

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
DOING BUSINESS AS KANDIYOHI COUNTY ECONOMIC DEVELOPMENT (KCED)**

FINANCE COMMITTEE

MINUTES

January 14, 2025

KCED Office, Willmar, and Via Zoom Video Conference

Present: Kyle Grimm, Allen Huselid, Kerry Johnson, Roland “Rollie” Nissen, Chris Radel, Nathan Reuss and Kelly TerWisscha

Excused: Justin Schnichels

Absent: Matt Behm

Guest: Paul Damhof, Simply Shrimp

Staff: Michelle Marotzke, Interim Executive Director/Business Development Manager

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

Chairperson Kerry Johnson called the meeting to order at approximately 12:05 p.m. and announced a quorum was present.

AGENDA—Added to the Agenda under New Business were the following items: d. Kandi Adult Care; e. loan payoffs and f. election of officers.

IT WAS MOVED BY Chris Radel, SECONDED BY Allen Huselid, to approve the revised Agenda.
MOTION CARRIED.

Self introductions were done with Rollie Nissen being introduced as the new committee member representing the KCED Joint Operations Board.

MINUTES—

IT WAS MOVED BY Allen Huselid, SECONDED BY Nate Reuss, to approve the November 12, 2024 Minutes as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

Simply Shrimp loan request. Michelle Marotzke presented the loan request of Simply Shrimp for \$50,000 from the EDC's Revolving Loan Fund. It is a \$6.8 million project. Federated Telephone Cooperative has approved a loan of \$200,000. Paul Damhof noted financing is being requested from four other investment groups, all of which would like an ownership interest in the business. Damhof is doing his due diligence relative to the financing and finding people who have the same vision and outlook for his business. Damhof is also working with Southwest Initiative Foundation (SWIF), Citizens Alliance Bank and the Small Business Administration (SBA). Damhof gave his background in the shrimp business that started in 2017 with a grow facility. He is now focusing on the hatchery and has been working with Kelly TerWisscha of TerWisscha Construction over the past four years. He noted Nova-Tech Engineering has designed a processing machine that will dehead and devein shrimp that will be sold worldwide—this process has been done by hand up until now. Working capital is included in the total financing request. He has several restaurants interested in his product. Self distribution will be done as much as possible plus direct sales via the internet. There are funds in the budget for a freezer truck. Damhof is very confident in the numbers he has stated for meat production. TerWisscha noted the biggest issue for the first year is the water. Damhof is working through the United States Department of Agriculture (USDA) Risk Management Agency for federal crop insurance—aquaculture has not been included to date.

[Damhof was excused from the meeting.]

Marotzke noted Damhof has 30-60 days to get all financing approved. He would like to get construction started this spring. Chair Johnson shared the approval process for an SBA loan, which will more than likely take 90 days. TerWisscha noted SBA is in favor of the project. Marotzke stated Scott Marquardt of SWIF is in favor of the project and may do more financing than initially requested. The committee reviewed the KCED Balance Sheet as of December 31, 2024 (see attached) and the funds available for lending. TerWisscha estimated construction will take six months as there is a lot of large piping that needs to be done.

IT WAS MOVED BY Chris Radel, SECONDED BY Allen Huselid, to approve a \$50,000 ten-year loan from the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund to Simply Shrimp at 6.5% interest with a fourth position security interest, contingent upon all other financing being secured, including approval by the Small Business Administration with closing to occur in 120 days. An extension may be requested, if needed. Interest-only payments are approved for the first nine months. MOTION CARRIED with Kelly TerWisscha abstaining.

VP Enterprises update. Marotzke informed the committee that she received information from Laura Warne of Home State Bank that VP Enterprises is working on an auction of its assets. It will be doing an inventory of its assets over the next two weeks and a 30-day auction will be held on K-BID. It was suggested to formally put a 90-day deferment on its KCED loan. Marotzke has not been in contact with the owners, but they are communicating with Home State Bank. Warne believes all creditors will be made whole.

Aesthetics by Ash update. Marotzke noted that shortly after the loan was approved, Ashlyn Hillenbrand's vehicle quit working. She has been working with SWIF as the vehicle was collateral on its loan. She is looking at closing her loan the first part of February.

IT WAS MOVED BY Nate Reuss, SECONDED BY Kerry Johnson, to approve a 60-day extension to close the loan to Aesthetics by Ash. MOTION CARRIED.

Kandi Adult Care. Marotzke reported the final payment of \$91.66 is due from Kandi Adult Care under its loan through the COVID-19 Business Assistance Loan (COBAL) program. She has made several requests for this final payment, but no response has been received. She recommends the balance of the loan be written off.

IT WAS MOVED BY Chris Radel, SECONDED BY Rollie Nissen, to write off the remaining balance of \$91.66 owed by Kandi Adult Care under the COVID-19 Business Assistance Loan program. MOTION CARRIED.

Loan payoffs. Marotzke reported Wings Gymnastics paid off its loan with the KCED and New Minnesotan Realty's loan was also paid in full. The committee received and reviewed the outstanding loan charts for the Revolving Loan Fund and Microenterprise Loan Program.

Election of officers.

IT WAS MOVED BY Chris Radel, SECONDED BY Kelly TerWisscha, to re-elect Kerry Johnson as chairperson of the Kandiyohi County and City of Willmar Economic Development Commission Finance Committee. MOTION CARRIED.

Fund availability. Marotzke reviewed the availability of loan funds as shown on the December 31, 2024 Balance Sheet. She noted the \$40,000 Certificate of Deposit at Concorde Bank has been set aside for a possible loan to Clean Chickens.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Allen Huselid, to move the funds in the COVID-19 Business Assistance Loan (COBAL) fund at Lake Region Bank to the account from which they originally originated and to close the account at Lake Region Bank. MOTION CARRIED.

USDA Rural Development Intermediary Relending Program. Marotzke has spoken with Jill Bengtson, Director of the Kandiyohi County Housing and Redevelopment Authority (HRA) as to expanding its Intermediary Relending Program (IRP) to include all of Kandiyohi County rather than just downtown Willmar. The KCED may offer assistance in some way. Bengtson has spoken with the USDA relative to making this change.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 1:15 p.m.

NEXT MEETING—The next regular committee meeting is **12:00 p.m., Tuesday, February 11, 2025** at the KCED Office, AppleTree Square, Suite 3, 1601 Highway 12 SE, Willmar, and via ZOOM video conference.

9:48 PM

01/08/25

Accrual Basis

Kandiyohi County and City of Willmar EDC

Balance Sheet

As of December 31, 2024

	Dec 31, 24
ASSETS	
Current Assets	
Checking/Savings	
Heritage Bank	
Checking account	5,909.02
Savings account	222,420.71
KCEO Student Loan checking 2922	7,592.11
Total Heritage Bank	235,921.84
Concorde Bank	
RLF Checking	45,872.12
RLF Savings	74,056.14
CD 15017 11/6/2024	40,000.00
Total Concorde Bank	159,928.26
Lake Region Bank	
COBAL Checking 2091	8,801.74
Microloan Checking	6,764.02
Microloan Savings	71,002.74
Total Lake Region Bank	86,568.50
United Prairie Bank	
CD 9890 10/22/2024	40,000.00
Total United Prairie Bank	40,000.00
Total Checking/Savings	522,418.60
Accounts Receivable	
Childcare Initiative Subgrant	
Forgiven Portion	-71,801.00
Total Childcare Initiative Subgrant	-71,801.00
Taxes Receivable	33,884.00
Total Accounts Receivable	-37,917.00
Other Current Assets	
Allowance for doubtful CEO loan	-1,200.00
Prepaid Expenses	
Prepaid dental insurance	93.80
Prepaid health insurance	2,462.45
Total Prepaid Expenses	2,556.25
Total Other Current Assets	1,356.25
Total Current Assets	485,857.85
Fixed Assets	
zACCUMULATED DEPRECIATION	-4,995.00
Furniture and Equipment	2,834.00
Total Fixed Assets	-2,161.00

9:48 PM

Kandiyohi County and City of Willmar EDC

01/08/25

Balance Sheet

Accrual Basis

As of December 31, 2024

	Dec 31, 24
Other Assets	
Childcare Initiative Subgrants	
Forgivable Loans	
Susan Anderson	3,622.50
Terri Athmann	3,090.56
Atwater Ford, Inc.	32,500.00
Karly Boody	1,736.00
Children's Corner ELC/AG Church	26,500.00
Alexis Collins	11,250.00
Christina Collins	5,629.20
First Step Family Daycare	11,348.57
Shawna Fischer	9,375.00
Megan Fladeboe	9,375.00
Laura Frank	2,690.90
Pamela Harris DBA Pam's Daycare	1,941.57
Heck's Hideout - Hahne Heck	5,000.00
Ashley Klein	12,500.00
Jacquelyn Larsen	10,885.00
Angelyn Lindgren	6,875.00
Britney Lingl	6,250.00
Loving Arms DBA Discovery Hill	25,280.45
Loving Arms Childcare, LLC	4,952.10
Loving Arms DBA Praise & Play	4,952.10
Sarah Minnick	2,039.48
Michelle Minter	6,250.00
Chacey Moist	9,375.00
Ronda Mundahl	3,554.29
Nancy Nelson	3,979.60
Carly Panek	9,235.80
Peace Lutheran Church	32,500.00
Prairie Woods ELC	26,500.00
Tracey Rogers	12,500.00
Maria Sanchez	4,660.00
Paula Schaeffer	5,547.14
Nadene Schliep	7,811.39
Deanna Schueller	11,416.30
Marlene Stark	3,058.90
Stay 'n Play Child Care	40,000.00
Lindsay Sukalski	9,606.56
Nicole Tester	9,375.00
Karisa Van Eps	12,500.00
Nicole VanHauen	4,346.98
Michelle Weiler	6,250.00
Jean Wolff	6,250.00
Susan Yoakum	6,146.25
Total Forgivable Loans	428,656.64
Total Childcare Initiative Subgrants	428,656.64
CEO Student Loan Receivables	
2023-2024 Student Loans	2,648.00
2022-2023 Student Loans	1,200.00
Total CEO Student Loan Receivables	3,848.00
Loan Receivable-HRA	25,750.00
COBAL Receivables	
Kandi Adult Care, Inc.	91.66
Total COBAL Receivables	91.66

9:48 PM

Kandiyohi County and City of Willmar EDC

01/08/25

Balance Sheet

Accrual Basis

As of December 31, 2024

	Dec 31, 24
Microloan Receivables	
Chaw's Asian Market	6,290.12
Dandelion Wishes LLC/Mainstream	11,190.14
Pink Apron Bakery Loan	10,182.22
Re-Cover Temp Agency/Bronner	3,902.17
Total Microloan Receivables	31,564.65
Rent Deposits	3,600.00
Utility Deposit	1,000.00
Revolving Loan Fund Receivables	
6th Street Logistics	42,261.76
Amin Grocery RLF	34,526.08
Cheers of Raymond	16,250.39
Cheers of Raymond RLF2	9,967.46
Intuition Brewing RLF	36,260.73
Paul's Tree Work LLC	21,068.47
Rendezvous LLC	43,370.16
VP Enterprises RLF	13,988.41
Wings Gymnastics, LLC	180.40
Total Revolving Loan Fund Receivables	217,873.86
Total Other Assets	712,384.81
TOTAL ASSETS	1,196,081.66
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	2,089.92
Total Accounts Payable	2,089.92
Other Current Liabilities	
Deferred Revenue	17,407.00
Payroll Liabilities	429.21
Total Other Current Liabilities	17,836.21
Total Current Liabilities	19,926.13
Total Liabilities	19,926.13
Equity	
Reserved Funds	
CEO Program Funds Held-Reserve	20,749.00
COBAL	150,000.00
Loan Receivable-HRA of Willmar	25,750.00
Loan writeoff/allowances	-6,286.82
Microloan Fund Reserve	100,000.00
Revolving Loan Fund-County	300,000.00
Tourism Development CD-County	13,641.23
Total Reserved Funds	603,853.41
Designated	
Operating Capital	250,000.00
Total Designated	250,000.00
Unreserved Funds	120,865.45
Unrestricted Net Assets	290,179.94
Net Income	-88,743.27
Total Equity	1,176,155.53
TOTAL LIABILITIES & EQUITY	1,196,081.66