

Winnebago County Industrial Development Board

Minutes of June 22, 2012 meeting

4th floor conference Room, Otter Street Admin. Bldg.
112 Otter ST, Oshkosh, WI

Board Members Present: Stan Kline, Kathy Lennon, Mary Krueger, Ken Robl, Steve Volkert, Mark Harris, George Dearborn, Tim Hamblin

Board Members excused: David Albrecht, John Bodnar, Elizabeth Hartmann

Others Present: Jerry Bougie, Greg Keil, Paul Piikkila, Scott Gorges, Rob Kleman, Bob Keller, Deby Dehn

Meeting called to order at 9:00 am.

1. Election of Officers:

Jerry Bougie requested nominations for Board Chairman. Kathy Lennon moved to nominate Stan Kline as Board Chairman for the next two year term. Motion seconded by Ken Robl. Jerry Bougie requested any other nominations for Board Chairman. Ken Robl moved to close nominations, motion seconded by Kathy Lennon. Motion passed 8-0. Motion to approve Stan Kline as Board Chairman passed 8-0.

Stan Kline requested nominations for Board Vice-Chair for the next two year term. Ken Robl moved to nominate Kathy Lennon as Board Vice-Chair. Mary Krueger seconded the motion. Stan Kline requested further nominations for Vice-Chair. Seeing none, motion was approved 8-0 to elect Kathy Lennon as Vice-Chair.

2. Approval of minutes from February 29, 2012. Ken Robl moved to approve the minutes, motion seconded by Kathy Lennon. Motion passed 8-0.

3. Status Report on IDB Revolving Loan Fund Programs. Stan Kline summarized the status of IDB's loan programs. The IDB RLF currently has six outstanding loans, all of which are current, with \$689,308 of available funds to loan out. The CDBG-ED RLF has four outstanding loans which are also current, with \$136,412 available to loan out.

4. Consideration and possible action on CDBG-ED Loan application for G&J Litho, City of Menasha. Paul Piikkila, representative for G&J litho, provided a summary of the loan request and status of the business. The loan request of \$67,500 would be used for working capital. This would be to assist G&J Litho with a better position in restructuring other finances within the business and assist with strengthening the business going

forward. The loan would potentially leverage additional financing from Summit Financial Resources. The loan would be structured as a 7 year amortization with a 1 year balloon payment of the principal. Rob Kleman summarized the loan application and related collateral provisions. The IDB would continue with a first position on equipment and additional personal guarantees from the owners. Discussion pursued. Scott Gorges provided a summary of his business, cash flow and sales figures. Discussion pursued.

Kathy Lennon moved to approve the CDBG-ED loan application for \$67,500 as submitted, which includes an interest rate of 2.4% amortized over 7 years with a one year balloon payment of principal, personal guarantees from the owners, a continued first position on equipment and contingent upon receiving proposed financing from Summit Financial Resources. Ken Robl seconded the motion. Motion passed 8-0. Rob Kleman will work with G&J on loan closing.

5. Report from Wisconsin Housing and Economic Development Authority (WHEDA) on WHEDA Revolving Loan Fund Guarantee Program.

Deby Dehn of WHEDA provided an overview of WHEDA programs. One of its programs provides Guarantees for loans issued through local Economic Development Corporations (EDC). Ms. Dehn provided a summary of the various provisions and requirements of the program. Economic Development Corporations (EDC) such as the IDB would need to enter into an agreement with WHEDA relative to this program. Given this, communities and businesses receiving revolving loan dollars could have up to 75% of the loan amount guaranteed by WHEDA instead of by the borrower. This could provide an alternative to communities having to pledge its taxing authority for IDB loans. WHEDA would charge the borrower an origination fee which would be in addition to the interest rate charged by the EDC lender. Discussion pursued. It was felt that this could be a program that may be of interest to communities in Winnebago County and it was suggested IDB continue discussions on this at a future meeting.

6. Adjournment: it was agreed to schedule the next IDB meeting for July 19 at 1:00 pm. Kathy Lennon moved, Ken Robl seconded to adjourn the meeting. Motion passed 8-0. Meeting adjourned at 10:15 am.

Submitted by,

Jerry L. Bougie
Recording Secretary