

Minutes of the
REVOLVING LOAN FUND
LOAN ADMINISTRATION BOARD

Wednesday, July 27, 2016, 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, Lee Schneider, Jim Tank

MEMBERS ABSENT: Jay Morrow, Mark Petersen

STAFF PRESENT: Tim Huey, Scott County; Susanne Knutsen, City of Davenport; Donna Moritz, Bi-State Regional Commission; Liz Murray Tallman and Tammy Petsche, Quad Cities First; Joel Youngs, Iowa Small Business Development Center

OTHERS PRESENT: Jim Anderson, The Schebler Company; Janet Foutch, Kathy and Steve Smith, K & J Enterprises, Inc. of Iowa; Lori Sullivan, Nutrition Works Wellness LLC

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

1. **Approval of Minutes of the June 22, 2016 Meeting.** Vice President Roethler asked if there were any additions or corrections to the June 22, 2016 Revolving Loan Fund Loan Administration Board minutes. Mr. Becker moved approval of the minutes as amended. Mr. Tank seconded the motion, and it passed unanimously.
2. **Financial Report**
 - a. **Financial Summary.** The Financial Summary, as of June 30, 2016 was reviewed. The principal balance outstanding for the program is \$687,331.73. There were \$772,087.01 available funds to loan from repayments. June repayments generated approximately \$1,000 in program income.
 - b. **Delinquency Report.** Ms. Moritz shared that the delinquent accounts as of July 10, 2016 were Process Automation Concepts, LEDs America, Inc., and Barley & Rye, Inc. The Board concurred to continue to monitor these loans.
3. **Status of Loan Reviews**
 - a. **Upcoming Loan Reviews.** There were no upcoming loan reviews.
4. **Review of The Schebler Company Loan Application.** Mr. Huey introduced Mr. Jim Anderson, The Schebler Company; Ms. Murray Tallman and Ms. Petsche, Quad City First. Mr. Anderson gave a brief overview of the company and project. Mr. Huey reviewed the

project summary letter stating the RLF funds will be used for purchase of equipment. The company plans on retaining 8 jobs within the first two years of the project.

STAFF RECOMMENDATION:

| | |
|-------------------|---|
| RLF Amount | \$100,000 |
| Term/Amortization | 5 Years |
| Loan Review | 2 Year |
| Interest Rate | 2.44% |
| Collateral | Second Position – accounts receivable, equipment, and inventory |
| Other Conditions | Personal guarantee – none |

After discussion, Mr. Hollerud moved, seconded by Mr. Tank to approve the loan to The Schebler Company for \$100,000 with a term of 5 years, at 2.44% with a 2 year review and collateral as stated above contingent upon obtaining full financing. The motion passed unanimously.

5. Review of K & J Enterprises, Inc. of Iowa Loan Application. Ms. Knutsen introduced Mr. Steve Smith, Ms. Kathy Smith and Ms. Janet Foutch, K & J Enterprises, Inc. of Iowa. Mr. Smith gave a brief overview of the company and project. Ms. Knutsen reviewed the project summary letter stating the RLF funds will be used for purchase of equipment. The company plans on retaining 5 jobs within the first two years of the project.

STAFF RECOMMENDATION:

| | |
|-------------------|--|
| RLF Amount | \$37,500 |
| Term/Amortization | 5 Years |
| Loan Review | 2 Year |
| Interest Rate | 2.44% |
| Collateral | Second Position – Real estate, accounts receivable, equipment, and inventory |
| Other Conditions | Personal guarantee – Janet Foutch & Steve Smith |

After discussion, Mr. Hollerud moved, seconded by Mr. Becker to approve the loan to K & J Enterprises, Inc. of Iowa for \$37,500 with a term of 5 years, at 2.44% with a 2 year review and personal guarantees and collateral as stated above contingent upon obtaining full financing. The motion passed unanimously.

6. Review of Nutrition Wellness Works LLC Loan Application. Mr. Youngs introduced Ms. Lori Sullivan, Nutrition Wellness Works LLC. Ms. Sullivan gave a brief overview of the company and project. Mr. Youngs reviewed the project summary letter stating the RLF funds will be used for purchase of equipment. The company plans on retaining 3 jobs and creating 4 jobs within the first two years of the project.

STAFF RECOMMENDATION:

| | |
|-------------------|---|
| RLF Amount | \$20,000 |
| Term/Amortization | 5 Years |
| Loan Review | 2 Year |
| Interest Rate | 2.44% |
| Collateral | Second Position – accounts receivable, equipment, and inventory |
| Other Conditions | Personal guarantee – Lori Sullivan |

After discussion, Mr. Tank moved, seconded by Mr. Schneider to approve the loan to Nutrition Wellness Works LLC for \$20,000 with a term of 5 years, at 2.44% with a 2 year review and personal guarantees and collateral as stated above contingent upon obtaining full financing. The motion passed unanimously.

7. Old Business. Ms. Bulat stated the RLF Plan with updates in response to EDA’s first review was sent and we are waiting for their approval.
8. New Business. Ms. Moritz informed the Board she will be presenting BSRLF program information at a Moline’s Banker Event on August 25 between 9-10:30 a.m. at the Moline Police Station Community Room. She will send event flyers to the Board.
9. Upcoming Loan Applications. Staff representatives from the Cities of Bettendorf, Coal Valley, East Moline, Eldridge, Milan and Moline were unable to attend this meeting. Ms. Knutsen stated the City of Davenport did not have any applications to report at this time. Ms. Moritz, representing Rock Island County did not have any applications to report on at this time. Mr. Hollerud stated the City of Rock Island was working with a few different businesses on potential applications. Mr. Huey stated Scott County didn’t have any applications to report on at this time.
10. Other Business. There was no other business.
11. Adjournment. The meeting adjourned at 9:15 a.m.