

Minutes of the
REVOLVING LOAN FUND
LOAN ADMINISTRATION BOARD

Wednesday, September 26, 2012, 8:00 a.m.
Bi-State Regional Commission
Bi-State Regional Commission Conference Room
1504 Third Avenue
Rock Island, Illinois

MEMBERS PRESENT: Eileen Roethler – Vice President, Carl Becker, Denise Bulat, Randy Hollerud, Mark Petersen, Berlinda Tyler-Jamison, Lee Schneider, Jim Tank

MEMBERS ABSENT: Jay Morrow

STAFF PRESENT: Pat Burke, City of Moline; Mary Chappell, City of Rock Island; Annette Ernst, Village of Milan; Susanne Knutsen, City of Davenport; Donna Moritz, Bi-State Regional Commission; Steve VanDyke, City of Bettendorf

OTHERS PRESENT: Doug Borgeson & Ethan Simons, LEDs America, Inc.; Susan Agosta & Roland Pulley, PCT Engineered Systems, L.L.C.; Mike Mason & Laurie McGrath, Process Automation Concepts, Ltd.

Vice President Roethler called the meeting to order at 8:00 a.m. All in attendance introduced themselves.

1. Approval of Minutes of the August 22, 2012 Meeting. Vice President Roethler asked if there were any additions or corrections to the August 22, 2012 Revolving Loan Fund Loan Administration Board minutes. Mr. Becker moved approval of the minutes as mailed. Mr. Petersen seconded the motion, and the motion passed unanimously.

2. Financial Report
 - a. Financial Summary. The Financial Summary, as of August 31, 2012 was reviewed. The principal balance outstanding for the program is \$780,528.05. There were \$276,421.60 available funds to loan from repayments with \$91,311.33 of the available funds sequestered in a separate account. August repayments generated approximately \$2,000 in program income.
 - b. Delinquency Report. Ms. Moritz reported there was no delinquency report to review. Ms. Moritz shared the delinquent accounts as of September 10, 2012 continue to be Interactive Marketing, Inc. and TESBO Conception Group, LLC.

3. Status of Loan Reviews
 - a. Upcoming Loan Reviews. There were no upcoming loan reviews.

4. Review of Process Automation Concepts, Ltd. Loan Application. Ms. Chappell introduced Mike Mason and Laurie McGrath, Process Automation Concepts, Ltd. to the Board. Ms. Chappell reviewed the project summary letter stating the RLF funds will be used for equipment and software. The company plans on retaining 10 jobs and creating 9 jobs within the first two years of the project.

STAFF RECOMMENDATION:

RLF Amount	\$93,325.50
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	2.44%
Collateral	Second Position – real estate, equipment and inventory
Other Conditions	Personal guarantee – Stephen Dudzik and Michael L. Mason

After considerable discussion, Mr. Petersen moved, seconded by Ms. Tyler-Jamison to approve the loan to Process Automation Concepts, Ltd. as recommended by staff contingent upon new financial statements meeting staff's acceptance. The motion passed unanimously.

5. Review of PCT Engineered Systems, L.L.C. Loan Application. Ms. Knutsen introduced Susan Agosta & Roland Pulley, PCT Engineered Systems, L.L.C. to the Board. Ms. Knutsen reviewed the project summary letter stating the RLF funds will be used for machinery and equipment. The company plans on retaining 71 jobs and creating 10 jobs within the first two years of the project.

STAFF RECOMMENDATION:

RLF Amount	\$100,000
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	2.44%
Collateral	Second Position –equipment, accounts receivable and inventory
Other Conditions	Corporate guarantee – PCT, Inc. Personal guarantee – Terrance Thompson

After considerable discussion, Ms. Bulat moved, seconded by Mr. Lee to approve the loan to PCT Engineered Systems, L.L.C. as recommended by staff. The motion passed with Ms. Roethler abstaining.

6. Review of LEDs America, Inc Loan Application. Mr. Van Dyke introduced Doug Borgeson & Ethan Simons, representing LEDs America, Inc. to the Board. Mr. Van Dyke reviewed the project summary letter stating the RLF funds will be used for working capital. Mr Van Dyke explained this company had approval for a larger RLF loan to help with the build phase of the project but was unable to secure all the financing to access this loan. The company has scaled back their project to lease with future build plans. This application reflects this change. The company plans on retaining 3 jobs and creating 24 jobs within the first two years of the project.

STAFF RECOMMENDATION:

RLF Amount	\$107,000
Term/Amortization	3Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – equipment, accounts receivable and inventory
Other Conditions	Personal guarantee – Joel Westermarck

After considerable discussion, Ms. Tyler-Jamison moved, seconded by Mr. Hollerud to approve the loan to LEDs America, Inc. as recommended by staff. The motion passed unanimously.

7. Old Business. There was no old business.
8. New Business. There was no new business.
9. Upcoming Loan Applications. Staff representatives from the Cities of Coal Valley, 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. Van Dyke stated the City of Bettendorf didn't have any applications to report on at this time. Ms. Knutsen stated the City of Davenport didn't have any applications to report on at this time. Ms. Chappell stated the City of Rock Island didn't have any applications to report on at this time. Mr. Burke stated the City of Moline is working with a company and should bring the application next month.
8. Other Business. There was no other business.
9. Adjournment. The meeting adjourned at 9:15 a.m.