

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT POWERS BOARD SPECIAL MEETING
MINUTES
March 26, 2020
EDC Board Room, Willmar, Minnesota

Present: Steve Ahmann, Fernando Alvarado, Julie Asmus, Harlan Madsen, Roland (Rollie) Nissen and Kathy Schwantes

Guests: EDC Joint Operations Board Members: Rollie Boll, Donna Boonstra, Jesse Gislason, Les Heitke, Kerry Johnson and Kelly TerWisscha

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Manager

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Media: Carolyn Lange, West Central Tribune

Joint Powers Board Chair Rollie Nissen called the meeting to order at approximately 12:06 p.m. Present in person at the EDC Office were Chair Nissen, EDC staff and Joint Operations Board member Jesse Gislason. The remaining board members, guests, media and secretarial were present via ZOOM video conference or teleconference.

Aaron Backman reported a state of emergency was declared by Governor Walz, who had previously issued Executive Orders 20-04 and 20-08 ordering certain businesses to close relative to the COVID-19 pandemic. Backman explained the state and federal emergency funding options being implemented for businesses during the pandemic noting that emergency loans through the Small Business Administration will take at least three to four weeks to be approved and he has heard there is already a backlog. Southwest Initiative Foundation has offered deferments for all current business loan clients.

Backman stated EDC staff is concerned for Kandiyohi County's small businesses and developed guidelines for short-term loans for businesses referenced in Governor Walz's Executive Orders. Backman recommends \$150,000 from the EDC's unrestricted reserves be used to fund the emergency loan program. Backman reviewed the COVID-19 Business Assistance Loan Program (COBAL) policies (see attached), including eligible applicants, eligible loan activities and loan conditions. The maximum loan amount would be \$5,000 and funds would be available until July 1, 2020. A 1% fee would be charged, but no other costs. Backman noted the EDC reserves the right to limit the amount of funds available, what activities are eligible and approval of the loans. The loans would not secure collateral, but personal and/or corporate guarantees will be required.

The EDC Finance Committee met on March 24th to review the loan policy and application form (see attached) and passed a motion recommending the EDC's Joint Powers Board approve the new loan program. Backman estimates Kandiyohi County has well over 120 businesses in the categories given in the Governor's Executive Orders.

Backman stated the EDC currently has unrestricted funds of approximately \$200,000, which fluctuates each year. Connie Schmoll was contacted yesterday by small businesses not included in the Governor's Executive Orders that will need to close as no customers are coming in. Schmoll stated she was also contacted by the plumbing and heating business that received a loan from the EDC last year and was informed their business, which was performing well in 2019, has essentially stopped since COVID-19.

Those present voiced approval for using the EDC's unrestricted funds to assist local businesses. Fernando Alvarado questioned if any of the EDC's loans have a balance of \$5,000 or less that could be forgiven during this pandemic. Backman stated the EDC has a number of outstanding loans and he anticipates some will request deferrals, but a blanket forgiveness or deferral has not been offered. Harlan Madsen suggested the EDC contact its loan recipients and offer a deferral.

Backman suggested adding two questions to the application: (1) what are the number of employees that have been impacted and (2) who is their lender and have they asked them for assistance? Kerry Johnson stated United Prairie Bank is not requiring businesses to prove they have been impacted by the pandemic and have offered interest-only payments for 180 days or deferments for 6 months and are also providing links to the state and federal emergency loan programs. The loans will return to their regular loan payments after the 180 days/6 months and will have an increased balloon payment at the end. Backman has been contacted by several community banks interested in collaborating with the EDC. It was recommended that EDC staff prepare a letter to send to the community banks and include the EDC's COVID-19 Business Assistance Loan Program and application.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Steve Ahmann, to approve the Kandiyohi County and City of Willmar Economic Development Commission transfer \$150,000 from unrestricted reserves to create a COVID-19 Business Assistance Loan Program and adopt the loan policy as presented and the Application form with the addition of asking how many employees are affected. All present voted unanimously in favor by roll call vote.

The Joint Operations Board members present also voiced their approval of the motion.

ADJOURNMENT—There being no other business, Chair Nissen adjourned the meeting at approximately 12:38 p.m.


Fernando Alvarado, Secretary

APPROVED: 4/23/2020:


Roland Nissen, Chairperson