

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD (OB)
FINANCE COMMITTEE
MINUTES
May 12, 2015
EDC Board Room, Willmar

Present: Matt Behm, Nick Dalton, Gary Gilman, Darren Hetland, Les Nelson and Bruce Peterson

Excused: Justin Schnichels, Russ Weeks and Randy Zinda

Staff: Jean Spaulding, Assistant Director

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

Jean Spaulding called the meeting to order at approximately 12:04 p.m. and welcomed new member Darren Hetland, who is replacing Jim Vrchota.

MINUTES

IT WAS MOVED BY Nick Dalton, SECONDED BY Les Nelson, to approve the minutes of the April 7, 2015 meetings as emailed. MOTION CARRIED.

UNFINISHED BUSINESS

Elect chair and vice chair. Spaulding informed the committee that Jim Vrchota has relocated to Winona and, thus, the committee is in need of a new chairperson.

IT WAS MOVED BY Gary Gilman, SECONDED BY Nick Dalton, to elect Matt Behm as chairperson and Nick Dalton as vice chairperson of the Kandiyohi County and City of Willmar Economic Development Commission Finance Committee. MOTION CARRIED.

By consensus, the committee agreed to the monthly meetings starting at 12:30 p.m., to accommodate a monthly scheduling conflict for the new chair.

Intermediary Relending Program (IRP). Spaulding informed the committee there has been no progress with the Willmar Housing and Redevelopment Authority (HRA) as to receiving transfer of the IRP. The Willmar HRA needs to send a letter to the United States Department of Agriculture (USDA) outlining the request and identifying the assets to be transferred and sign Form 465-1 Application for Partial Release. Paul Pierson of the USDA has questioned whether the EDC should take over the HRA's IRP since it is in its final ten years or apply for a new IRP. If a new application was approved, the USDA could then just transfer the HRA's program to the EDC. Pierson provided Spaulding with the score sheet to apply for new funds, but Spaulding does not believe Kandiyohi County will show the distress needed to receive new

funds. Les Nelson noted Mid-Minnesota Development Commission (MMDC) has used a Presidential Declaration of Disaster with its applications.

IT WAS MOVED BY Bruce Peterson, SECONDED BY Gary Gilman, to move forward with transfer of the Intermediary Relending Program from the Willmar Housing and Redevelopment Authority unless the United States Department of Agriculture can assure the Kandiyohi County and City of Willmar Economic Development Commission that an application can score high enough to apply for new funds. MOTION CARRIED.

Spaulding stated the EDC's current Revolving Loan Fund does not have much funds and sources for funding the program should be researched and considered. Normal funding sources for a Revolving Loan Fund are through an IRP, Minnesota Investment Fund (MIF) or by levy. The EDC's current Revolving Loan Fund program balance is \$224,000 and unreserved funds are approximately \$152,500. If new funds are applied for, Spaulding anticipated the amount requested would be \$600,000. Potential matching funds were discussed.

NEW BUSINESS

Loan application. Spaulding informed the committee the lender just received additional information from the applicant and was not in a position to present the loan application at today's meeting and is on hold.

Revolving Loan Fund policies regarding Minnesota Investment Fund monies. Spaulding informed the committee that last year, the state put communities on notice that any MIF monies they received cannot be used for retail or service businesses, but only manufacturing equipment purchases. Spaulding reported to the state that the EDC no longer has any MIF monies. Spaulding suggested this committee separate EDC loan funds as to what can and cannot be used for retail. Nelson indicated MMDC has funds for retail, but it is low priority.

ADJOURNMENT—There being no other business,

IT WAS MOVED BY Gary Gilman, SECONDED BY Les Nelson, to adjourn the meeting.

The meeting was adjourned at approximately 12:51 p.m.

NEXT MEETING—The next committee meeting is **12 noon, Tuesday, June 9, 2015** at the EDC office.