

Winnebago County Industrial Development Board

Meeting Minutes for June 4, 2010

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

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

Excused: Elizabeth Hartman

Others Present: Jerry Bougie, Rob Kleman, Dan Krumrie, Will Deppiesse, Jim Schiek

Meeting called to order at 10:30 a.m. by Chairman Kline.

1. Approval of Minutes: Motion by Kathy Lennon, seconded by Ken Robl to approve the minutes from May 20 and May 26, 2010 meetings. Motion passed 10-0.

2. Discussion and potential action in regards to collateral for the Royer, Inc CDBG-ED loan.

Jerry Bougie distributed a copy of an email from Dan Krumrie detailing the issues encountered with obtaining proper collateral from Royer, Inc. (and owner Jim Schiek) related to the \$120,000 loan awarded to them by IDB on May 20. Mr. Krumrie summarized the email which indicates that Royer, Inc. is unwilling to provide the IDB with a priority position (i.e. first position) as the assets are currently tied up with other bank credit. Will Deppiesse, First National Bank, indicated the loan awarded by IDB is for working capital and therefore their isn't specific equipment being purchased with the loan that could be used to provide the County with a priority position, and all other assets are tied up in existing bank credit.

Discussion pursued on options and the amount of risk the IDB is willing to take with CDBG-ED loans. A second position on equipment assets was suggested and discussed. A Motion was made by Dave Albrecht, seconded by Kathy Lennon to agree to a second position on equipment assets to secure the loan. Discussion pursued. Mark Harris felt there was no value in taking a second position on equipment, due to depreciation and typically there is very little value left over when liquidating equipment assets. Dan Krumrie suggested taking a second position on real estate which is much more advantageous than a second position on equipment. Additional discussion pursued.

George Dearborn moved to amend Mr. Albrecht's prior motion to have the IDB take a second position on real estate and equipment assets sufficient to cover the loan amount. Mr. Albrecht accepted the amended motion in good faith. Motion seconded by Kathy Lennon. Discussion pursued on the details of the loan. It was agreed the loan would be amortized monthly for 7 years with a fixed interest rate based on the County's current investment rate plus 25 basis points. Motion passed 10-0. Dan Krumrie will pursue closing the loan with Royer, Inc.

Motion by John Bodnar, seconded by Dave Albrecht to adjourn the meeting. Motion passed 10-0. Meeting adjourned at 11:17 a.m.

Submitted by:

Jerry L. Bougie, IDB Coordinator