

Winnebago County Industrial Development Board

Meeting Minutes of September 8, 2009

Human Resources Conference Room, Orrin King Administration Building, 448 Algoma Blvd, Oshkosh

Board Members Present: Stan Kline, Mark Harris, Kathy Lennon, Steve Volkert, Ken Robl, Dave Albrecht, George Dearborn, John Bodnar, Mary Krueger

Excused: Elizabeth Hartman, Tim Hamblin

Others Present: Jerry Bougie (IDB Coordinator), Dan Krumrie (West Pointe Bank), Dana Gilman, Glen Yurjevich (Outlook Group), Todd Miller, David Jacek, Scott Gorges (G&J Litho Printing)

Chairman Kline called the meeting to order at 2:00 pm.

1. Approval of Meeting minutes from August 4, 2009. Motion by K. Robl, second by D. Albrecht to approve the minutes. Motion passed unanimously.
2. Review and decision on \$300,000 CDBG-ED Revolving Loan Fund application for Outlook Group Corporation, Town of Menasha. Jerry Bougie provided an overview on the IDB's Loan Programs and how they differ. Handouts were distributed showing financial details for Outlook Group.

Dana Gillman and Glen Yurjevich provided a report on their request and addressed the concerns identified in the underwriting report submitted by West Pointe Bank. Ms. Gilman indicated the loan request is for equipment related to a potential 5 year contract with a firm to package and print ear thermometer caps. This production activity is being relocated to this region from Ireland. The project is expected to create and retain 25 full and part-time jobs at Outlook's facility in the Town of Menasha. The total project is estimated at \$2.42 million dollars. Source of funds to finance the project is proposed to come from nearly \$2 million in bank loans and/or customer financing, \$300,000 from the County IDB CDBG-ED Loan fund, and financing from the Dept of Commerce for labor training.

M. Krueger asked Mr. Krumrie if Outlook Group addressed the concerns identified in the underwriting report to his satisfaction. Mr. Krumrie felt that they were sufficiently addressed and provided a summation of their findings regarding this project proposal and indicated that the IDB still needs to clarify the source of collateral for the loan and level of priority. Discussion pursued on the collateral issue. Outlook indicated they would provide the County with a priority position on equipment assets, and would need to gather details related to this and submit that information to West Pointe Bank before loan closing.

A motion was made by D. Albrecht to approve a \$300,000 loan from the IDB's CDBG-ED Revolving Loan Fund to Outlook Group for purchase of equipment amortized over a 5 year period subject to the County IDB receiving a priority position on equipment collateral. Motion seconded by K. Lennon. Motion passed 9-0. Mr. Krumrie will pursue the process of closing this loan with Outlook Group.

3. Review and decision on \$200,000 CDBG-ED Revolving Loan Fund application for G&J Litho Printing, City of Menasha

J. Bougie went over the items that the IDB required of G&J Litho at its June 22, 2009 meeting before considering awarding the requested loan. Specifically, G&J Litho was requested to submit: 1. Evidence of unsecured collateral from Mr. Jacek sufficient to cover the loan amount requested from the County IDB; 2. Updated appraisals of the vehicles identified in Mr. Jacek's financial report; 3. Written commitment of a loan match from a financial institution equal to the loan requested from the County IDB; 4. Request Mr. Jacek's presence at the next IDB meeting in which this issue is addressed at.

J. Bougie and Dan Krumrie confirmed that the items requested have been submitted and documents showing this have been provided. Mr. Gorges and Mr. Miller provided an overview on the status of the business and the various documents submitted. Mr. Jacek indicated he injected additional funds into the business to pay off some of the business debt, therefore freeing up equipment for collateral purposes for this loan request, and documents supporting this were made available to the Board. Additional personal financial information from Mr. Jacek was also distributed to Board members.

The Board discussed the collateral issue. The Board was in general consensus to use the freed up equipment of the business as collateral instead of the personal assets of Mr. Jacek. Future value of the equipment was questioned and Mr. Gorges indicated he can provide this to Mr. Krumrie as part of the loan closing process. A blanket UCC filing will also be done by G&J Litho printing and provided to Mr. Krumrie showing that the equipment that was collateralized under a separate debt have now been freed up.

A motion was made by K. Lennon to approve the \$200,000 loan from the County IDB's CDBG-Ed Revolving Loan Fund for working capital amortized over 7 years subject to submittal of the present and future value of equipment to be collateralized and the filing of a blanket UCC statement identifying that said equipment has been freed up from prior debt. Motion seconded by K. Robl. Motion passed 7-2 (J. Bodnar and D. Albrecht voted "no"). Mr. Krumrie will pursue the process of closing the loan with G&J Litho.

Adjournment: Motion by K. Lennon, seconded by M. Krueger to adjourn the meeting. Motion passed unanimously. Meeting adjourned at 3:20 pm.

Submitted by,
Jerry L. Bougie, IDB Coordinator