

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)**  
**FINANCE COMMITTEE**  
**MINUTES**  
**March 14, 2023**  
**EDC Office, Willmar, and Via Zoom Video Conference**

Present: Matt Behm, Allen Huselid, Travis Jones, Michelle Marotzke, Justin Schnichels and Kelly TerWisscha

Excused: Kerry Johnson

Guests: Jesse O'Brien of O'Brien's Power Washing LLC; Stephanie Breczinski of Wings Gymnastics and Vickie Thompson

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 12:02 p.m. and welcomed Jesse O'Brien followed by self introductions.

**AGENDA**—Added to the Agenda under New Business was suggested changes to the EDC's Balance Sheet.

**NEW BUSINESS**

**Review/Approve Loan Applications.** Sarah Swedburg presented information on Jesse O'Brien and O'Brien's Power Washing LLC. O'Brien will be applying for a loan through the EDC's Microenterprise Loan Program. The proposed loan in the approximate amount of \$17,061 will be split with Mid-Minnesota Development Commission (MMDC) with \$9,500 coming from the EDC and \$7,561 from MMDC. The loans will be used to cover startup expenses, including the purchase of equipment for his new business and \$6,100 (\$2,000/EDC) for working capital. Monthly loan payments would be approximately \$230 between the two loans. Swedburg stated his projected income more than covers the expected expenses. It is anticipated the loan will be for a six-year term at 5.5% interest with a first security position on equipment and a personal guarantee. O'Brien is still working with the Small Business Development Center on projections. Committee members suggested MMDC's loan be for the higher amount to take advantage of MMDC's lower interest rate and longer term. Michelle Marotzke recommended safety equipment be purchased. O'Brien provided information on his work history and past employment with Mike Brouwer.

[O'Brien was excused from the meeting.]

Marotzke and Swedburg will relook at the structure of the loan.

[Stephanie Breczinski and Vickie Thompson joined the meeting.]

Swedburg presented information on Stephanie (Thompson) Breczinski and Wings Gymnastics, LLC. Breczinski purchased Wings Gymnastics three years ago. She currently has three business loans, two with the previous owner and one with Home State Bank (HSB) for equipment. HSB and Southwest Initiative Foundation (SWIF) are refinancing the building for \$250,000. Her original loan with Rob Esse, the former owner, was \$50,000; the current balance is \$43,271.92. Breczinski is seeking a \$43,000 loan from the EDC. EDC staff is recommending interest at 5.5 percent as she is a graduate of the Elevate Community Business Academy. HSB has a first mortgage and a UCC on the equipment. HSB will terminate its UCC to allow the EDC to have a first security position. A list of equipment and its proposed value of \$122,600 was shown. The tax returns and financial reports were reviewed. Breczinski stated she has 230 participants, which has grown from 150 when she took over the business, and four other coaches. Members travel from about one hour in every direction of Willmar. Her closest competitor is in St. Cloud, which is a USA Gymnastics club. She has a recreational club and a competitive team. The business is located on High Avenue behind Suite Liv'n.

[Breczinski and Thompson were excused from the meeting.]

Following discussion,

IT WAS MOVED BY Travis Jones, SECONDED BY Michelle Marotzke, to approve a \$43,000.00 loan under the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund Program to Wings Gymnastics LLC at 5.5% interest with a 10-year amortization and a 7-year balloon and a first security position in personal property, equipment and inventory of the business with the first payment to begin the end of April 2023. MOTION CARRIED with Matt Behm abstaining.

#### **MINUTES—**

IT WAS MOVED BY Justin Schnichels, SECONDED BY Alan Huselid, to approve the Minutes of the November 15 and December 20, 2022 meetings and January 10, 2023 meeting. MOTION CARRIED.

#### **UNFINISHED BUSINESS—**

**Election of 2023 Chair and Vice Chair.** Chair Behm noted that Kerry Johnson is willing to serve as chair or vice chair.

IT WAS MOVED BY Justin Schnichels, SECONDED BY Kelly TerWisscha, to elect Kerry Johnson as chair of the Kandiyohi County and City of Willmar Economic Development Commission Finance Committee for 2023. MOTION CARRIED.

IT WAS MOVED BY Alan Huselid, SECONDED BY Justin Schnichels, to elect Michelle Marotzke as vice chair of the Kandiyohi County and City of Willmar Economic Development Commission Finance Committee for 2023. MOTION CARRIED.

#### **NEW BUSINESS—**

**Resignation of Nick Dalton.** Backman informed the committee that Nick Dalton submitted his resignation from this committee as he has been unable to make meetings. Others are being considered to take his place.

IT WAS MOVED BY Michelle Marotzke, SECONDED BY Travis Jones, to accept, with regrets, the resignation of Nick Dalton from the Kandiyohi County and City of Willmar Economic Development Commission's Finance Committee. MOTION CARRIED.

**EDC Balance Sheet.** Backman provided information on the COVID-19 Business Assistance Loan (COBAL) Program that was done during the pandemic. Only 2 out of the 29 loans have not been paid off. As of February 28, 2023, the bank account at Lake Region Bank has a balance of \$120,869.66.

IT WAS MOVED BY Michelle Marotzke, SECONDED BY Travis Jones, to leave a small balance of funds in the Kandiyohi County and City of Willmar Economic Development Commission's COVID-19 Business Assistance Loan (COBAL) account at Lake Region Bank and to transfer a majority of the funds into an account to be determined by the EDC's boards. MOTION CARRIED.

**Outstanding Loans.** Backman reported Kandi Adult Care is paying on its COBAL loan, but the EDC needs to follow up with Somali Bride Consultant on its loan as no payments have been made recently.

Backman informed the committee that the EDC received a judgment in Conciliation Court against Kevin Bronner and Debra Bronner, doing business as Re-Cover Temp Agency Consultants. It is believed the business is no longer in operation. Kevin Bronner just accepted a coaching position with Community Christian School. The EDC is waiting for Bronners to sign an ACH form to begin auto payments under the court's judgment.

Backman informed the committee that Stay 'N Play purchased the former Willmar Child Care Center building the end of December and opened with 100 slots. The state required additional renovations be done before they could open. The EDC sent a demand letter in early February to Willmar Child Care Center in care of Mohamoud Mohamed with no response. In giving a loan to Willmar Child Care Center, the EDC's goal was to have a childcare center, which has now been accomplished. MMDC wrote off its loan and SWIF foreclosed on the building. The corporation,

Willmar Child Care Center L.L.C., was administratively terminated by the Minnesota Secretary of State in February 2023 and the childcare license was closed in September 2022. Backman asked for the committee's direction on the outstanding loan with the EDC.

IT WAS MOVED BY Kelly TerWisscha, seconded by Alan Huselid, to charge off the remaining balance owed in the approximate amount of \$15,424.79 to the Kandiyohi County and City of Willmar Economic Development Commission by the Willmar Child Care Center L.L.C. MOTION CARRIED.

**Other.** Backman gave an update on EDC activities, including the EDC boards' planning session this Thursday and local construction projects. Swedburg announced there are 25 total students in the spring Elevate program, including 10 in the Spanish program.

**ADJOURNMENT**—There being no other business, the meeting was adjourned at approximately 1:17 p.m.

**NEXT MEETING**—The next committee meeting is 12:00 p.m., Tuesday, April 11, 2023 at the EDC office and via ZOOM video conference.