

Minutes of the
REVOLVING LOAN FUND
LOAN ADMINISTRATION BOARD

Wednesday, July 28, 2010, 8:00 a.m.
Bi-State Regional Commission
Bi-State Regional Commission Conference Room
1504 Third Avenue
Rock Island, Illinois

MEMBERS PRESENT: Randy Hollerud – President, Carl Becker, Denise Bulat, Mark Petersen, Mike Powers, Lee Schneider, Jim Tank

MEMBERS ABSENT: Jay Morrow, Berlinda Tyler-Jamison

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

OTHERS PRESENT: David LaFrenz, LaFrenz Pattern Company, Inc.

President Hollerud called the meeting to order at 8:05 a.m.

1. Approval of Minutes of the December 16, 2009 Meeting. President Hollerud asked if there were any additions or corrections to the December 16, 2009 Revolving Loan Fund Loan Administration Board minutes. Mr. Becker moved approval of the minutes as mailed. Mr. Powers seconded the motion, and the motion passed unanimously.
2. Financial Report
 - a. Financial Summary. The Financial Summary, as of June 30, 2010 was reviewed. The principal balance outstanding for the program is \$863,570.86. There were \$1,034,243.75 available funds to loan from repayments with \$308,426.91 of the available funds sequestered in a separate account. June 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 July 10, 2010 continue to be Interactive Marketing, Inc.
3. Status of Loan Reviews
 - a. Upcoming Loan Reviews. There were no upcoming loan reviews.
4. Review of LaFrenz Pattern Company Loan Application. Mr. Burke introduced David LaFrenz to the Board. Mr. Burke reviewed the project summary letter stating the RLF funds will be used for acquisition of fixed assets. The company plans on creating four jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$37,500
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – land, building, fixtures, inventory, accounts receivable, equipment
Other Conditions	Personal guarantee – David LaFrenz

After discussion, Mr. Petersen moved, seconded by Mr. Tank, to approve the loan to LaFrenz Pattern Company as recommended by staff subject to Quad City Bank approval and copy of debt release letter from American Bank. The motion passed unanimously.

5. Old Business. Ms. Moritz updated the Board on Comedy Freight, LLC closing. Information was provided to the organization regarding outstanding balances. One of the partners has filed Chapter 7 bankruptcy. The Board requested Ms. Moritz send a letter to the other partner requesting his intentions to pay the outstanding balance.

Ms. Moritz reported she presented information on the Bi-State Revolving Loan Fund (BSRLF) at the Illinois Enterprise Zone Association conference. She also presented information to the Village of Rapids City on how to become a participating member of the BSRLF. There was discussion on ways to get the word out regarding funds available. Mr. Becker reminded everyone our 25th anniversary is coming up in December 2011.

6. New Business. Ms. Bulat announced the Mercer Muscatine Revolving Loan Fund Board is beginning to be established. There was an organizational meeting of potential board members to discuss the process and marketing of the new RLF.
7. Upcoming Loan Applications. Staff representatives from the Cities of Bettendorf, Coal Valley, Davenport, East Moline, Eldridge and Milan 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 did not have any applications to report on at this time. Ms. Chappell reported she is working with a company for application.
8. Other Business. Ms. Chappell shared with the Board an observation from a HUD auditor of their RLF regarding the historical collaboration with the BSRLF. He was impressed with the interactive mix of projects and the ongoing partnership of the two funds.
9. Adjournment. The meeting adjourned at 9:05 p.m.