

Minutes of the
REVOLVING LOAN FUND
LOAN ADMINISTRATION BOARD

Wednesday, December 15, 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, Jay Morrow, Mark Petersen

MEMBERS ABSENT: Mike Powers, Lee Schneider, Jim Tank, Berlinda Tyler-Jamison

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

OTHERS PRESENT: Jeff Boemecke, Boemecke Enterprises, Inc.

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

1. Approval of Minutes of the August 25, 2010 Meeting. President Hollerud asked if there were any additions or corrections to the August 25, 2010 Revolving Loan Fund Loan Administration Board minutes. Mr. Petersen moved approval of the minutes as mailed. Mr. Becker seconded the motion, and the motion passed unanimously.
2. Financial Report
 - a. Financial Summary. The Financial Summary, as of November 30, 2010 was reviewed. The principal balance outstanding for the program is \$776,211.40. There were \$1,150,332.77 available funds to loan from repayments with \$333,121.72 of the available funds sequestered in a separate account. November repayments generated approximately \$17,000 in program income.
 - b. Delinquency Report. Ms. Moritz reported there was no delinquency report to review. Ms. Moritz shared the delinquent accounts as of December 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 Boemecke Enterprises, Inc. Loan Application. Mr. Keehner introduced Jeff Boemecke to the Board. Mr. Keehner reviewed the project summary letter stating the RLF funds will be used for inventory and working capital. The company plans on creating 13.5 jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$100,000
Term/Amortization	7 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second and Third Position – equipment, accounts receivable and inventory
Other Conditions	Personal guarantee – Jeffrey Boemecke

After discussion, Mr. Petersen moved, seconded by Mr. Morrow, to approve the loan to Boemecke Enterprises, Inc. as recommended by staff contingent upon other financing sources secured. The motion passed unanimously.

5. Old Business. Mr. Burke updated the board on the status of the LaFrenz Pattern project. He reported the owner selling the business passed. The bank is still working with the new purchaser as previously approved. The bank financing is contingent upon Illinois Environmental Protection Agency sign off. The review is currently in review with the state and a favorable review is expected.
6. New Business. Ms. Moritz reviewed a letter from TESCO, Inc. d/b/a Rock Island Country Market to pay interest only payments for six months. After discussion, Mr. Petersen moved, seconded by Mr. Morrow to approve the request by TESBO, Inc. to pay interest only payments for six months. The motion passed unanimously.

Ms. Moritz reviewed a letter from Hilltop Ace Hardware stating the store ceased operation in late 2009 and continued servicing the debt through the liquidation of inventory. They are requesting the remaining funds owed be extended over a five year period at the same interest rate. If they prevail in their lawsuit prior to that time they would settle the debt after the banks are paid. After discussion, Mr. Petersen moved, seconded by Ms. Bulat to approve the request by Hilltop Ace Hardware to extend the debt service for five years at 4%. The motion passed unanimously.

7. Upcoming Loan Applications. Staff representatives from the Cities of Bettendorf, Coal Valley, Davenport, 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 shared a project she is working on as a potential applicant. Mr. Keehner stated did not have any applications to report on at this time.
8. Other Business. There was no other business.
9. Adjournment. The meeting adjourned at 8:50 p.m.