

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
FINANCE COMMITTEE
MINUTES
January 10, 2023
EDC Office, Willmar, and Via Zoom Video Conference

Present: Matt Behm, Allen Huselid, Kerry Johnson (via Zoom) and Michelle Marotzke

Excused: Nick Dalton, Travis Jones, Justin Schnichels and Kelly TerWisscha

Staff: Aaron Backman, Executive Director and Sarah Swedburg, Business Development Manager

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

Chairperson Matt Behm called the meeting to order at approximately 12:09 p.m.

AGENDA—There were no changes to the Agenda.

MINUTES—A quorum was not present to approve Minutes.

UNFINISHED BUSINESS—

Willmar Child Care Center Property. Aaron Backman reported that on December 30, 2022 the sale of the Willmar Child Care Center property to Stay 'N Play Child Care Inc. was closed. The lead lender is Home State Bank with participation by Southwest Initiative Foundation. Contractors are working on items that need to be done to the building. Stay 'n Play will be able to remain at MinnWest Technology Campus until February 15th.

Kandi Adult Care. Backman noted Kandi Adult Care is current on the new payment plan. As there is not a quorum at today's meeting, action to reduce the COVID-19 Business Assistance Loan payments by Kandi Adult Care will be brought to the EDC Joint Operations Board.

NEW BUSINESS—

Review EDC Loan Handout and Support Plan. Sarah Swedburg reviewed the loan program flyer that will be provided to local banks and inserted into the EDC's loan folder given to potential applicants. Comments by the committee included: make the contact information a little larger; only have the contact information on one side; to save space only have the EDC's logo on the front side; use at least one picture of a non-minority as from the pictures used, it may give the impression that financial assistance is only available for minority populations.

The committee reviewed and discussed the Support and Operation Plan for Business Owners. Swedburg stated its purpose is to have a more consistent plan leading up to a loan and for followup after the loan is disbursed.

Review Loan Applications. Swedburg reported Dandelion Wishes is a franchise of Mainstream Boutique, a women's clothing retail business, to be owned by Dawn Lippert and Rochelle Peterson. The committee reviewed the following documents: Mainstream Boutique Franchise Disclosure Document, Business Plan, financial statements prepared with the assistance of the Small Business Development Center, Credit Reports for the two owners and loan approval letters by Mid-Minnesota Development Commission (MMDC) and Southwest Initiative Foundation (SWIF). The business will rent the former Cherry Berry location at Bear Path Plaza, which needs leasehold improvements. Lippert is a graduate of the Elevate Community Business Academy, which is why the interest rate of 5.5% is being proposed. The committee questioned if the owner has a lien on the building. Swedburg noted the loan request with the EDC is for a five-year \$17,250 loan. Michelle Marotzke provided information on the loan approved by the MMDC, which is a shared first position with SWIF.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Allen Huselid, to approve a \$17,250 Microenterprise Loan Program loan to Dandelion Wishes, doing business as Mainstream Boutique, at 5.5% interest and secured by personal property and inventory of the business. MOTION CARRIED with Michelle Marotzke abstaining and Kelly TerWisscha voting via email (see attached).

Election of 2023 Chair and Vice Chair. Tabled until next month.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 1:01 p.m.

NEXT MEETING—The next committee meeting is 12:00 p.m., Tuesday, February 14, 2023 at the EDC office and via ZOOM video conference.



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

Business Loans & Financing

NAVIGATING YOUR EDC LOAN OPTIONS

The Kandiyohi County & City of Willmar Economic Development Commission offers loan programs to compliment your business' finance needs. Whether you need assistance with purchasing real estate, equipment inventory, or working capital, EDC staff is here to help your business grow and succeed.



Loan Guidelines:



*Applicant(s) must be a for-profit business in Kandiyohi County



*Applicant(s) must have adequate collateral and cash flow to service the debt and additional lending to meet the 100% leverage guidelines.



*Adequate collateral is not a primary consideration in approving loans, however



*Collateral must be adequately insured



*Applicant(s) must provide a personal credit report for principal owners with 20% or more ownership

Why Receive a Loan Through the EDC?

Lending through the EDC is flexible and adaptable in situations where traditional financing may have gaps. EDC staff will work directly with a lender on your behalf.



Visit us:
www.kandiyohi.com



Contact us:
edc@kandiyohi.com
866.665.4556
320.235.7370
222 20th Street SE
Willmar, MN 56201



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ECONOMIC DEVELOPMENT COMMISSION

Business Loans & Financing

NAVIGATING YOUR EDC LOAN OPTIONS



Microenterprise Loan Fund

The Microenterprise Loan Fund was established by the former Willmar Area Multicultural Business Center and is now administered by the EDC. This program exists to be a permanent revolving loan fund where money is available for new loans on a continuing basis as loans are repaid. Loans serve as gap financing to promote job retention and creation and the stimulation of private investment in an effort to strengthen and diversify the economy. Final loan approval and terms are set by the EDC's Finance Committee and Joint Operations Board.

Unique ML Loan Terms

- Loan amounts of \$2,500-\$20,000
- Loan maturity of 1-5 years
- Fixed interest rate of no less than 3%, computed as simple interest for the term of the loan
- EDC participation is not to exceed 50% of the total project



Revolving Loan Fund

The EDC's Revolving Loan Fund program exists to be a permanent revolving loan fund where money is available for new loans on a continuing basis as loans are repaid. Loans serve as gap financing with other borrowing resources such as local financial institutes in an effort to strengthen the tax base of Kandiyohi County. Final loan approval and terms are set by the EDC's Finance Committee and Joint Operations Board.

Unique RLF Terms

- Loan amounts of \$5,000-\$50,000
- Non-real estate loan maturity of 1-10 years; Real estate loan maturity of 5-15 years
- Fixed interest not to exceed Wall Street Journal prime rate plus 2%, computed as simple interest for a period not to exceed 10 years
- EDC participation is not to exceed 25% of the total project



Shared Terms for Micro and Revolving Loan Funds



- * EDC will require personal guaranties of the applicant(s)
- * EDC will accept subordinate position loans and will take a security interest position in any equipment or real estate financing
- * 1% loan origination fee plus all costs associated with closing

Visit us:
www.kandiyohi.com



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Business Development Manager
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Business Support and Operation Plan for Business Owners



**Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION**

Revised 1.10.2023

Purpose:

This document is to help guide you in the preparation of daily business operations. It intends to provide you guidance in the fields of human resources, licensing requirements, and best management practices so you can have the most successful and organized business.

You can use this outline to create training and policy manuals for your staff.

Business Support

Congratulations on securing your new loan with the EDC and taking the next step toward success for your business. The Economic Development Commission is here to continue to support you. The following schedule will be kept to check in with you throughout your first year of business.

Here are the steps that will be followed:

- Action 1: Meet with the EDC to discuss what support is needed
- Action 2: Complete the requirements needed by the EDC to provide that assistance
- Action 3: Create your Business Plan and proposal to be presented to the EDC's Finance Committee.
- Action 4: Meet with EDC to review your Policies and Procedures.
- Action 5: Your Business Plan and request are approved by the EDC Boards.

Post-Approval Plan

- Week 1: Approval! In-person check-in.
 - Optional marketing and promotion by the EDC
 - Photo opportunity!
 - Loan Closing Gift: portfolio, could be used to keep the first year of the business journal of success, challenges and improvements or changes made, and areas of needed support. It can be reviewed at each check-in.
 - Set 3 and 6-month goals
- Week 2: Phone check-in
- 1 Month: On-site visit by the EDC
 - Introduction and Photos on EDC's social media
 - Marketing plan with EDC

Post-Approval Plan [continued]

2 Months: Phone check-in

3 Months: In-person check-in with EDC

Sit down meeting to review: The functionality of the operation plan and its implementation. Review what is working, what isn't working, and what is missing. Make an action plan to implement needed changes.

Marketing plan check-in

Financial / Record-Keeping check-in

Review 3 and 6-month goals

4 Months: Verbal or Written Check-in Communication

5 Months: Site Visit by EDC

Financial review

Record keeping review

Social media highlight on EDC platforms

6 Months: Sit down meeting: Operation Plan Review

What is successful in supporting a healthy and safe environment?

Do you think you have created a positive workplace culture? Are your staff comfortable?

How have you handled conflicts?

How have you handled success?

Where are there still gaps?

Review Training Manuals

Review 6-month goals

Set new 9 and 12-month goals

7 Months: Verbal or Written Check-in

9 Months: Sit-down meeting: How is everything going?

Site visit

Review 9-month goals

10 - 11 Months: Verbal or Written Check-in

Post-Approval Plan [continued]

- 1 Year:
- Site Visit! Sit down meeting. Review finances, where are the gaps?
 - Record successes and challenges
 - Review 12-month goals
 - Discuss long-term goals
 - Ask 'what does long-term success look like?' for your business
 - Celebrate! A photo opportunity and marketing highlights with the EDC!
 - First-year gift!

Procedures:

Procedures are defined as: An established or official way of doing something; a series of actions conducted in a certain order or manner.

Procedures exist to create safety guidelines and ensure operational excellence and quality control that aligns with the vision and values of your business. It is a useful tool to manage your staff and how work is conducted. When procedures are followed work is done effectively and efficiently and the way you, the business owner, intend it to be done. This creates a quality product or service that builds a reputation among your customers and community. In turn, it supports a happy, satisfied, and rewarded employee.

Ask yourself the following questions to determine what procedures you need to create.

1. Will I have staff? _____
2. How many staff will I have? _____
3. Who will be in charge of managing staff? _____

This could include the topics below and maybe the job of one or more people.

- Scheduling
- Approving time-off requests
- Finding replacements when staff are out
- Recruiting, interviewing, and hiring
- On-boarding and training of staff
- Resolving and mediating staff conflicts
- Providing reviews and evaluations for staff
- Reprimand and firing of employees
- How to conduct specific tasks
- Recordkeeping / Accountability
- Payroll- how will work time be kept
- When can breaks be taken
- _____

4. Are there Minnesota Department of Health requirements my business must operate under and meet?

If yes, how do I record and report them?

Ask yourself the following questions to determine what procedures you need to create
[continued]

5. Are there OSHA (Occupational Safety and Health Administration) Requirements my business must meet?

If yes, how do I record and report them?

6. Are there Minnesota Department of Health and Human Services Requirements my business must operate under and meet?

If yes, how do I record and report them?

5. Are there licensing requirements that my business must operate under and meet?

Ask yourself the following questions to determine what procedures you need to create
[continued]

6. If yes, how will my staff learn about these?

If yes, what does my staff need to do to meet them?

To report them to me? To keep a record of them being accomplished?

7. If yes, where will my staff be able to refer to these guidelines to meet these requirements?

8. If yes, what are the steps for each safety and health requirement?

9. How will I determine on a short-term and long-term basis that I and the staff are following instructions that ensure that these requirements are met?

Ask yourself the following questions to determine what procedures you need to create
[continued]

10. What reporting and records are required to be kept by the rules and regulations my business must follow?

11. How will these records be kept?

12. Who will create these records?

13. If staff have questions how should they ask them?

Policies:

Policies are defined as: a course or principle of action adopted or proposed by a government, party, business, or individual; they are 'prudent or expedient conduct or action.' Having policies in place for you and your staff can help protect you and them in health, safety, and licensing requirements. It is important to have this writing for you and your staff.

Policies exist to support your workplace culture, and ethics and ensure safety and health guidelines are met. Specific policies like sick and vacation accrual policies help educate and regulate your staff's actions as well. They promote consistency, fairness, and equity, promote best practices, set expectations, create a safe environment (for your staff and clients) and ensure compliance ([Indeed-Career Advice](#)).

Policies can also be a way for you to guide your employee on how you intend to reward them and make you a preferred employer. By being a preferred employer, you will retain and attract good employees to work for you.

Examples of policies areas are:

- Anti-Harassment and Discrimination
- Personal use of cell phone or smoking on site
- Drug and Alcohol Policy
- Workplace Safety
- Code of Conduct
- Conflict of Interest
- Information Security / Data Privacy

Examples of policies areas are:

- Acceptable Use of Professional Equipment: Internet, email, equipment for personal vs. professional use
- Mobile Device Management
- Attendance / Paid Time Off / Sick Leave / Leave of Absences / Flexible Work
- Payroll
- Equal Opportunity Employer
- _____
- _____

Ask yourself the following questions to determine what policies you need to create.

1. What rules need to be followed legally (licensing and safety requirements)?

2. How will I train new employees on these expectations?

3. How will I maintain records that these are being followed?

4. What written document (policies) will support these expectations and actions necessary for them to be met?

5. What rules will be necessary to meet these expectations?

6. What behavior do you expect out of employees?

Ask yourself the following questions to determine what policies you need to create
[continued]

7. What employee behaviors would warrant attention and redirection?

8. What employee behaviors will not be tolerated and require immediate dismissal? Create policies that support your expectation of acceptable and unacceptable behavior.

8. What are ways that these behaviors will be identified?

9. What will my course of action be / steps taken to provide staff with redirection, warning, and dismissal from their job? Where will I have expectations available for staff to be aware of?

Example: Verbal warning, written warning, dismissal

10. What policies do I need to have in place to ensure staff knows these behavior expectations and knows what to expect if they are not followed? *These policies can protect you and your staff. Setting these expectations and having them in writing and holding staff accountable to them can help you create a healthy workplace culture and environment.*

Ask yourself the following questions to determine what policies you need to create
[continued]

11. What are ways you can positively acknowledge good behavior and work ethic displayed by your employees?

12. How do I want employees to feel when they come to work?

13. How do they feel when they are doing their work?

14. How do they feel when they leave work at the end of the day?

15. What are your sick and vacation time policies? Benefits like paid time off add to employee satisfaction and can help you keep good staff.

16. If yes, how do employees notify you/management of needed sick time and request paid or unpaid time off?

17. Are you offering any benefits like health insurance?

Ask yourself the following questions to determine what policies you need to create
[continued]

18. If yes, what are your options?

How will employees learn of these options and enroll in these options?

19. How will you determine employee compensation? Do you have a pay scale? Evaluations? Annual raises? Bonus for incentives? Incentives can help you be a preferred employer. *The better your staff and functions; the better your service and business success is.*

20. Other ideas:

From: Kelly TerWisscha <ktw@twcinc.com>
Sent: Tuesday, January 10, 2023 9:07 AM
To: Sarah Swedburg <sarah@kandiyohi.com>
Subject: RE: Dandelion Wishes Loan Information

Sarah,

I am unable to make the meeting today but **I am good with this loan.** Where is the location that they are going into?

Kelly TerWisscha
CEO



Enhancing Lives Through Structure!

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