

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

FINANCE COMMITTEE

MINUTES

October 8, 2024

KCED Office, Willmar, and Via Zoom Video Conference

Present: Matt Behm, Art Benson, Kyle Grimm, Allen Huselid, Kerry Johnson, Chris Radel and Kelly TerWisscha

Excused: Justin Schnichels

Absent: Travis Jones

Guests: Ashlyn Hillenbrand of Aesthetics by Ash and Nathan Reuss, Economic Development Professional, Mid-Minnesota Development Commission

Staff: Patrick O'Rourke, Executive Director, and Michelle Marotzke, Business Development Manager

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

Chairperson Kerry Johnson called the meeting to order at approximately 12:01 p.m. A quorum was present.

AGENDA—Michelle Marotzke noted that instead of a loan request by Simply Shrimp it will be a preflight introduction to the loan request.

NEW BUSINESS

Committee members. Marotzke reported she contacted Travis Jones, who informed her that if he does not get back to her, he could be removed from the committee. She has had no further contact from him. Nate Reuss, who would like to join the committee, was introduced and provided information on himself.

IT WAS MOVED BY Chris Radel, SECONDED BY Matt Behm, to remove Travis Jones from the Kandiyohi County Economic Development Finance Committee and to add Nathan Reuss to the committee. MOTION CARRIED.

Aesthetics by Ash loan request. Marotzke introduced Ashlyn Hillenbrand, who started working in the aesthetics and cosmetology business in 2016. She started her own business in June of this year and is a graduate of the Elevate Community Business Academy. Hillenbrand is requesting a loan in the amount of \$5,600 from the EDC. She worked with the Small Business Development Center (SBDC) for her

financial projections. She has former clients who are asking when she will provide her previous services. Marotzke believes Hillenbrand would double her current clientele if she is able to purchase the equipment needed to expand her services. Hillenbrand currently works Wednesday through Friday 9:00 a.m. to 2:00 p.m. and every other Saturday. She does online booking for her services.

[Hillenbrand was excused from the meeting.]

Southwest Initiative Foundation (SWIF) has approved a loan in the amount of \$5,600, subject to approval of the EDC's loan. SWIF will take a first security interest in the assets and a second lien on Hillenbrand's vehicle. SWIF will be providing technical assistance to Hillenbrand. The committee voiced concern for success of the business and Hillenbrand's knowledge of the financials and future earnings.

[O'Rourke was excused from the meeting.]

It was suggested that in the future, loans be vetted prior to the committee meeting the borrower and that borrowers be provided with anticipated questions beforehand. Marotzke suggested she could present loan information to the committee two weeks before the meetings to allow the committee a week to review and submit questions.

IT WAS MOVED BY Art Benson, SECONDED BY Allen Huselid, to recommend to the Joint Operations Board that it approve a loan from the Kandiyohi County and City of Willmar Economic Development Commission's Microenterprise Loan Program in the amount of \$5,600 at 6.5% interest to Aesthetics by Ash, LLC, contingent upon a separate business checking account with a financial institution be opened and she receive technical assistance, including marketing and budgeting, from Southwest Initiative Foundation or Kandiyohi County Economic Development on a regular basis. MOTION CARRIED.

MINUTES—

IT WAS MOVED BY Matt Behm, SECONDED BY Kelly TerWisscha, to approve the September 10, 2024 Minutes as emailed. MOTION CARRIED.

Simply Shrimp. Marotzke reported Simply Shrimp is working on expanding and developing a grow-out facility. The hatchery is under the umbrella of Minnesota Shrimp. The loan request will be \$50,000 from the Revolving Loan Fund. Marotzke noted it is a \$6.8 million project and they are down to the remaining funds that are needed. Federated Telephone Cooperative is providing some funds and Paul Damhof obtained an SBA loan through Citizens Alliance Bank in Clara City. Mid-Minnesota Development Commission has loans to Minnesota Shrimp. Reuss and TerWisscha noted they will need to recuse themselves from voting on a loan. A feasibility study has been updated. TerWisscha noted there are very few places to purchase postlarvae (PL) shrimp, which Damhof has been successful in growing. Marotzke is waiting for SWIF to approve its loan and for Damhof to provide additional information before presenting a loan request. TerWisscha noted Damhof has many restaurants and chefs in Minnesota who buy from him.

Loan extension to VP Enterprises. Marotzke noted the loan to VP Enterprises was to balloon in July 2024, which was not noticed until September. VP Enterprises has been current on all payments, except no payment was made in August 2024 as it was to have been paid off, but a payment was made in September. VP Enterprises received a four-month deferrment in 2020 due to COVID. Updated financial information was not requested. The committee recommended that it be a general practice to request updated financial information for any loan deferment and to request financial information from all outstanding loan recipients on at least an annual basis.

IT WAS MOVED BY Chris Radel, SECONDED BY Allen Huselid, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board that it approve extending the Revolving Loan Fund loan to VP Enterprises at the same monthly payment of \$555.13 and interest rate of 6% through December 26, 2026 when the loan will be due in full. MOTION CARRIED with Matt Behm abstaining.

Marotzke noted the EDC will file a new UCC Financing Statement with the state as the previous one expired.

UNFINISHED BUSINESS

Nontraditional lender event. Marotzke announced the lender event will be held November 18, 2024 at the County Health and Human Services Community Room. Invites will be sent to all lending institutions. Mike Nicholas of Mid-Minnesota Development Commission, Christine Fischer of SBDC, Selina Berning of SWIF and Marotzke will be the speakers. Marotzke noted in her presentation she will also provide information on the Elevate Community Business Academy.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 1:08 p.m.

NEXT MEETING—The next regular committee meeting is **12:00 p.m., Tuesday, November 12, 2024** at the KCED Office, AppleTree Square, Suite 3, 1601 Highway 12 SE, Willmar, and via ZOOM video conference.