

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

Wednesday, March 30, 2011, 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, Denise Bulat, Eileen Roethler, Jay Morrow, Jim Tank

**MEMBERS ABSENT:** Carl Becker, Mark Petersen, Lee Schneider, Berlinda Tyler-Jamison

**STAFF PRESENT:** Annette Ernst, Village of Milan; Pat Burke, City of Moline; Mary Chappell, City of Rock Island; Jim Grafton, City of Silvis; Mark Hunt, Bi-State Regional Commission; Rich Keehner, City of East Moline; Donna Moritz, Bi-State Regional Commission

**OTHERS PRESENT:** John & MaryBeth Stopoulos, 5th Avenue Maid Rite Co.; Rich & Josh Hamilton, Les Sankey and Anthony Stanley, CharNor, Inc.

President Hollerud called the meeting to order at 8:00 a.m.

1. Approval of Minutes of the December 15, 2010 Meeting. President Hollerud asked if there were any additions or corrections to the December 15, 2010 Revolving Loan Fund Loan Administration Board minutes. Mr. Morrow moved approval of the minutes as mailed. Ms. Bulat seconded the motion, and the motion passed unanimously.
2. Election of Officers. Mr. Hollerud stated current officers of the RLF Loan Administration Board include: President – Randy Hollerud, Vice President – Jay Morrow and the Secretary position is vacant due to Mike Powers' resignation. They are all in their first terms of office and are eligible for reelection.

Ms. Bulat made a motion to change the by-laws to delete the Secretary officer position as staff records the minutes. Mr. Tank seconded the motion and the motion passed unanimously.

Mr. Tank nominated the following slate of officers: Randy Hollerud as President, and Jay Morrow as Vice President. Ms. Bulat seconded the slate of officers nominated and the officers were approved unanimously.

The RLF Loan Administration Board Officers for 2011 are: President – Randy Hollerud (second term) and Vice President – Jay Morrow (second term).

3. Financial Report

- a. Financial Summary. The Financial Summary, as of February 28, 2011 was reviewed. The principal balance outstanding for the program is \$707,311.19. There were \$1,209,790.65 available funds to loan from repayments with \$333,123.57 of the available funds sequestered in a separate account. February repayments generated approximately \$20,000 in program income.
  - b. Delinquency Report. Ms. Moritz reported there was no delinquency report to review. Ms. Moritz shared the delinquent accounts as of March 10, 2011 continue to be Interactive Marketing, Inc.
4. Status of Loan Reviews
- a. Upcoming Loan Reviews. There were no upcoming loan reviews.
5. Review of 5<sup>th</sup> Avenue Maid Rite Co. d/b/a Dr. Gyros Loan Application. Mr. Keehner introduced John & MaryBeth Stopoulos to the Board. Mr. Keehner reviewed the project summary letter stating the RLF funds will be used for equipment, inventory and working capital. The company plans on creating 18 jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$75,000
Term/Amortization	5 Years
Loan Review	2 Years
Interest Rate	4%
Collateral	Second Position – equipment, accounts receivable and inventory
Other Conditions	Personal guarantee – John and MaryBeth Stopoulos

After discussion, Mr. Tank moved, seconded by Ms. Bulat to approve the loan to 5<sup>th</sup> Avenue Maid Rite Co. d/b/a Dr. Gyros as recommended by staff contingent upon other financing sources secured. The motion passed unanimously.

6. Review of CharNor, Inc. Loan Application. Ms. Ernst introduced Rich & Josh Hamilton, Les Sankey and Anthony Stanley to the Board. Ms. Ernst reviewed the project summary letter stating the RLF funds will be used for equipment. Ms. Ernst stated this applicant requires additional match from the Village of Milan. She is working with Rock Island County to share in the additional match and to become a participating member. The additional match needed is \$61,875 with \$30,937.50 from the Village of Milan and Rock Island County. The company plans on creating 62 jobs within the next two years.

STAFF RECOMMENDATION:

RLF Amount	\$250,000
Term/Amortization	5 Years
Loan Review	2 Years

Interest Rate	4%
Collateral	First Position – equipment purchased; Second Position – accounts receivable, equipment, inventory, real estate
Other Conditions	Personal guarantee – Richard Hamilton, Josh Hamilton and Anthony Stanley

After discussion, Mr. Morrow moved, seconded by Mr. Tank to approve the loan to CharNor, Inc. as recommended by staff contingent upon the ownership change, other financing sources are secured and the match is secured. The motion passed unanimously.

7. 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. Quad City Bank & Trust has closed on the equipment and inventory portion of the project so the owner could go forward with this portion of the project. The owner is requesting the amount approved for equipment be used in the purchase of the land and building once the EPA review is completed. The board asked for an updated sources and uses and a Profit and Loss statement to consider his request.
8. New Business. Mr. Hunt shared information from the Iowa Association of Regional Council Revolving Loan Fund training session he attended. He stated those funds successful in their use are using the  $\frac{3}{4}$  of Wall Street Journal Prime Rate as an incentive. This rate would be 2.81%. He also stated we are looking into a 5 county money hunt event to bring bankers and accountants together to inform them on the EDA RLF's available in the 5 counties. Mr. Hunt has made presentations regarding the EDA RLF's to the LeClaire & Milan Chambers, Port Byron Planning and Zoning Committee and to the City of Buffalo.
9. Upcoming Loan Applications. Staff representatives from the Cities of Bettendorf, Coal Valley, Davenport, and Eldridge 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 was working with a potential applicant. Ms. Chappell shared a project she is working on as a potential applicant. Ms. Ernst did not have any applications to report on at this time. Mr. Keehner stated did not have any applications to report on at this time.
10. Other Business. Ms. Moritz informed the board she sent a get well card to Carl Becker. She will continue to send email updates from his wife on his progress.
11. Adjournment. The meeting adjourned at 9:23 p.m.