

**MINUTES OF THE
BI-STATE REGIONAL COMMISSION**

Wednesday, October 24, 2018, 3:30 p.m.
Rock Island County Office Building
County Board Chambers, Third Floor
1504 Third Avenue
Rock Island, IL

MEMBERS PRESENT: Earnhardt – Chair, Acri, Carroll-Duda, Freeman, Gallagher, Gradert, Heninger, Klipsch, Knobbe, Lack, Lawrence, Maranda, Mendenhall, O’Boyle, Schloemer, Sherwin, Stoermer, Tank, Thoms, Tompkins, Waldron

MEMBERS ABSENT: Beck, Brown, Broderson, Callaway-Thompson, Condon, Dawson, Geenen, Kiser, Looney, Mather, Moore, Newton-Butt, Sauer, Terry

OTHERS PRESENT: None

STAFF PRESENT: Bulat, Gardner, Grabowski, McCullough, Moritz

Chair Earnhardt called the meeting to order at 3:35 p.m.

1. Approval of the September 26, 2018 Minutes. Mr. Maranda moved to approve the minutes of the September 26, 2018 meeting as presented. Mayor Klipsch seconded the motion, and it passed unanimously.
2. Treasurer’s Report. Mayor O’Boyle presented the Treasurer’s Report for the month ending September 30, 2018, noting an ending total bank and book balance of \$790,700.43. Mayor O’Boyle moved the report be accepted as written and mailed. Mr. Maranda seconded the motion, and it passed unanimously.
3. Finance and Personnel Committee.
 - a. Bills. Mayor O’Boyle presented the bills totaling \$71,419.22, as listed on the following bills listing:

Bills List

Opportunity Alliance LLC, consulting related to the enterprise zone application, \$10,000.00 September 2018 services, (cost reimbursed by participating member governments)	
Thomas A. Skorepa, P.C., Administrator Hearing Officer September 2018 services (cost reimbursed by MUNICES)	2,765.00
The Roosevelt Group LLC, September 2018 Legislative Technical Services (cost reimbursed by participating governments)	20,000.00

Addendum

Blackhawk Bank & Trust, VISA charge card expenses related to Illinois Intergovernmental meeting; Iowa Intergovernmental meeting (cost reimbursed by participants); Chief Elected and Chief Administrative Officials meeting (cost reimbursed by participants); 1 staff attending the International City Managers Association conference; 1 staff attending the National Association of Development Organizations conference; 1 staff attending the freight conference; 1 staff attending the National Association of Regional Councils conference; staff recruitment advertising; 3 staff attending the Upper Mississippi River conference; 1 staff attending the Iowa Public Transit Association 2018 Fall conference; 1 staff attending the Annual Illinois Counties Solid Waste Management Association conference; 2 staff attending the American Planning Association Iowa conference; office supplies	3,813.11
City of East Moline, Municipal Code Enforcement System proceeds	5,254.19
City of Moline, Municipal Code Enforcement System proceeds	3,354.83
City of Rock Island, Municipal Code Enforcement System proceeds	18,823.43
Rock Island County Treasurer	7,408.66
11/2018 Rent	4,832.58
11/2018 Internet Access	88.00
10/2018 Managed Print Services	323.72
09/2018 Postage	1,795.76
June-August 2018 Print Overage	136.21
09/2018 Printing	30.94
09/2018 Supplies	153.44
09/2018 Cell Phone	48.01

Mayor O’Boyle moved approval of the bills totaling \$71,419.22 as presented above. Mr. Maranda seconded the motion, and it passed unanimously.

- b. Report on Progress on Commission’s FY 2018-19 Program Budget as of September 30, 2018. Mayor O’Boyle explained the Program Budget Status Report was mailed in members’ packets. The Commission is 25.0% through the fiscal year with 23.1% expended and within budget.
- c. Contracts/Grants for Consideration. Ms. Bulat presented the following contract and contract amendment for consideration.
 - Contract with TSS, Inc. (Tongass Substance Screening) for the Drug and Alcohol Consortium Screening program. The contract is January 1, 2019 and through December 31, 2021. Costs are as follows:
 - DOT Urine Drug Test - \$80.00
 - Breath Alcohol Test - \$50.00
 - Breath Alcohol Confirmation Test - \$45.00
 - After-hours Collections - \$135/hour, 1-hour minimum, plus drug or alcohol testing fee

Mayor Klipsch moved approval of the contract, and Mr. Knobbe seconded. The motion passed unanimously.

- Contract with Iowa Association of Council of Governments for foreign labor housing inspection program. Cost is \$222 to \$257.35 per inspection. The contract is October 1, 2018 and through October 1, 2019.

Mayor Thoms moved approval of the contract, and Mr. Stoermer seconded. The motion passed unanimously.

4. Consideration of Resolution for Annual Certification of the Bi-State Revolving Loan Fund (RLF) Plan. Mr. Tank informed the Commission that the Bi-State Revolving Loan Fund (BSRLF) is celebrating 33 years of providing gap financing to businesses. He reported that since the inception of the program in 1985, over \$10.5 million has been loaned to 112 businesses in Rock Island and Scott Counties. These loans have helped generate over \$439 million in total investments, accessing city and state public financing programs, financial institutions, and company equity. In addition, over 3,900 jobs have been created/retained in the two county area. Currently, there is approximately \$700,000 available to loan.

Mayor Gallagher moved approval of the resolution, and Ms. Mendenhall seconded. The motion passed unanimously.

5. Consideration of Resolution for Annual Certification of the Mercer-Muscatine Revolving Loan Fund (MMRLF) Plan. Ms. Moritz presented the Commission with information on the Mercer-Muscatine Revolving Loan Fund Program (MMRLF). She stated there have been \$598,000 loaned to businesses in Mercer and Muscatine Counties. These loans have helped generate over \$43 million in total investments. Currently, there is \$333,000 available to loan for Mercer & Muscatine businesses.

Mayor Gallagher moved approval of the resolution, and Ms. Mendenhall seconded. The motion passed unanimously.

Ms. Moritz also reported that Henry County's RLF, administered by Lori Merrill, has approximately \$200,000 available to loan to Henry County businesses with very similar requirements. Information for this program can be found on Henry County's website www.henrycty.com.

Ms. Moritz reviewed guidelines and processes for both the BSRLF and MMRLF programs. She stated companies in need of gap financing could find an application and program guidelines at www.bistateonline.org by clicking the RLF Programs link on the left hand side of the home page. They should submit this application to the economic development staff for the community where the business is located or to Bi-State Regional Commission. They need to prove their need for gap financing by providing a letter from their primary project lender/financial institution stating the gap and reason for not fully providing total lending. RLF funds cannot be used when conventional financing is available.

Ms. Moritz explained that the loan amount is based on number of jobs the business will create or retain in two years. Other criteria reviewed included an owner of 20% or more must provide a personal guarantee, 10% of the total project cost should be funded by owner equity, adherence to federal laws and regulations is required, and the loan will be collateralized with a security agreement, mortgage, and/or UCC filings. Total public funds into a project maximum are 1/3. Once the application satisfies community and RLF staff reviews, the RLF Board determines if the project and loan request is approved.

Loans terms are typically 3 years for working capital, 5 to 7 years for equipment, and 7 to 10 years for real estate/fixed assets. The interest rate is below market with a floor of 75% of prime. Priority is given to manufacturing/industrial projects, then service, and lastly to retail businesses.

Ms. Moritz then reported on the new risk rating system for EDA RLF programs. There are six categories: capital, assets, management, earning, liquidity, and strategic results for a total of 15 measurements. A score is given that affects reporting frequency and could result in a corrective action plan. Bi-State's programs scored an A & B, which was very good with all categories and measurements except liquidity. There is too much cash to lend compared to our counterparts in this EDA region. Bi-State has two years to improve this measurement until a corrective action plan, sequestration, or possible return of grant funds to EDA would be required.

Ms. Moritz requested ideas to market these programs. The Commissioners suggested contacting bankers, credit unions, business brokers, commercial real estate brokers, leasing companies, construction equipment dealers, SBA local representatives, Chambers of Commerce, and Small Business Development Centers. Ms. Moritz and Ms. Bulat stated Bi-State has working relationships with many of these organizations including SCORE and appreciated the suggestions and discussion. Ms. Bulat stated staff would gather email information to provide updated information to all the suggested contacts.

Chair Earnhardt suggested Bi-State participate in the Scott County Economic Summit at the Waterfront Convention Center on February 28, 2019. Ms. Bulat stated Congresswomen Cheri Bustos generally has an Illinois Economic Summit in the spring at Augustana College. Staff will plan to market the RLF programs at these events.

Ms. Moritz asked anyone who knows of potential projects in the five county region that will create new jobs and needs public loan assistance to supplement conventional financing should contact a local government's economic development staff or Donna Moritz at (309) 793-6300, ext. 1128.

6. Questions or Comments by Commissioners. There were no further questions or comments by Commissioners.
7. Other Business. Ms. Bulat told Commissioners that the November meeting will be back in the Scott County Administrative Building.
8. Adjournment. The meeting adjourned at 4:25 p.m.

Respectfully submitted,



Kathy Carroll-Duda

Secretary