

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD (OB)
FINANCE COMMITTEE
MINUTES
October 8, 2013
EDC Board Room, Willmar**

Present: Matt Behm, Nick Dalton, Rick Nordin, Bruce Peterson and Russ Weeks

Excused: Les Nelson and Randy Zinda

Absent: Justin Schnichels

Staff: Jean Spaulding, Assistant Director

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Chairperson Russ Weeks called the meeting to order at approximately 12:06 p.m.

MINUTES—

IT WAS MOVED BY Nick Dalton, SECONDED BY Bruce Peterson, to approve the minutes of the June 11, 2013 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

Loan extension request. Jean Spaulding presented a request by Feedlogic Corporation to extend the balance of its loan with the EDC to December 15, 2014 as it does not have funds at this time to payoff the balloon amount currently due. Following discussion,

IT WAS MOVED BY Bruce Peterson, SECONDED BY Rick Nordin, 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 with Feedlogic Corporation to December 31, 2014, maintaining the same interest rate, providing a new amortization schedule and, if there are any outside costs involved in the extension, Feedlogic will be responsible for those costs. MOTION CARRIED.

Pep's Sports Barber Shop. Spaulding informed the committee she was contacted by Stephen Peppin DBA Pep's Sports Barber Shop on his defaulted loan with the EDC. In August 2010, the EDC paid Heritage Bank \$7,980.37 (80% guaranty), and Heritage Bank wrote off the remaining 20% (\$1,995.10). Peppin has proposed making payments of \$400 per month beginning in December 2013 to make himself whole with the EDC. Spaulding noted any payments received would go back into the loan account. Following a lengthy discussion as to accepting payments or a lump sum cash settlement and the possible expectations and

motivations for this offer, it was the committee's consensus to accept any payments Peppin is willing to make. Spaulding will contact Peppin and indicate this committee's appreciation for his willingness to address his default and ask if he has a lump sum amount he wants to offer or if he is looking at making monthly payments and confirm his understanding as to Heritage Bank's portion that was written off. The committee indicated it did not want to imply the EDC will approve or deny any future loan requests by accepting any payments from Peppin.

[Bruce Peterson was excused from the meeting.]

Quarterly review of outstanding loans. The committee reviewed the outstanding loans in the Entrepreneurs' Loan Guarantee Program and Revolving Loan Fund program, all of which are current. Spaulding informed the committee Peaceful Thymes Gifts & Garden Center, Inc.'s loan will be extended as when her bank changed ownership, the automatic payments did not transfer and the loan was behind a few months as a result.

Other. Spaulding reported on the following: the Minnesota Department of Agriculture has indicated a need for patient capital; United FCS is looking at doing such a loan pool; and Gopher Angels is interested in possibly speaking with a Willmar group and asked if the committee was interested in learning more. Should Kandiyohi County levy funds for a loan pool? The EDC would need to work on a funding source and would look at it because the private sector is not in that space and it is hard to find such financing. This would be another tool to breach gaps. Southwest Initiative Foundation may do a special program just for Kandiyohi County. Spaulding has been working with the owners of a new grocery store in Lake Lillian, Double J Market and Fuel, and has referred them to the Small Business Development Center.

ADJOURNMENT—There being no further business,

IT WAS MOVED, SECOND AND CARRIED to adjourn the meeting.

The meeting was adjourned at approximately 1:16 p.m.

NEXT MEETING—The next committee meeting is **noon, Tuesday, November 12, 2013** at the EDC Office, 333 Litchfield Avenue SW, Suite 100, Willmar.