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

# FINANCE COMMITTEE

# MINUTES

**October 11, 2022**

**EDC Office, Willmar, and Via Zoom Video Conference**

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

Excused: Nick Dalton, Travis Jones 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 12:06 p.m.

**AGENDA**—Added to New Business will be Quarterly Loan Updates and instead of Equipment Loan Application of Cheers, it will be Introduction of Loan Applications.

**MINUTES**—

IT WAS MOVED BY Allen Huselid, SECONDED BY Justin Schnichels, to approve the Minutes of the June 14, 2022 meeting as emailed. MOTION CARRIED.

**UNFINISHED BUSINESS**—There was no unfinished business.

**NEW BUSINESS**—

**Quarterly Loan Updates.** The committee reviewed the status of the outstanding loans.

**Microenterprise Loan Program.** Aaron Backman noted he has been impressed with Hteh Hteh Hta Rue of Chaw's Asian Market, who has been helping other entrepreneurs. A collection letter was sent to Re-Cover Temp Agency, which is 10 months delinquent. It did not respond to the letter so a claim will be brought in Conciliation Court. Sarah Swedburg gave an update on Spurs noting one of the original owners, Carlos Valdovinos, was bought out and Aydee Lopez's daughter Stephanie is now a partner. Spurs recently purchased the building from Rethos.

**Revolving Loan Fund Program.** Swedburg reported Amin Grocery is progressing. The owner, Abdiweli Yusuf, is currently pursuing a commercial driver's license (CDL); signage is

done and the design was a gift from REDstar Creative for going through its "Reinvention" course. Yusuf continues to have tenants in the office space and two residential tenants and he is in conversations with the archery club. In response to a question as to any loans with a balloon payment, it was noted that New Minnesotan Realty has a balloon payment in April 2024 and Urban Escape Boutique has a balloon payment in March 2023. Willmar Child Care Center was current as of September 30, 2022, but the October 1st payment was returned NSF by the bank. Backman stated that Southwest Initiative Foundation's six-month redemption period on its mortgage foreclosure expired last Thursday.

[The meeting was closed at 12:22 p.m. to discuss legal matters pertaining to Willmar Child Care Center. The meeting was reopened at 12:35 p.m.]

**COVID-19 Business Assistance Loan (COBAL) Program.** Backman reported 25 loans through the COBAL Program have been paid off. ACH payments by Kandi Adult Care are being received. Somali Bride has only made one payment since December and plans to make another payment this month. The owner is currently pursuing a CDL and after she receives it, she will sign a new ACH form for automatic payments.

**Introduction of Loan Applications.** Swedburg reviewed the information in her memo dated October 11, 2022 (see attached). Updated financial information for Cheers of Raymond will be provided by the next committee meeting when a loan request will be presented. The owner Jessica Berghorst is currently a student of the Elevate Community Business Academy. The business is going well. The other loan application that may be presented at the next meeting is by Levi Schimschock, owner of The Schimmy Shack. He is working on a business plan and financial projections.

In response to a question, it was noted there is approximately $180,000 available in the Revolving Loan Fund accounts.

**ADJOURNMENT**—There being no other business, the meeting was adjourned at approximately 12:51 p.m.

**NEXT MEETING**—The next committee meeting is 12:00 p.m., Tuesday, November 15, 2022 at the EDC office and via ZOOM video conference.

Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

TO: Finance Committee

FROM: Aaron A. Backman
Executive Director

Sarah Swedburg
Business Development Manager

DATE: October 11, 2022

RE: Loan Introductions

EDC staff are working with two business owners who are applying for loans through the EDC. While their applications and attachments are not prepared for full presentation for consideration, we want to introduce these two applications to you:

1. Cheers of Raymond, Jessica Berghorst
   Jessica became a loan client of the EDC when she purchased Cheers of Raymond in April 2022. She has been making improvements overtime and is currently in need of new cooler doors for her off-sale liquor. The cost of these doors is $8,500.

2. The Schimmy Shack LLC, Levi Schimschock
   Levi has owned The Schimmy Shack LLC since 2018, when he began his catering business as a KCEO student. He is currently working with the MinnWest Technology Campus to expand his business and provide food service in the Campus's cafeteria. Levi has been paired with a mentor who has many years of experience in cafeteria food service. The MinnWest Technology Campus is offering him reduced rent and utilities to support him in this expansion, as well as the use of equipment currently in the kitchen, which significantly reduces his start-up expenses. He is seeking $45,000 from local lenders and is putting in about $3,000 towards this expansion.