

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING  
MINUTES  
August 13, 2020  
Via ZOOM Video Conference**

Present: Rollie Boll, Donna Boonstra, Les Heitke, Kerry Johnson and Kelly TerWisscha

Excused: Art Benson

Absent: Jesse Gislason

Ex Officio: Julie Asmus

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

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

President Kelly TerWisscha called the meeting to order at approximately 11:04 a.m. and declared a quorum was present.

**AGENDA—**

IT WAS MOVED BY Kerry Johnson, SECONDED BY Rollie Boll, to approve the Agenda and the following Consent Agenda. MOTION CARRIED.

**CONSENT AGENDA**

- Approve:
1. Minutes of July 9, 2020 meeting
  2. Financial reports as of July 31, 2020
  3. Payment of bill from West Central Interpreting for \$1,200 from the Finance Committee's budget
- Accept: Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 6/18/2020
  2. Ag Industrial Hemp Subcommittee 3/9 and 6/8/2020
  3. Broadband and Advanced Technology 6/1 and 7/6/2020
  4. Business Retention and Expansion/Recruitment 6/5/2020
  5. Finance 6/16/2020
  6. Marketing and Public Relations 2/24/2020

## UNFINISHED BUSINESS

**CARES Pandemic Relief (CPR) Grant Program.** Aaron Backman reported a majority of EDC staff's time has been assisting businesses as a result of the COVID-19 pandemic. Since the start of the CPR Grant Program on July 28, he and Connie Schmoll have responded to requests for information and received and reviewed 78 applications from 60 businesses with 2 being ineligible and from 18 nonprofit organizations with 2 being ineligible. The Finance Committee has met 15 times in the last 20 weeks and considered 22 CPR grant applications the first week of the program and 23 this week for grant awards totaling \$704,000. Several applications have been received for the committee to review next week. Backman noted that most of the county's larger nonprofit organizations have applied and gave the geographic spread of the business applications, including from Willmar, Spicer, New London, Atwater and the townships. The Willmar City Council will address the Finance Committee's recommendation to transfer \$1 million to the EDC next week. The EDC received \$1,308,900 from Kandiyohi County and will receive approximately \$200,000 from the smaller cities and townships.

Schmoll stated the EDC is reaching out to businesses about the CPR Grant Program. Cheryl Glaeser of Achieve TFC is assisting with marketing the program. Backman reported the Joint Powers Board approved a contract with Glaeser for \$16,750 for five months of work at 15 hours a week. Payment for Glaeser's services will be paid from the CARES Act funds, which is an admissible expense. Schmoll has contacted all cities and townships and has attended some township meetings. Backman, Glaeser and Jean Spaulding, as the Kandiyohi County CARES Act Coordinator, are also attending meetings. Schmoll noted the EDC shared its grant program and materials with members of the Minnesota Association of Professional Economic Developers. Backman stated the EDC purchased a mailing list of all Kandiyohi County businesses and is working on mailing a letter to all businesses that qualify for the grant. Glaeser is assisting with cleaning up the mailing list. A majority of the businesses that have applied for the grant have not worked with the EDC before so it has been good to meet those business owners.

Backman presented a Memorandum of Understanding (see attached) between the EDC and the City of Willmar as to the CARES Act funds.

IT WAS MOVED BY Les Heitke, SECONDED BY Rollie Boll, to approve entering into a Memorandum of Understanding with the City of Willmar for management and distribution of the City's CARES Act funds. MOTION CARRIED.

The City of Willmar is retaining \$514,000 of its CARES Act funds for its use. The county adopted a resolution in regard to transferring 25% of its CARES Act funds to the EDC. As EDC staff and representatives meet with the townships, a Resolution is given to them to complete in regard to transferring CARES Act funds to the EDC. A press release was done on July 27<sup>th</sup> and another one maybe done in mid-August. Social media posts have also been done in regard to the program. The initial Facebook post was boosted and reached nearly 3,900 people. The cities and townships are also being asked to market the program.

**Immigrant Business Disaster Relief Grant Program.** Schmoll reported this program has slowed down. To date, there have been 20 applications awarded a total of \$13,700. Every business that applied was eligible and awarded a grant affecting 49 jobs. The business owners reached have been Asian, Latino and Somali. Southwest Initiative Foundation has provided funding for administration of the program. The Asian businesses are mostly women-owned. There was a language barrier and interpreters were used.

**COVID-19 Business Assistance Loan (COBAL) Program.** Backman reported this program has reached a plateau with 63 businesses requesting information; 34 of which submitted applications. The Finance Committee approved 25 loans totaling \$117,500. The average size of the businesses is 6 employees. This board extended the program until September 1, 2020.

## **NEW BUSINESS**

**Heritage Bank Accounts.** Backman stated in order to manage the CARES Act funds the EDC is receiving, a new FDIC-insured account is necessary. It will be a short-term, interest-bearing account. The funds will be used for eligible purposes, including the CPR Grants. Backman reviewed the terms and conditions of a Jumbo Deposit Account (see attached) at Heritage Bank. Because the new account will be short term and for ease in transferring funds from the Jumbo Deposit Account to the EDC's checking account, no other financial institution was contacted.

IT WAS MOVED BY Les Heitke, SECONDED BY Kerry Johnson, to approve opening a Jumbo Deposit Account for the CPR Grant Program at Heritage Bank and to add the following as signors: Kelly TerWisscha, Roland Boll, Roland Nissen, Aaron Backman and Connie Schmoll and to authorize Nancy Birkeland to conduct online banking.  
MOTION CARRIED with Rollie Boll abstaining.

It was noted that upon obtaining information for the new account, it was discovered the signors on the EDC's checking and savings accounts needed to be updated.

IT WAS MOVED BY Les Heitke, SECONDED BY Rollie Boll, to remove Andrew Plowman and Donna Boonstra as signors on the checking and savings accounts at Heritage Bank and to add Kelly TerWisscha and Roland Nissen. MOTION CARRIED.

**Other.** As to a board member's question if any businesses have closed due to the pandemic, Backman responded he is unaware of any closures, but the Happy Sol in New London is downsizing and WORKUP is no longer located at the MinnWest Technology Campus.

## **PROGRESS REPORTS**

**Willmar/Willmar Industrial Park.** Backman reported the City of Willmar's Community Development Committee met Monday and discussed abatements for the Renaissance Zone, which

will go to the City Council on Monday, August 17<sup>th</sup>. Schmoll reported on the City of Willmar's adoption of a new land sale policy. Backman reported Unique Opportunities received approval of building permits for Phase 2. On August 1<sup>st</sup> he toured the Phase 1 facility and spoke with the owners and leasing agent; the project was almost all pre-leased and included individuals from outside the area, as well as Canada. Kerry Johnson noted that less than five percent of the tenants are minorities. Backman reported the EDC is assisting West Central Shredding in looking for a new location.

**Agricultural Innovation.** Schmoll reported the Partners in Ag Innovation Conference was held virtually on July 30<sup>th</sup> with some speakers being onsite at the MinnWest Technology Campus. There were 210 registrants with an average online presence of 80 and 245 views. Feedback on the conference was good. Boll indicated the main speaker would be good to invite back to speak on economic development. Schmoll stated the conference was a good opportunity to talk about how ag is working during the pandemic.

**Broadband.** Schmoll reported the state Border-to-Border Grant Program is open. She is still in conversation with Federated Telephone Company, which is reviewing the engineering study done by Arvig for the three townships. Federated would do a project with a 25% investment. Backman noted some communities have looked at using CARES Act funds for a broadband project. Schmoll reported there were 366 responses to the survey with more than 244 saying they had terrible internet connection and more than 200 were unable to work from home. Willmar Public Schools found students in the City of Willmar could not afford internet access. Hotspots the EDC helped fund were used during school. Donna Boonstra spoke on her experience of trying to work from home. Schmoll stated there is a new state speed test initiative (<http://mnruralbroadbandcoalition.com/speedtest>) and asked everyone to go online to complete the test, even if they do not have internet.


**Next Meeting.** The board offered input on meeting in person following the EDC's Preparedness Plan, which would mean three members would need to meet remotely. Backman stated the 2019 audit will be presented at the next board meeting. Johnson stated she will be unavailable for the September meeting. It was the board's consensus to continue meeting via Zoom.

**What's Up?** Boonstra received a 2020 Best of Central Minnesota award from St. Cloud for the third year in a row. Johnson is working on a couple of business acquisitions and the City of Spicer is working on a housing project; interest rates are good at present. Heitke is running for Willmar City Council. Boll noted the work being done by the Industrial Hemp Subcommittee. Schmoll reported last Thursday the Industrial Hemp Subcommittee and some Ag Committee members viewed the industrial hemp plots in Olivia. Chair TerWisscha stated his business is starting to see significant delays in delivery of materials, more on the equipment side than construction materials and events are being cancelled into February 2021. They are changing the way they market; there has not been a lot of local activity. TerWisscha Construction is working on the development side of the Spicer Castle. Julie Asmus gave an update on the local option sales tax projects; Monday the City of Willmar will finalize agreements to update Swansson Field; progress is moving forward on

Robbins Island; the event center is in flux and the Civic Center and softball fields are moving forward.

**NEXT MEETING**—The next regular board meeting is **11:00 a.m., Thursday, September 10, 2020** via ZOOM video conference.

**ADJOURNMENT**—The meeting was adjourned at approximately 12:22 p.m.

  
\_\_\_\_\_  
Art Benson, Secretary

APPROVED: 9/10/2020:

  
\_\_\_\_\_  
Kelly TerWisscha, President

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made by and between the City of Willmar (the “City”) and the Kandiyohi County & City of Willmar Economic Development Commission (the “EDC”).

### Recitals

WHEREAS, the Coronavirus Disease 2019 (“COVID-19”) is a respiratory disease that was declared a global pandemic by the World Health Organization on March 11, 2020; and

WHEREAS, the Federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law on March 27, 2020, which made funds available to qualifying local, state, and federal agencies to cover expenses related to unbudgeted expenditures incurred between March 1, 2020 and December 30, 2020, due to COVID-19; and

WHEREAS, on June 26, 2020, the Minnesota Legislative Advisory Commission approved Governor Walz’s request to formally allocate state received CARES Act funds to counties, cities, and townships in the State of Minnesota; and

WHEREAS, the City applied for, was awarded \$1,514,038.00, and formally accepted CARES Act funding in such amount on \_\_\_\_\_, 2020; and

WHEREAS, numerous small businesses and non-profit entities within the City and Kandiyohi County (the “County”) have experienced business interruption and economic hardship due to COVID-19 and required closures under various executive orders issued by Governor Walz, including but not limited to Executive Orders 20-04, 20-20 and relevant extensions; and

WHEREAS, the guidance issued by the United States Department of the Treasury (the “Treasury Department”) provides that a local government may use CARES Act funds to pay for expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as, but not limited to, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures; and

WHEREAS, the guidance issued by the Treasury Department provides that local governments may transfer CARES Act funds to other local government entities for the purpose of making eligible expenditures; and

WHEREAS, the EDC is the designated economic development organization for the City and the County, and the EDC has been providing emergency loans and grants to businesses and non-profit corporations affected by COVID-19 since March 26, 2020; and

WHEREAS, the City and EDC mutually understand and agree that the EDC, based on its nature as an economic development organization, and its regular practice of disbursing funds and loan proceeds to businesses and non-profit corporations within the City and County consistent with its authority, is best positioned to ensure CARES Act funds are appropriately, effectively, and efficiently spent to aid eligible small businesses and non-profit corporations; and

WHEREAS, the City desires to transfer One Million Dollars (\$1,000,000.00) in CARES Act funds to the EDC (the “funds”) for the purpose of aiding eligible small business and non-profit corporations located within the City and/or County, in compliance with the requirements imposed by the CARES Act and the guidance issued by the Treasury Department and the State of Minnesota; and

WHEREAS, as a condition of the City’s transfer of CARES Act funds from the City to the EDC, the City and the EDC desire to enter into this memorandum of understanding regarding the City’s transfer of the funds to the EDC and the EDC’s subsequent expenditure of the funds so as to comply with the CARES Act and guidance issued by the Treasury Department and/or the State of Minnesota (the “MOU”).

**Agreement**

NOW, THEREFORE, in consideration of the mutual covenants and agreements to be performed, as hereinafter set forth, the City and EDC agree as follows:

**Article 1. Use of Funds**

- Section 1.1. The funds will be used by the EDC only to cover those costs that:
- a. Provide economic aid to small businesses and/or non-profit entities consistent with the EDC’s authority; and
  - b. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19, as described and defined by official Federal guidance on section 601(d) of the Social Security Act, as added by section 5001 of Public Law 116-136; and
  - c. Were not accounted for in the budget most recently approved as of March 27, 2020, for the EDC; and
  - d. Were or will be incurred during the period that begins on March 1, 2020, and ends on December 1, 2020. A cost is incurred when the EDC has expended funds to cover the cost.
- Section 1.2. The EDC will only disburse funds to an eligible small business or non-profit entity after the entity has completed a CPR – CARES Pandemic Relief Grant Application (the respective versions of which are attached hereto for reference), and the grant application has been reviewed and approved by the EDC or a duly authorized committee of the EDC.
- Section 1.3 The funds will not be used by the EDC in any manner contrary to federal or state guidance. This includes, but is not limited to:
- a. As a revenue replacement for lower than expected tax or other revenue collections; and
  - b. For expenditures for which the EDC has received other emergency COVID-19 supplemental funding for that same expense, regardless of the funding source.

Section 1.4 The EDC will comply with all State and Federal laws, regulations, and guidance regarding the return of unspent funds to the State and/or Federal government, and will make all efforts to assist the City in any obligation the City may have to ensure that funds disbursed to the EDC but otherwise unspent are returned to the State and/or Federal government in compliance with all State and Federal laws, regulations, and guidance.

## **Article 2. Compliance and Auditing**

Section 2.1 The EDC will retain all documents related to disbursement of the funds, including approved and rejected grant applications, and make such documents available to the City upon request, as necessary for the City to meet its obligations under State and Federal law, regulations, and guidance regarding the disbursement of CARES Act funds.

Section 2.2 The EDC will permit the City and the City's auditors to have access to the EDC's records and financial statements as necessary for the City to meet its obligations under State and Federal law, regulations, and guidance regarding the disbursement of CARES Act funds.

Section 2.3 The EDC will periodically report expenditures of the funds to the City, and to the State if the City or State so requires.

Section 2.4 The EDC will make all efforts to assist the City in the City's efforts to comply with State and Federal law, regulations, and guidance regarding the disbursement of CARES Act funds.

Section 2.5 The EDC will make all efforts to assist the City, including by providing documents and records, in the event any government agency conducts an audit or investigation of, or otherwise inquiries into, the City's disbursement or expenditure of CARES Act funds.

Section 2.6 The EDC understands the CARES Act funds it receives from the City are subject to the provisions of the Uniform Grant Guidance, including 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

## **Article 3. Indemnification**

The EDC will indemnify, defend, and hold harmless the City, its officers, employees, agents, and staff, against any claim or suit regarding the propriety of any disbursement of CARES Act funds made by the EDC.

## **Article 4. Effective Date**

This MOU is effective on the latest date affixed to the signatures below.



IN WITNESS HEREOF, the parties hereto have executed this MOU on the latest date affixed to the signatures below.

FOR THE CITY OF WILLMAR

FOR THE KANDIYOHI COUNTY &  
CITY OF WILLMAR ECONOMIC  
DEVELOPMENT COMMISSION:

\_\_\_\_\_  
DATE: \_\_\_\_\_

\_\_\_\_\_  
DATE: \_\_\_\_\_

\_\_\_\_\_  
DATE: \_\_\_\_\_

\_\_\_\_\_  
DATE: \_\_\_\_\_

## Jumbo Deposit Account Terms and Conditions

Thank you for choosing the Jumbo Deposit Account from Heritage Bank N.A., the account that is opened and managed electronically through our online banking system and pays a premium rate of interest.

This disclosure contains information about terms, fees, and current interest rate for Jumbo Deposit Account.

### Account Opening

To open this account you must deposit at least \$1,000.00 into the account.

\*This account is not available to financial institutions and/or brokers.

### Variable Rate Information

The interest rate for this account is based on the applicable balance tier. Current tiered interest rates and corresponding Annual Percentage Yields (APYs):

	<b>Interest Rate</b>	<b>APY</b>
\$0.01 – \$99,999.99	0.03%	0.03%
\$100,000.00 – \$229,999.99	0.39%	0.39%
\$230,000.00 – and over	0.82%	0.82%

This information is accurate as of **July 24th, 2020**. If you would like additional rate and yield information, please call us at 800-344-7048.

Your interest rate and annual percentage yield may change. We may change the interest rate on your account daily, at our discretion.

You must maintain the daily collected (available) balance for an individual tier to obtain that annual percentage yield. We use the daily balance method to calculate the interest on the account. This method

applies a daily periodic rate to the principal in the account each day.

Interest will be compounded monthly and credited monthly. If you request to close your account prior to interest being credited, you will receive your accrued interest. Fees may reduce earnings.

Interest will begin to accrue no later than the business day we receive credit for non-cash items, i.e., checks you deposit to your account.

We reserve the right to require written notice, 7 days in advance, before we allow you to withdraw from your account.

### **Service Charge Information and Limitations**

In-person withdrawals are not allowed on this account.

Unlimited incoming domestic wires at no charge. Domestic outgoing wire transfers are \$30.00 each; one transfer will be waived per month. Additional fees for international wires apply, see Additional Terms.

You are allowed six (6) withdrawals, of any type, per month. Any month that you exceed this number, you will be charged a \$30.00 service charge.

Federal Banking Regulations limit the number of preauthorized withdrawals to a combined total of six (6) Telephone and Online banking transfers, and ACH payments to third parties. If you exceed this limitation three times during a rolling 12-month period, Federal Banking Regulations require that your account be closed. Heritage Bank will not open another money market or savings account for you for at least 12 months after closure. Note: If the Insured Cash Sweep (ICS)<sup>®</sup> option is selected, withdrawals from ICS are also subject to this Federal Banking Regulation.

If you do not initiate at least one deposit or withdrawal on this account in a 24 month period, the account will go dormant. There will be a monthly service charge as long as your account is dormant. We reserve the right not to send statements on accounts we consider dormant, subject to state law. Funds in abandoned accounts will be sent to a state agency, in accordance with state law. After the funds have been sent to the state, we are not responsible for them. If you choose to reclaim the funds, you must apply to the state agency. See Additional Terms for corresponding fees.

### **Additional Terms**

Dormant Account: \$10.00 per month

Abandoned Account: \$50.00, one-time fee

Foreign Deposited Check: \$5.00 per check

Deposited Items Returned: \$7.00 per returned check/Foreign items – \$15.00

Mailed Paper Statements: \$15.00 per month – waived if enrolled in eStatements

Returned Mail/Returned eStatement: \$5.00

Stop Payments: \$35.00 per item, no max

Overdrafts/NSFs: \$33.00 per item

Returned NSF Items: \$36.00 per item

Wire Transfers: Outgoing- \$30.00 each

International Wire Transfers: Incoming \$35.00; Outgoing- \$60.00

Account Closure within 6 Months: \$30.00

On any one business day if you bring your account to a zero balance, we will assume you wish to close your account. This will cause deposits or withdrawals to reject.

Reopen Closed Account: \$10 per time

Negative Balance Closing: \$25.00

**Deposits:** You may make deposits to your Jumbo Deposit Account by; 1- transferring funds from another Heritage Bank account, 2- through the Heritage Bank Mobile App using the Mobile Deposit feature, 3- requesting a transfer from an external account using Bank to Bank Transfer (may take up to three business days), 4- by mailing a check, 5- by wire transfer, or 6- through transfers on your Insured Cash Sweep (ICS)® account, if you choose that option (see below). **DO NOT SEND CASH.**

Deposited checks must be payable to you and have your Jumbo Deposit Account number on them. It is your responsibility to verify that your deposit reaches us and that we know where you want your deposit credited. If we do not receive your deposit or are not sure to which account it should be credited, you will be responsible for any loss that results.

**Withdrawals:** You may withdraw funds from your Jumbo Deposit Account by accessing your account via our Online Banking and 1- transferring to an existing Heritage Bank account; 2- transferring funds to your external account using Bank to Bank Transfer, withdrawals may take up to 3 business days; 3- request a wire transfer; or 4- through transfers on your Insured Cash Sweep (ICS)® account, if you choose that option (see below). We reserve the right to require written notice, 7 days in advance, before we allow you to withdraw from your account.

**Bank to Bank Transfer Service using TransferNow (For Consumer accounts only):** Subject to any applicable transfer limitations, Bank to Bank Transfer Service permits you to transfer funds between your deposit Accounts at Heritage Bank and your deposit accounts at other financial institutions in the United States. You are responsible for enrolling and verifying your non- Heritage Bank accounts that you wish to use for these transfers. **You agree that you will enroll accounts only for which you have the authority to transfer funds.**

Bank to Bank Transfers can be initiated on either a one time or recurring basis. Heritage Bank cannot guarantee the transfer or return of funds if another financial institution does not respond in a timely manner. We may make any Bank to Bank Transfers through any payment system or Automated Clearing House processor selected by us. You agree that Bank to Bank Transfers made through any Automated Clearing House processor are subject to the National Automated Clearing House rules. See [Bank to Bank Transfer Service Disclosure](#) for full details of service, including daily and monthly transfer limits and applicable fees.

**Jumbo Deposit Account with the Insured Cash Sweep (ICS)® option:** When you select the ICS option with your Jumbo Deposit Account, you may be eligible for up to \$4 million in FDIC insurance coverage per Tax Identification Number. Promontory will endeavor to place your funds at Destination Institutions using ICS®, the Insured Cash Sweep® service of Promontory Interfinancial Network, LLC (“Promontory”). The amount of your funds that Promontory places in the deposit accounts that have been established for the placement of your funds at Destination Institutions (each a “Deposit Account”) will not exceed the FDIC standard maximum deposit insurance amount (“SMDIA”), currently \$250,000, at any one Destination Institution. In addition to the Terms and Conditions outlined here, for your Custodial Account, you agree to complete and abide by the Terms and Conditions outlined within the [Deposit Placement Agreement and Custodial Agreement](#). Note: Program Deposits and Withdrawals will settle with Insured Cash Sweep (ICS)® the next business day. For information on FDIC Insurance

coverage, visit [www.FDIC.gov](http://www.FDIC.gov).

## Heritage Locations

### IOWA:

- Sioux City IA – Downtown – 505 5th Street, Suite 100 Sioux City, IA 51101
- Sioux City IA – Morningside – 4530 Singing Hills Blvd Sioux City, IA 51106

### SOUTH DAKOTA:

- Sioux Falls SD – 140 N Phillips Ave, Suite 101, Sioux Falls SD 57104

### MINNESOTA:

- Penock MN – 242 1st Street N PO Box 189 Penock, MN 56279-0189
- Raymond MN – 202 Cofield Street PO Box 235 Raymond, MN 56282
- Spicer MN – 110 South Street W PO Box 658 Spicer, MN 56288-0658
- Willmar MN – 310 1st Street SW PO Box 1124 Willmar, MN 56201-1124

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## MEMBER FDIC

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Revised: 02/14/2020