



MINUTES
SPECIAL
COMMITTEE OF THE WHOLE

July 24, 2013

3:30 p.m.

Northwest Business Centre, 227 Second Street South

Action

Present: Mayor D. Canfield
Councillor R. McMillan
Councillor L. Roussin
Councillor S. Smith
K. Brown, CAO
H. Kasprick, Deputy Clerk
D. Schwartz-Williams, NWBC Manager

Regrets: Councillor C. Drinkwalter
Councillor R. Lunny
Councillor R. McKay

Guest: Scott Bowman, Canadian Youth Business
Foundation (CYBF) Senior Director, Ontario

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A. Call Meeting to Order

Mayor Canfield called the meeting to order at 3:35 p.m. and welcomed guest Scott Bowman to Kenora.

B. Public Information Notices

N/A

C. Declaration of Pecuniary Interest & the General Nature Thereof

Mayor Canfield then asked if any Member of Council had any Declarations of Pecuniary Interest and the General Nature Thereof pertaining to any items as follows:-

1) On Today's Agenda

2) From a Meeting at which a Member was not in Attendance

There were none declared.

No. Subject

1. Information session with Canadian Youth Business Foundation – Scott Bowman, Director (Information Only)

Scott Bowman with the CYBF is visiting Kenora and meeting with various groups to promote and discuss the CYBF and engage more participation in the program. Scott has a background as the assistant to Rick Bartolucci, former Minister of Northern Development and Mines and has a good understanding of the north as he is also from a northern community.

The Canadian Youth Business Foundation (CYBF) offers aspiring young entrepreneurs aged 18 to 39 financial support and expert advice that will bring business ideas to life. The loans are non-collateral, low interest loans at prime plus 3% with the first year being interest only repayment. There is a mandatory mentor program that comes with the financial assistance and the maximum loan amount available is \$15,000 from the CYBF loan fund. There is a co-funding opportunity available for entrepreneurs with the BDC to match those dollars. 40% of the clients take the additional BDC funding which can be up to double the CYBF funds. The BDC has a 3-5 year payment plan with a rate of prime plus 5% with interest only for the first year. These loans have a personal guarantee and criteria is not based on the same as large financial institutions would be. The basic amount is \$5,000 with most entrepreneurs seeking the \$10,000 - \$15,000 amount. The CYBF and local review committee assist the entrepreneur with their business plan and give each plan a test of viability. They want to ensure that the proposal is going to sustain a full time job for the entrepreneur and other persons if possible long term. They do not fund research and development or short term business plans, their mandate is long term sustaining businesses. They are non-sector specific with their criteria and have business approvals in agriculture, manufacturing, forestry, retail with 30% of their approvals being in the service orientated fields.

CYBF has an excellent working relationship with the Northwest Business Centre and Scott advised Council that Diane Schwartz-Williams is an excellent advocate for the program. She is an active participant in the program and CYBF has been partnering with the NWBC for 7 years. There is a local review committee that assists with applications and business plans and Scott is in Kenora hoping to increase the number of successful applications to increase small business opportunities here in Kenora. He wants to see options for entrepreneurs to live their dreams at home and the CYBF has large goals for the coming years.

Scott advised Council of some of the criteria for entrepreneurs and the successes of the program. They have a 90% repayment rate, with 50% of their clients paying their loan off early, and the success rate of the businesses long term is 60-65% and would be higher if you removed the food service industry from the businesses as these types of endeavors have a lower success rate. Statistically, 90% of all new jobs are created by small business. 40% of businesses want to retire in the next 5 years and 30% have no succession plan. This can have a big impact on the future of

small businesses. With this program, on average, businesses created 5 new jobs.

In the region, CYBF has assisted 12 new business ventures with the majority of those businesses being in Kenora. The approval rate in Ontario is quite fast with it only taking approximately 5 weeks to receive word on approval. The mentor surveys the businesses regularly and monitors sales, challenges and questions the entrepreneur on what they can do to assist with any challenges they are facing.

Scott concluded the meeting by thanking Council for their interest in the program and Diane Schwartz-Williams for her commitment to the program and the business community. He looks forward to being in the area again soon and to continue to encourage more entrepreneurs to take advantage of the CYBF program.

2. Adjournment.

Meeting adjourned at 4:45 p.m.