

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)

FINANCE COMMITTEE

SPECIAL MEETING MINUTES

July 7, 2020

Via Teleconference

Present: Matt Behm, Nick Dalton, Kerry Johnson, Les Nelson, Jeff Welker and Randy Zinda

Excused: Travis Jones and Justin Schnichels

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

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc.

Chairperson Matt Behm called the meeting to order at approximately 12:00 p.m. followed by roll call. Backman asked that discussion be held on the CARES Act reimbursement of funds to government units.

NEW BUSINESS

Immigrant Business Disaster Relief Grant Reviews. Backman requested a grant be awarded to Twin Lakes Center LLC. Information on the business has been previously provided to the committee.

IT WAS MOVED BY Nick Dalton, SECONDED BY Les Nelson, to approve a \$650 grant under the Immigrant Business Disaster Relief Grant program to Twin Lakes Center LLC. MOTION CARRIED.

COBAL Loan Review. Connie Schmoll provided information on West Central Interpreting Services, LLC. The business meets the loan criteria and all documentation, including tax returns, current financial information and a credit report, have been received and reviewed. EDC staff is recommending approval of a \$5,000 loan with a six-month payment deferral. The funds would be used to pay rent and office expenses.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Jeff Welker, to approve a 24-month \$5,000 COVID-19 Business Assistance Loan to West Central Interpreting Services, LLC with a six-month payment deferral. MOTION CARRIED with Matt Behm and Les Nelson abstaining.

CARES Act Reimbursement. Backman reported \$841 million is available for reimbursement to units of government under the CARES Act. In total, approximately \$7.6 million could be allocated to 32 units of government in Kandiyohi County. Approximate amounts available to some local governments were given. At least 10% of these funds must be spent on economic support of businesses and some counties are looking at increasing that amount.

This afternoon the EDC will participate in a conference call with several of the communities that will receive funds. Larry Kleindl, Kandiyohi County Administrator, has suggested the county create five teams with the Small Business and Nonprofit Team setting policy regarding 25% of the county's funds. The teams would be health and human services, business and nonprofit, COVID expense team, employee and public safety. Each team would include two county commissioners. CARES Act funds must be expended by the end of November. It is anticipated the EDC will receive the county's funds to disburse to businesses.

Backman provided information on programs being done in other counties. Ramsey County Small Business Relief Fund gives grants up to \$7,500 based on economic injury from COVID-19 and eligible expenses. Freeborn County COVID-19 Relief Forgivable Loan Program awards loans between \$3,000 to \$20,000 based on how many employees the business had as of March 1, 2020 and they must demonstrate a loss of 50% or more in revenue. Hubbard County COVID-19 Business Assistance Program awards a maximum of \$10,000 grants with a balanced distribution across the county.

Comments from the committee included:

- Recommend we do grants rather than loans;
- Show a 30% reduction in revenue;
- Do not require a credit report;
- Demonstrate there was some thought as to who receives grant funds;
- It is possible a borrower could payoff their COBAL with CARES grant funds;
- Have limitations on annual revenue and full-time employees;
- Open the program first to the businesses that were closed first by the Governor;
- Possibly do a maximum grant amount based on the number of employees.

Schmoll stated the program will be promoted to childcare businesses. Backman has requested a proposal from Beth Fischer of the Willmar Convention & Visitors Bureau (CVB) as the CVB would qualify for a grant. Backman noted the CVB's revenues are down approximately 75%. Backman believes businesses that have received other federal funds would qualify for this grant program. Chairperson Behm asked EDC staff to draft guidelines and an application form for the committee to reviewed at its meeting next week.

NEXT MEETING—The next regular committee meeting is **12 noon, Tuesday, July 14, 2020** via teleconference.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 12:41 p.m.