

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD (OB)
FINANCE COMMITTEE
MINUTES
June 11, 2013
EDC Board Room, Willmar

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

Excused: Nick Dalton

Staff: Jean Spaulding, Assistant Director

Guest: Dion Warne of Home State Bank and Cindy Swenson

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

Chairperson Russ Weeks called the meeting to order at approximately 12:00 p.m.

MINUTES—

IT WAS MOVED BY Bruce Peterson, SECONDED BY Les Nelson, to approve the minutes of the April 9, 2013 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

Loan review. Jean Spaulding provided information on the loan application by Cindy Swenson, who is looking at purchasing the Riverside Café in New London. The loan request is for a guaranty loan to purchase the real estate. Matt Behm noted he will participate in discussion of the loan, but will abstain from voting as Home State Bank is making the presentation. Home State Bank is looking at doing two loans.

[Dion Warne and Cindy Swenson joined the meeting.]

Spaulding introduced Dion Warne and Cindy Swenson. Swenson provided background on her experience in the food industry and Warne provided information on Home State Bank's history with Swenson. Swenson anticipates the name of the restaurant will be Middle Fork Café. Warne stated Home State Bank will do a first loan for \$65,000 and a second loan for \$47,900 to include the EDC's guaranty. Swenson is contributing approximately \$5,000. The total purchase price for the real estate and existing business is \$117,900.

[Warne and Swenson were excused from the meeting.]

IT WAS MOVED BY Justin Schnichels, SECONDED BY Les Nelson, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board that it approve a seven-year \$47,900 Entrepreneurs' Loan Guarantee Program loan to Cynthia M. Swenson, individually and doing business as Middle Fork Café, to purchase the New London Riverside Café, subject to an "as is" real estate appraisal coming in with a value of at least \$90,000. MOTION CARRIED. Matt Behm abstained.

The committee reviewed the current outstanding loans and the amount in reserve for the Entrepreneurs' Loan Guarantee Program with the new loan. The current amount in reserve is \$35,900. If the percentage in reserve is left at 50%, the amount necessary is \$54,312.05. If the reserve is changed to 30%, the amount in reserve would be \$32,587 and would be covered by the current amount in reserve.

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 increase the funds in reserve for the Entrepreneurs' Loan Guarantee Program to maintain the 50% reserve. MOTION CARRIED.

Spaulding gave an update on The Goodness, a loan for which was declined by this committee.

ADJOURNMENT—There being no further business,

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

The meeting was adjourned at approximately 12:46 p.m.

NEXT MEETING—The next committee meeting is **noon, Tuesday, July 9, 2013** at the EDC Office, 333 Litchfield Avenue SW, Suite 100, Willmar.