

Minutes of the
REVOLVING LOAN FUND
LOAN ADMINISTRATION BOARD

Wednesday, June 21, 2006, 8:00 A.M.
Bi-State Regional Commission
Bi-State Regional Commission Conference Room
1504 Third Avenue
Rock Island, Illinois

MEMBERS PRESENT: Berlinda Tyler-Jamison – President, Carl Becker, Denise Bulat, Mark Petersen, Mike Powers, Lee Schneider

MEMBERS ABSENT: Martin Coe, Randy Hollerud, Jim Tank

STAFF PRESENT: Pat Burke, City of Moline; Mary Chappell, City of Rock Island; Jim Grafton, City of Silvis; Donna Moritz, Bi-State Regional Commission; Liz Murray Tallman, City of Davenport; Scott Tunicliff, Bettendorf Chamber of Commerce; Steve VanDyke, City of Bettendorf

OTHERS PRESENT: Pete Cramtton, Fitness Xpress; Rick Damewood, Tri City Heat Treat Co.; Frank Johnson, Sivyer Steel Corporation; Terry Thompson, PCT Engineered Systems, L.L.C.

Ms. Tyler-Jamison called the meeting to order at 8:00 a.m.

1. **Approval of Minutes of the April 19, 2006 Meeting.** Ms. Tyler-Jamison asked if there were any additions or corrections to the April 19, 2006 Revolving Loan Fund Loan Administration Board minutes. Mr. Becker moved approval of the minutes as mailed. Mr. Schneider seconded the motion, and the motion passed unanimously.
2. **Financial Report**
 - a. **Financial Summary.** The Financial Summary, as of May 31, 2006, was reviewed. The principal balance outstanding for the program is \$1,857,764.59. There were no available funds to loan from repayments. May repayments generated approximately \$33,000 in program income.
 - b. **Delinquency Report.** Ms. Moritz reported the delinquent accounts as of July 10, 2006. The following companies are in the over 90 days delinquent column: J T & S Production Co. (August 2005 through June 2006); Dominic Rivera Restaurant Corporation (November 2004 through June 2006); Interactive Marketing, Inc. (May 2005 through June 2006) and Parakeet Island, Inc. (May 2003 through June 2006).

3. Status of Loan Reviews

a. Upcoming Loan Reviews. Upcoming loan review includes JPF Investment, L.C.

4. Review of Tri City Heat Treat Co. Loan Application. Ms. Chappell introduced Rick Damewood to the Board. Ms. Chappell reviewed the project summary letter stating the RLF funds will be used for equipment purchase and repair of plant equipment. The company plans on creating twelve jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$90,000
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – Land, Building, Equipment
Other Conditions	Personal Guarantee – Ronald R. Damewood, Jr. and Faith Damewood

After considerable discussion, Mr. Becker moved, seconded by Mr. Schneider, to approve the loan to Tri City Heat Treat Co. as recommended by staff. The motion passed unanimously.

5. Review of PCT Engineered Systems, L.L.C. Loan Application. Ms. Murray Tallman introduced Terry Thompson to the Board. Ms. Murray Tallman reviewed the project summary letter stating the RLF funds will be used for equipment purchase. The company plans on creating fourteen jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$250,000
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – Equipment, Accounts Receivable, Inventory
Other Conditions	Personal Guarantee – Terrance & Christine Thompson

After considerable discussion, Mr. Schneider moved, seconded by Mr. Becker, to approve the loan to PCT Engineered Systems, L.L.C. as recommended by staff. The motion passed unanimously.

6. Old Business. Ms. Moritz updated the Board on the following delinquent companies.
 - a. Dominic Rivera Restaurant. Ms. Moritz has drafted a letter to Mr. Rivera's bankruptcy attorney requesting information to verify the bankruptcy. Mr. Fritzsche is reviewing this letter.
 - b. Interactive Marketing, Inc. Ms. Moritz stated an interest only payment was made in June. Mr. Burke has been working with Mr. Sapato regarding the delinquency.
 - c. JT & S Productions, Inc. Ms. Moritz stated, per her conversation with the bank, they are receiving periodic payments and at this time not pursuing foreclosure.
 - d. Parakeet Island, Inc. Ms. Moritz reported the real estate purchase has not been finalized. Mr. Malmstead also has a lease proposal on a different Moline location hoping to finalize this location and be open before Halloween.
7. New Business. Mr. Van Dyke introduced Mr. Frank Johnson with Sivyver Steel Corporation. Mr. Tunicliff and Mr. Van Dyke reviewed a letter requesting additional assistance from the Board. The State of Iowa's original application showed a \$150,000 request to Bi-State while a \$75,000 request was submitted to the Board. The State of Iowa contract requires a \$150,000 commitment from the community or Bi-State RLF. After discussion, Mr. Petersen moved to change the RLF loan approved to Sivyver Steel Corporation from \$75,000 to \$150,000. Mr. Powers seconded the motion and the motion passed unanimously.
8. Upcoming Loan Applications. Staff representatives from the Cities of Coal Valley, East Moline, Eldridge and Milan were unable to attend this meeting. Mr. Van Dyke stated the City of Bettendorf did not have any application to report on at this time. Ms. Murray Tallman stated the City of Davenport did not have any application to report on at this time. Ms. Moritz, representing Rock Island County and Scott County, did not have any applications to report on at this time. Mr. Burke stated the City of Moline did not have any application to report on at this time. Ms. Chappell stated the City of Rock Island did not have any application to report on at this time. Mr. Grafton stated the City of Silvis did not have any application to report on at this time.
9. Other Business. Ms. Moritz reported Mr. Coe resigned his position on the Board. She will begin working with the Mayor of East Moline for a replacement.
10. Adjournment. The meeting was adjourned at 9:30 a.m.