

**Minutes of the**  
**REVOLVING LOAN FUND**  
**LOAN ADMINISTRATION BOARD**

Wednesday, June 24, 2009, 8:00 a.m.  
Bi-State Regional Commission  
Bi-State Regional Commission Conference Room  
1504 Third Avenue  
Rock Island, Illinois

MEMBERS PRESENT: Carl Becker – President, Denise Bulat, Jay Morrow, Lee Schneider, Jim Tank

MEMBERS ABSENT: Randy Hollerud, Mark Petersen, Mike Powers, Berlinda Tyler-Jamison

STAFF PRESENT: Pat Burke, City of Moline; Mary Chappell, City of Rock Island; Susanne Knutsen, City of Davenport; Donna Moritz, Bi-State Regional Commission

Mr. Becker called the meeting to order at 8:07 a.m.

1. Approval of Minutes of the June 18, 2008 Meeting. Mr. Becker asked if there were any additions or corrections to the June 18, 2008 Revolving Loan Fund Loan Administration Board minutes. Mr. Tank moved approval of the minutes as mailed. Mr. Morrow seconded the motion, and the motion passed unanimously.
2. Financial Report
  - a. Financial Summary. The Financial Summary, as of May 31, 2009 was reviewed. The principal balance outstanding for the program is \$963,499.91. There were \$974,453.17 available funds to loan from repayments with \$250,499.24 of the available funds sequestered in a separate account. We will have to request from EDA to use the sequestered funds when needed and will be sending them quarterly interest payments earned on those funds. May repayments generated approximately \$23,000 in program income.
  - b. Delinquency Report. Ms. Moritz reported there was no delinquency report to review. Ms. Moritz shared the delinquent accounts as of June 10, 2009 continue to be Interactive Marketing, Inc.
3. Status of Loan Reviews
  - a. Upcoming Loan Reviews. There were no upcoming loan reviews.
4. Discussion of Funds Available and Marketing of the RLF Program. Mr. Becker reported he met with bankers last winter and distributed brochures. He stated banks are aware of our program and it would be a good idea to keep them informed as there has been staff changes. Mr. Tank asked if we have any flexibility with our interest rate. Ms. Bulat stated EDA is now

allowing for under 4% and we could update our plan with the new language that allows this. Ms. Knutsen asked if we are allowed to have the City buy down the interest rate to bring the rate to zero so we can use the program to match State of Iowa programs. The City would pay the interest amount up front so the RLF program would still receive the interest and the loan with the business would be zero percent. Ms. Moritz will check with EDA to see if this is allowable and we could update our plan with this language as well. It was suggested to send out letters to businesses who have paid off their loans to remind them of our program. A lenders forum was also discussed. This forum could be held in late October and we would invite ILDCO, IADED, cities, SCORE, IA & ILSBDC and BSRLF to present their programs. Ms. Bulat stated an application is being reviewed by EDA for a Mercer/Muscatine County RLF, and during the writing of this plan we used current guidelines and language. She suggested we make updates to our plan and review them at our next meeting. We would then be able to present our new guidelines at the fall lenders forum. Mr. Tank made a motion for staff to update the BSRLF plan to be similar to the Mercer/Muscatine RLF Plan for review next meeting to send to EDA. Mr. Morrow seconded the motion and the motion passed unanimously.

5. Old Business. Ms. Moritz reviewed TESBO Conception Group, Inc. request to have us subordinate our loan to US Bank. They refinanced their loans and used additional funds to fix the roof. We were already in the second position with the original lender. Mr. Tank made a motion to subordinate our loan as requested by TESBO Conception Group, Inc. Mr. Schneider seconded the motion and the motion passed unanimously.

Ms. Moritz explained TMT Manufacturing Company, Inc. is no longer in business as they were forced to sell their assets and the bank was unable to recover its total loaned. Mr. Tank moved to write off the remainder of the TMT Manufacturing Company, Inc. loan in the amount of \$52,498.43. Mr. Schneider seconded the motion and the motion passed unanimously.

6. New Business. Ms. Moritz explained a loan applicant from the City of Davenport is requesting the personal guarantee be waived. The applicant is purchasing an existing company that another party interested in purchasing would move to Chicago. The bank working with the local buyer is waiving the personal guarantee. There was discussion why we typically require a personal guarantee as we are usually subordinate to the bank and have little other collateral. The Board agreed to review the application and see if there is another avenue to secure the loan.

Ms. Moritz reviewed a request from KJWW and Series 1 of LPV Enterprises, L.L.C. to combine the loans under the newly formed L.L.C. with the existing partners. One partner has retired and three new ones have joined the new L.L.C. Mr. Morrow moved to combine the two loans with the same payout schedules of each existing loan. Mr. Tank seconded the motion and the motion passed unanimously.

Ms. Moritz reported she met with the Silvis Finance Committee about becoming a participant. They are primarily interested in redevelopment of their downtown through retail.

7. Upcoming Loan Applications. Staff representatives from the Cities of Bettendorf, Coal Valley, East Moline, Eldridge, Milan, and Silvis were unable to attend this meeting. 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 has no application to report on at this time. Ms. Chappell stated the City of Rock Island has no application to report on at this time. Ms. Knutsen stated there is one application to bring to the Board at their next meeting and a few others to potentially bring in the future.
8. Other Business. The next meeting was set for July 15, 2009 at 8 a.m.
9. Adjournment. The meeting adjourned at 9:30 a.m.