

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

FINANCE COMMITTEE

SPECIAL MEETING MINUTES

October 13, 2020

Via Teleconference

Present: Matt Behm, Nick Dalton, Kerry Johnson, Travis Jones and Randy Zinda

Excused: Les Nelson and Justin Schnichels

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

Guest: Jean Spaulding, Kandiyohi County CARES Coordinator

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

Chairperson Matt Behm called the meeting to order at approximately 12:03 p.m.

AGENDA—There were no changes to the Agenda.

MINUTES—

IT WAS MOVED BY Nick Dalton, SECONDED BY Randy Zinda, to approve the Minutes of the September 9, 15, 22, 29 and October 6, 2020 meetings as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS—

CARES Pandemic Relief (CPR) Grant Program. Aaron Backman reported as of this morning 249 grant applications have been received from 212 businesses and 37 nonprofits. Backman reported the County Board approved transferring another \$500,000 to the EDC for the grant program and the Small Business/Nonprofit Planning Team approved reducing the loss criteria from a 25% loss to 20% for businesses. As a result, 5 out of 22 ineligible applicants are now considered eligible and are being considered today. Of the grants paid to date, 55% of the businesses are male owned, 39% are female owned and 6% are male/female owned. To date, just over \$3 million has been received for the grant program; total grants paid are \$2,379,000; and approved by this committee, but unpaid is \$333,000 leaving just under \$277,000 remaining after deduction of expenses. Backman noted the closing date for

nonprofit grants is October 23rd and for businesses is October 29th and funds may be exhausted on or before those dates.

The committee reviewed a list of 14 small business CPR grant applicants with EDC staff's recommendation as to a grant award (list attached to original Minutes only due to the Data Privacy Act). The average loss for these businesses is 46%, which is lower than in the past partly due to the five that had losses between 20-25%. Following discussion,

IT WAS MOVED BY Kerry Johnson, SECONDED BY Nick Dalton, to approve the recommendation of the EDC staff to award CARES Pandemic Relief Grants to 14 businesses on the list provided for a total grant award of \$144,500. MOTION CARRIED.

LOAN PROGRAM REPORTS—

Revolving Loan Fund. Backman reported all loans under the Revolving Loan Fund are current and all loans that had deferred payments have restarted. The total outstanding balance of the loans is \$180,929.11.

Microenterprise Loan Program. The committee reviewed the outstanding Microenterprise Loans. Backman noted all loans are current with one coming due in February 2021.

Loan Reserve for Entrepreneurs' Loan Guarantee Program. Backman reported the EDC's guarantees under the Entrepreneurs' Loan Guarantee Program ended with the last one maturing in June this year. He recommends the amount being held in reserve for this program be removed. Should a loan guarantee be done in the future, an appropriate reserve would be redone at that time.

IT WAS MOVED BY Travis Jones, SECONDED BY Randy Zinda, to remove the Entrepreneurs Loan Fund Reserve in the amount of \$25,262.20. MOTION CARRIED.

Resignation by Jeff Welker. Chairperson Matt Behm noted Jeff Welker retired from Lake Region Bank and resigned from this committee. He questioned if another representative from Lake Region Bank would be joining this committee. Backman indicated Welker did make a recommendation for his replacement, but Backman has not yet contacted them. He will contact the individual as to their interest.

NEXT MEETING—The next special committee meeting is **11:00 a.m., Tuesday, October 20, 2020** via teleconference.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 12:29 p.m.