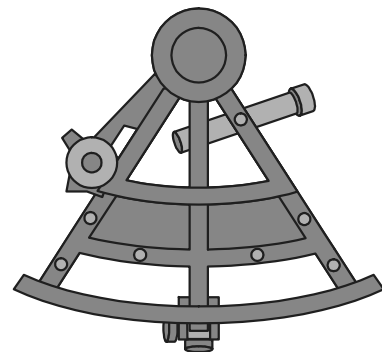
The Task Force focused specifically on issues which had been identified through member surveys or other input, including chamber and community cultures, perceptions, fears, realities, unique legislative issues, and other pros and cons of a consolidated chamber.

# *∞ Impacts of Consolidation*

As it analyzed the strengths, weaknesses, opportunities, and threats, the Task Force reviewed the pros and cons of consolidation.

## **Possible Advantages of a Consolidated Chamber Organization:**

- A combined Chamber would have a single membership. Members would only need to join one organization to participate in all Chamber programs and benefits. The Chamber would only need to conduct one marketing and retention program.
- A consolidated Chamber would speak with one voice to its members and the community. The Chamber would give one message on advocacy issues.
- Having a single dues structure would create the fairest and most consistent method for allocating the cost of membership.
- A combined Chamber organization would open new opportunities for collaboration between our members and between the Chamber and other organizations.
- The Chambers are already great partners; creating one organization would extend and formalize that partnership.
- An important benefit of consolidation is that it could allow the Chamber to more effectively promote itself to a regional market and to better represent regional issues.
- Consolidation would help the Chamber increase membership by gaining a greater regional presence.
- A combined Chamber would promote the concept of one community.
- The Chamber could serve as a role model in bringing groups together throughout the community.
- A single Chamber would have a larger volunteer base that could be mobilized for chamber initiatives



- A combined Chamber could communicate better with its members. The Chamber would provide a central location for information.
- Combining the Chambers would eliminate duplication of services and overlapping support costs.
- Consolidation would eliminate competition for programs.
- Consolidation would allow the Chamber to achieve economies of scale in operations.
- Bringing together the different cultures of two organizations could build a richer Chamber organization (culture differences could also represent a possible disadvantage, as listed below).

**Possible Disadvantages of a Consolidated Chamber Organization:**

- There is a potential for the loss of identity in a consolidation. The previous member survey showed that loss of identity is particularly a concern in East Grand Forks.
- There is a potential for individual members and businesses to perceive a loss of influence in a consolidation.
- Members who don't support consolidation may leave the Chamber.
- There is a potential for a loss of focus, with the Chamber attempting to deal with more issues than it can effectively address.
- There is the potential for a loss of volunteers if the Chambers combine.
- Culture differences may stand in the way of an effective consolidation.
- Fear of the unknown and fear of the amount of work it will take to be successful may impede the combined organization.
- Past history and different attitudes in the two communities may stand in the way of a successful integration.

**Impact on Membership**

The potential impact of a consolidation on membership is a very important consideration for both Chambers. In its study of potential consolidation models, the Task Force reviewed consolidations in other communities around the country, such as the one in Fargo/Moorhead. The experience in those communities showed that, although some members who oppose consolidation may drop their membership, others join because of the consolidation, and the net effect is a positive one. In the case of Fargo and Moorhead, the combined Chamber was successful at bringing in new members, because it was perceived as being more

regional after the consolidation. The members that initially dropped their membership because they didn't support consolidation, rejoined within three years.

The Task Force concluded that a consolidation will promote expanded membership by attracting more members from our larger trade area, as has been the pattern in other chamber mergers. While some members may oppose a consolidation, we do not anticipate a significant loss of members during consolidation.

### **Staff Issues**

The current Boards are very pleased with Chamber staff and wish to encourage their continued employment, if a consolidation takes place. The current working relationship between the staff of both Chambers is very positive, and the staffs already work together on many joint Chamber initiatives. In addition, the staff is very supportive of whatever structure serves the membership best. The recommendation is that the final plan of consolidation should provide specific actions for fair treatment of staff and smooth transition to a consolidated structure.

### **Impact on Finances and Dues**

Analysis of current finances shows that both Chambers are financially healthy. The Chambers have nearly identical cash positions. The East Grand Forks Chamber has a somewhat stronger working capital position, but the Grand Forks Chamber as a larger income base, due to larger membership numbers.

Both Chambers own their buildings. At this time, the market value of buildings has not been determined.

Both Chambers have strong program revenues and have worked to increase the value and profitability of their offerings.

Dues structures between the Chambers are somewhat similar. Generally speaking, East Grand Forks dues are about 4% lower for small businesses (with 10 or fewer employees). Grand Forks dues tend to be about 4% to 25% lower for other businesses.

The Task Force concluded that over the long term a consolidation will keep dues down through greater efficiency. For the first dues cycle, dues will remain the same.

- If a consolidation occurs, it is likely that the dues structure would undergo a brief transition to a unified schedule for all members. It is anticipated that all members would pay their normal dues for 2005, including Dual Members. For the years 2006 and beyond, all members would be placed on a common dues structure. Prior to consolidation, a dues proposal for 2006 will be developed.

# Task Force Recommendation

After its extensive study of likely and potential impacts, the Task Force concluded that the advantages of consolidation far outweigh the possible detriments. The Task Force determined that chief among the benefits would be:

Regionalism: The Chamber has the opportunity through consolidation to become a true regional Chamber of Commerce drawing members and promoting business throughout Northeastern North Dakota and Northwestern Minnesota.

Greater Efficiency: A consolidated Chamber would eliminate duplication of cost and effort. Consolidation would improve the use of staff talents and provide for a greater depth of skills in more areas. Allocation of dues to members would be fair and consistent.

Greater Effectiveness: Consolidation would facilitate communication with members, increase effectiveness of advocacy efforts, and enhance programming efforts.

Based on these benefits, the Joint Chamber Task Force made the following recommendation:

*“... that the Grand Forks and East Grand Forks Chambers enter into a full consolidation, creating a single regional Chamber of Commerce to serve members and the community.”*

In August, the Board of Directors of the Grand Forks Chamber and the Board of Directors of the East Grand Forks Chamber unanimously passed identical resolutions to put that recommendation before their respective memberships for a vote in early December of 2004.

# Chamber Structure

Pursuant to the consolidation recommendation, the Task Force formulated a number of proposed elements to further clarify the structure and function of a consolidated Chamber organization.

## **Proposal Concerning Chamber Mission and Vision**

The existing mission and vision statements from both Chambers were reviewed and found to be compatible and similar in their intent. New statements were drafted as working documents for a consolidated Chamber. These statements were able to incorporate language from the mission and vision from both the East Grand Forks and Grand Forks Chambers.

### Consolidated Chamber Mission Statement:

The Chamber of Commerce creates an environment that encourages business success while enhancing the quality of life in our region.

### Consolidated Chamber Vision:

The Chamber of Commerce will be the lead organization in helping Grand Forks and East Grand Forks become one of America's greatest communities. We will be seen as an accessible regional organization with high standards, ethics, and honesty that effectively:

- Acts as an advocate for the business community
- Promotes community growth
- Provides a forum for business interaction
- Develops community leaders
- Serves as a communication link for members, businesses, and community

## **Proposal Concerning Incorporation and Location**

The Task Force recommends that the combined chamber of commerce would be incorporated in North Dakota and headquartered in Minnesota.

### Rationale: Incorporation

The Task Force recommends North Dakota as a state of incorporation, based on its assessment of the operating environment of both states. In its conclusion, the Task Force determined that North Dakota would be preferable for two reasons. First, the legal and regulatory requirements in North Dakota are somewhat simpler than Minnesota's, thus placing fewer restrictions and reporting requirements for a Chamber operating under its rules. Second, the Chamber would have a greater opportunity to influence the lawmaking and

regulatory processes in North Dakota, making it more possible to achieve desired change through our advocacy efforts.

*Rationale: Location*

The Task Force believes a Minnesota location would have several advantages. Importantly, the Task Force concluded that a Minnesota location provides a critical regional aspect to the consolidated Chamber's perception in outlying communities. It portrays the appropriate symbolism of a united region with a single economy. Perception as a regional Chamber will considerably enhance our opportunity to attract and retain members from outside the communities of Grand Forks and East Grand Forks.

The Task Force recommends a downtown East Grand Forks location for the new Chamber offices. An East Grand Forks site helps to address the concerns expressed by East Grand Forks Chamber members in the 2003 survey. The Task force believes an East Grand Forks location provides the best opportunity for sustaining an effective long-term chamber.

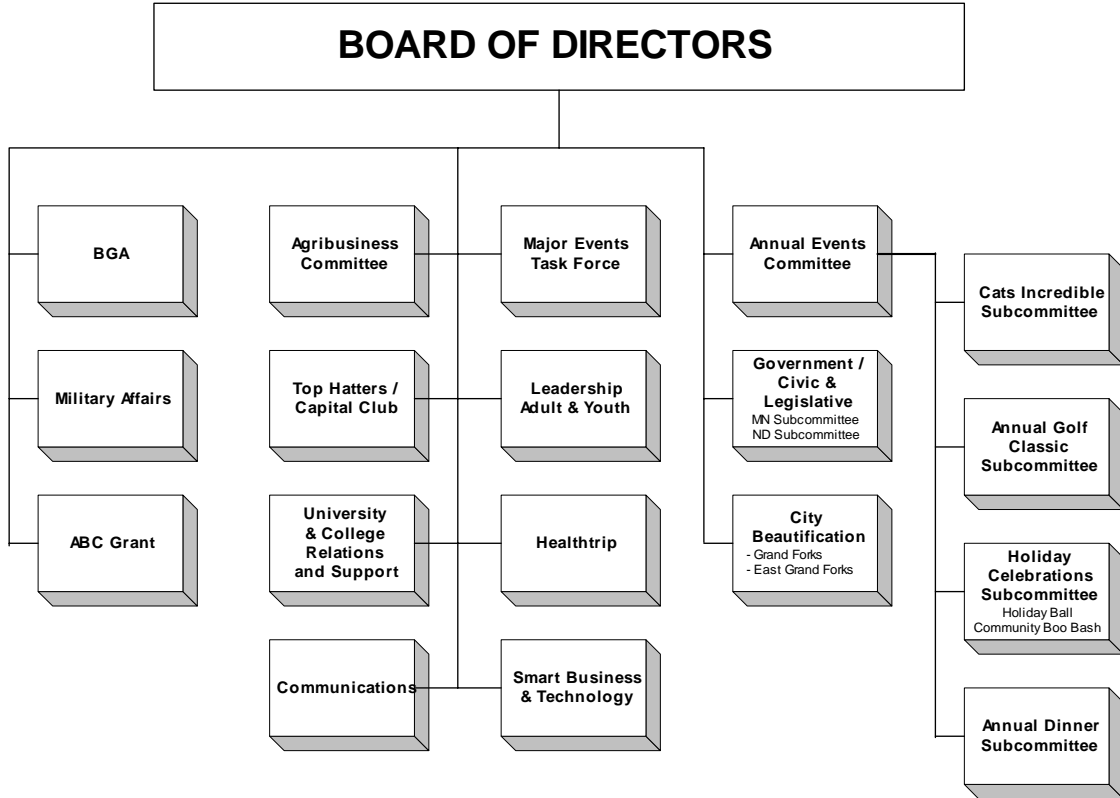
As an organization representing business, the choice of the consolidated Chamber location has to make good business sense; therefore, the selection of location is contingent on making a business plan that will support it.

**Proposal Concerning Organizational Structure and Programs**

The Task Force designed a preliminary "working draft" organizational chart for the combined Chamber. This structure demonstrates a strategy in which the new Chamber could take on the combined programs of both previous organizations. Many of the legacy programs were similar in structure between the Chambers and could be combined without major interruption. Some already operate as combined committees. In this structure, the Government and Legislative Committee has subcommittees for both Minnesota and North Dakota, to assure that the new Chamber would continue to be effective in its advocacy efforts in both states.

**Potential Chamber Program Chart**

*Chamber Program Chart*



**Proposal Concerning Board Structure**

The Task Force proposes that the initial Board of Directors of the new Chamber of Commerce be comprised of Grand Forks and East Grand Forks Board members with unexpired terms at the time of consolidation. Ultimately, membership would transition to a board size of 15 elected members by 2008. Prior to integration, a decision would need to be made as to how many ex-officio and appointed members would also be included on the Board. The proposal is that the new Board would have 3 year terms, with each member serving no more than one term (excluding officers).

Currently, the Board of Directors of the Grand Forks Chamber has 19 voting members and nine additional ex-officio members. Fifteen are elected members, 3 are one-year chair appointments, and one is the Chamber President. The East Grand Forks Chamber has up to 16 members (currently 14), with 9 elected members, up to 6 yearly appointments, and the Chamber President.

## Current Board Membership

Grand Forks		East Grand Forks	
Member	Term Ends	Member	Term Ends
Rich Becker	Dec. 31, 2005	Steve Alston	Dec. 31, 2005
Karl Bollingberg	Dec. 31, 2004	Helen Cozzetto	Dec. 31, 2004v
Dave DeVos	Dec. 31, 2004	Brian Deziel	Dec. 31, 2006
Tim Fairchild	Dec. 31, 2004	Laura Driscoll	Dec. 31, 2004v
Bob Gallager	Dec. 31, 2006	Phil Gisi	Dec. 31, 2004
Charlie Jeske	Dec. 31, 2006	Keith Jensen	Dec. 31, 2004
Kristi Hall-Jiran	Dec. 31, 2005	Nan Larson	Dec. 31, 2004
Roger Helland	Dec. 31, 2004	Greg Leigh	Dec. 31, 2004v
Ron Johnke	Dec. 31, 2005	Jo Martin	Dec. 31, 2006
Bob Knutson	Dec. 31, 2004	Jeep Mattson	Dec. 31, 2004v
Curt Kreun	Dec. 31, 2004	Joanne Otto	Dec. 31, 2005
Kristi Magnuson	Dec. 31, 2004	Mike Pokrzywinski	Dec. 31, 2005
Dave Molmen	Dec. 31, 2006	Jim Richter	Dec. 31, 2004v
Judi Paukert	Dec. 31, 2004	Michaun Shetler	Dec. 31, 2006
Wade Pearson	Dec. 31, 2005		
Delton Steele	Dec. 31, 2006		
Jerry Youngberg	Dec. 31, 2005		
Vacant Position	Dec. 31, 2006		

### Proposed Initial Board Composition for the New Chamber

Provided a consolidation occurs in 2005, the initial Board would consist of 24 elected members, with 9 members from the East Grand Forks Chamber Board and 15 from the Grand Forks Chamber Board. Each Board member's term would continue on the consolidated Chamber Board, as their original election.

Member	Term Ends	Member	Term Ends
Steve Alston <sup>1</sup>	Dec. 31, 2005	Delton Steele <sup>2</sup>	Dec. 31, 2006
Rich Becker <sup>2</sup>	Dec. 31, 2005	Jerry Youngberg <sup>2</sup>	Dec. 31, 2005
Brian Deziel <sup>1</sup>	Dec. 31, 2006	GF - Elected 2004 <sup>2</sup>	Dec. 31, 2006
Bob Gallager <sup>2</sup>	Dec. 31, 2006	GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007
Charlie Jeske <sup>2</sup>	Dec. 31, 2006	GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007
Kristi Hall-Jiran <sup>2</sup>	Dec. 31, 2005	GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007
Ron Johnke <sup>2</sup>	Dec. 31, 2005	GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007
Jo Martin <sup>1</sup>	Dec. 31, 2006	GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007
Dave Molmen <sup>2</sup>	Dec. 31, 2006	EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2005
Joanne Otto <sup>1</sup>	Dec. 31, 2005	EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007
Wade Pearson <sup>2</sup>	Dec. 31, 2005	EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007
Michaun Shetler <sup>1</sup>	Dec. 31, 2006	EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007

<sup>1</sup> – Members originally elected by the East Grand Forks Chamber

<sup>2</sup> – Members originally elected by the Grand Forks Chamber

### **Proposed Board Composition, 2006**

Eight board terms will expire 12/31/2005 and 5 new board members would be elected for 2006, resulting in a board of 21 elected members.

<b>Member</b>	<b>Term Ends</b>	<b>Member</b>	<b>Term Ends</b>
Brian Deziel <sup>1</sup>	Dec. 31, 2006	GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007
Bob Gallager <sup>2</sup>	Dec. 31, 2006	GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007
Charlie Jeske <sup>2</sup>	Dec. 31, 2006	EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007
Jo Martin <sup>1</sup>	Dec. 31, 2006	EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007
Dave Molmen <sup>2</sup>	Dec. 31, 2006	EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007
Michaun Shetler <sup>1</sup>	Dec. 31, 2006	New - Elected 2006	Dec. 31, 2008
Delton Steele <sup>2</sup>	Dec. 31, 2006	New - Elected 2006	Dec. 31, 2008
GF - Elected 2004 <sup>2</sup>	Dec. 31, 2006	New - Elected 2006	Dec. 31, 2008
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2008
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2008
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2008

<sup>1</sup> – Members originally elected by the East Grand Forks Chamber

<sup>2</sup> – Members originally elected by the Grand Forks Chamber

### **Proposed Board Composition, 2007**

Eight board terms will expire 12/31/2006, and 5 new board members would be elected for 2007, resulting in a board of 18 elected members.

<b>Member</b>	<b>Term Ends</b>	<b>Member</b>	<b>Term Ends</b>
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2008
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2008
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2008
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2008
GF - Elected 2005 <sup>2</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2009
EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2009
EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2009
EGF- Elected 2005 <sup>1</sup>	Dec. 31, 2007	New - Elected 2006	Dec. 31, 2009
New - Elected 2006	Dec. 31, 2008	New - Elected 2006	Dec. 31, 2009

<sup>1</sup> – Members originally elected by the East Grand Forks Chamber

<sup>2</sup> – Members originally elected by the Grand Forks Chamber

### **Proposed Board Composition, 2008**

Eight board terms will expire 12/31/2007, and 5 new board members would be elected for 2008, resulting in a board of 15 elected members.

<b>Member</b>	<b>Term Ends</b>	<b>Member</b>	<b>Term Ends</b>
New - Elected 2006	Dec. 31, 2008	New - Elected 2006	Dec. 31, 2009
New - Elected 2006	Dec. 31, 2008	New - Elected 2006	Dec. 31, 2009
New - Elected 2006	Dec. 31, 2008	New - Elected 2006	Dec. 31, 2010
New - Elected 2006	Dec. 31, 2008	New - Elected 2006	Dec. 31, 2010
New - Elected 2006	Dec. 31, 2008	New - Elected 2006	Dec. 31, 2010
New - Elected 2006	Dec. 31, 2009	New - Elected 2006	Dec. 31, 2010
New - Elected 2006	Dec. 31, 2009	New - Elected 2006	Dec. 31, 2010
New - Elected 2006	Dec. 31, 2009		

**Board Structure, Ex-Officio members**

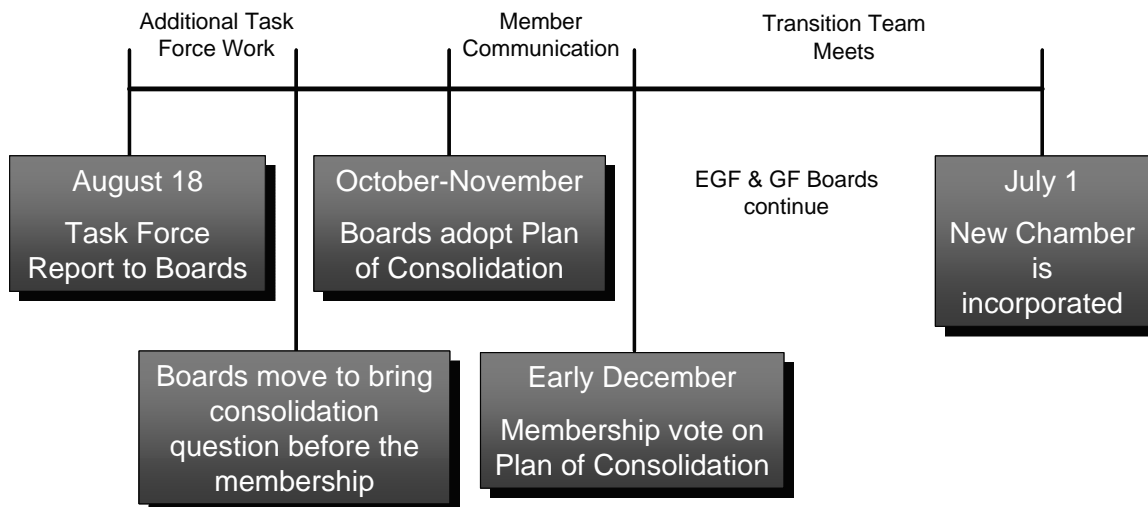
Currently, the Grand Forks Chamber has 9 ex-officio members, and the East Grand Forks Chamber has 6 ex-officio members. Prior to the time of consolidation, a plan would need to be developed as to the numbers of these representatives on the Board of the new Chamber. Currently, ex-officio members are as follows:

<b>Grand Forks</b>	<b>East Grand Forks</b>
1. Mayor	1. City Council Representative
2. UND President	2. Northland Tech Representative
3. Parks Executive	3. DNR Representative
4. County Representative	4. County Representative
5. EDC Executive	5. EDHA
6. Supt/Asst Supt. Of Schools	6. School District Representative
7. Airport Manager	
8. CVB Executive	
9. GFAFB Commander	

# Tasks and Timelines

The Task Force is recommending that a timeline be adopted such that, if the membership approves a consolidation, the new Chamber organization would be operational by July 1, 2005. The approximate timeframes are as follows:

## Timeline for Chamber Consolidation



### Member Vote

If plans proceed according to the timeline, the members of both Chambers will vote on the consolidation issue in early December.

To prepare for the vote, the Boards of the East Grand Forks and Grand Forks Chambers will meet to adopt a “Plan of Consolidation,” which is a resolution setting forth the Articles of Incorporation and other legal matters pertinent to consolidation. It is this Plan of Consolidation that members will vote on. The Plan, as well as instructions for the election, proxy voting, etc., will be distributed to members prior to the vote.

### Transition Team

If the vote of the membership is favorable to consolidation, a Transition Team will be formed to work out legal and operational details of the consolidation. The Transition Team will be comprised of the members of both Executive Boards.

The Transition Team will address the following issues:

- Articles of Organization & Bylaws
- Budget for 2006 and beyond
- Dues and fee structure for 2006 and beyond
- Office location and related issues
- Planning of building space
- Recommend selection of a chamber executive
- General policies and organizational structure
- Staff development

## Frequently Asked Questions

**Question:** If the memberships of each Chamber approve a consolidation, what timeline will be followed?

**Answer:** *The Joint Chamber Task Force is recommending that the new consolidated Chamber of Commerce will open on July 1, 2005. The two Chambers would continue to operate separately until that date, and each will hold their Board and Officer elections, as normal for their 2005 calendar year.*

*A "Transition Period" will start on January 1, 2005 and end on July 1, 2005. During this time, a "Transition Team" (lead by the executive committees of the two Chambers) will work on the many details needed to make the consolidation a reality.*

**Question:** What impact will the consolidation have on my dues?

**Answer:** *The Joint Chamber Task Force has recommended that the 2004 dues schedule remain the same for 2005. To insure a smooth transition, those that are members of both Chambers will be asked to maintain their dual memberships for 2005. This will help insure that the current Chambers can run effectively until the consolidation date, and that the new Chamber will have the resources it needs during the first year.*

*For 2006 and beyond, a new dues schedule will be implemented by the new Chamber of Commerce, and dual memberships will no longer be required. The Transition Team will make recommendations on the 2006 dues structure.*

*In the long run, consolidation should bring economies of scale and a stronger membership base, which will help keep dues at a reasonable level and comparable to other Chambers with similar size and scope of service.*

**Question:** What will the name be of the new consolidated Chamber of Commerce?

**Answer:** *The name of the new Chamber of Commerce will be determined by the Transition Team and from input by the Members during the Transition Period.*

**Question:** Who will be the new Board of Directors?

**Answer:** *Currently, the East Grand Forks Chamber of Commerce has 9 elected Board members, and the Grand Forks Chamber of Commerce has 15. All 24 of these Board members will become the new Chamber Board of Directors, and they will maintain their original 3-year terms. In addition, any one-year appointments from the current boards will serve through 2005.*

*Over the next three years, 2006 through 2008, the expiring terms of the original Board members, and the election of 5 new members each year, will naturally reduce the number of Board members to 15. In addition, the number of Ex-Officio board members will be recommended by the Transition Team, with final authority determined by the Board of Directors of the new consolidated Chamber.*

**Question:** Where will the new Chamber be located, and why?

**Answer:** *The new Chamber will be located in downtown East Grand Forks, preferably with a DeMers Avenue address. An East Grand Forks location is important for the following reasons:*

- *It portrays the appropriate symbolism of a united region (we are one community, one region, one economy, and one market);*
- *It provides a critical regional aspect to how the consolidated Chamber is perceived by outlying communities;*
- *A survey conducted in 2003 by both Chambers showed that the members of the smaller community, East Grand Forks, were much more fearful of a potential “loss of identity” by consolidating with a larger Chamber. The East Grand Forks location addresses this potential roadblock, and lends considerably to the long-term success of the Chamber;*
- *Research showed that locating the Chamber in the smaller community, as the Fargo/Moorhead communities did, added to the success of the consolidated chamber;*
- *DeMers Avenue is shared by, and runs through the heart of, both communities. For those new to the community, a DeMers Avenue address would be easier to find than either Chamber’s current location.*

**Question:** What will happen to the current Chamber buildings?

**Answer:** *Each Chamber currently owns their respective buildings. These buildings could be leased, sold, or traded.*

**Question:** How will the consolidation affect current staff?

**Answer:** *There will be positions for all current staff in the new Chamber.*

**Question:** Will there be cost savings as a result of the consolidation?

**Answer:** *Economies of scale should result in efficiencies down the road. Over time, the new Chamber will be responsible for realizing cost savings or enhanced services from the potential economies of scale.*