

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD (OB)
FINANCE COMMITTEE
MINUTES
February 14, 2012
EDC Board Room, Willmar

Present: Matt Behm, Nick Dalton, Les Nelson, Rick Nordin, Bruce Peterson, Russ Weeks and Randy Zinda

Excused: Brian Borgerding and Kevin Rueckert

Staff: Jean Spaulding, Assistant Director

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

Chairperson Nick Dalton called the meeting to order at approximately 12:00 p.m.

MINUTES—

IT WAS MOVED BY Russ Weeks, SECONDED BY Randy Zinda, to approve the minutes of the November 8, 2011 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS

Revolving Loan Fund increased lending ability. Jean Spaulding stated there are few opportunities for recapitalization of loan funds at this time. Southwest Initiative Foundation (SWIF) has only done two loans through the USDA Intermediary Relending Program as the rules are difficult. Mid-Minnesota Development Commission is currently out of loan funds. The EDC may not need additional funds as long as there are other sources from which to get funding for the business community. The balance available for lending through the EDC's Revolving Loan Fund is approximately \$174,000. Criteria this committee has established for lending is positive. Two of the three loans approved by the EDC have closed. Bruce Peterson informed the committee that the interest earned on the Willmar Fabrication Minnesota Investment Fund loan was incorporated into the city of Willmar's 2012 budget before this committee's November 8, 2011 request could be made. Willmar Municipal Utilities and Great River Energy are possible funding avenues that can be explored in the future. Spaulding stated, if necessary, a request to use EDC reserve funds for loan funds could be made.

Some banks have indicated to Spaulding that \$50,000 would be a better maximum loan amount for the Entrepreneurs' Loan Guarantee Program (ELGP). The committee discussed whether the guarantee amount would be decreased, if the lending amount was increased. Some members did not feel banks would be in favor of a guarantee less than 75%. It was the committee's consensus to wait to increase lending ability until more activity is shown in the Revolving Loan Fund program. Spaulding requested the bankers monitor loan applications that would be better served by a \$50,000 ELGP loan rather than \$25,000.

NEW BUSINESS

2012 chairperson. Chairperson Dalton opened the floor for nominations.

IT WAS MOVED, SECONDED AND CARRIED to re-elect Nick Dalton as chairperson of the Kandiyohi County and City of Willmar Economic Development Commission's Finance Committee.

2012 goals. The committee reviewed the 2011 committee goals and status. Spaulding stated the EDC boards want to see how the committee's goals relate to the boards' 5-year goals. Spaulding suggested the EDC could do a better job of working with loan recipients by offering marketing assistance, such as for a grand opening. The EDC's Marketing and Public Relations Committee could help with this marketing. Also doing a one-year followup with loan recipients to monitor the progress of the business would be beneficial. Spaulding stated the Marketing and Public Relations Committee is planning a campaign to increase public awareness of the EDC.

Education. Spaulding reported she met with Liz Struve of the Small Business Development Center (SBDC) of Marshall after receiving a funding request of \$10,000. The SBDC worked with approximately 300 businesses in 2011, but very few of those were in Kandiyohi County. SBDC's receive 50% of their funding matched by the Minnesota Department of Employment and Economic Development through the Small Business Administration. Southwest State University, the primary funding source for the Marshall SBDC, notified the SBDC that its funding will be reduced. Most SBDC counseling services are at no cost. Les Nelson has been an SBDC counselor. Spaulding offered the SBDC use of the EDC's SCORE office or board room, if local activity is started and a relationship can be strengthened. The SBDC does not reimburse its counselors for travel time or expenses. The Finance Seminar will be held this year and could possibly focus more on technical assistance.

ELGP updates. Spaulding reported Feedlogic Corporation and First Class Collision & Glass paid off their ELGP loans and S & D Repair is paying ahead of schedule.

Other. Peterson stated in October through December 2011 Kandi Quick Stop appeared to be doing well with customer service and traffic. Spaulding informed the committee the EDC is co-hosting a documentary "Something Ventured" that will be shown February 23, 2012 at the Holiday Inn/Willmar Conference Center. Other local sponsors are the Willmar Lakes Area Chamber of Commerce, Willmar Area Development Center and SWIF.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:01 p.m.

NEXT MEETING—The next committee meeting is **noon, Tuesday, April 10, 2012** at the EDC Office, 333 Litchfield Avenue SW, Suite 100, Willmar.