

Winnebago County Industrial Development Board

Meeting of May 20, 2009

Human Resources Conference Room, 448 Algoma Blvd., Oshkosh

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

Excused: Mary Krueger

Others Present: Jerry Bougie, Dan Krumrie, Todd Miller, Scott Gorges, Lisa Mader

Meeting called to order at 1:30 pm by Chairman Kline.

Introductions were held.

1. **Approval of Minutes from March 18, 2009 meeting.** Motion by K. Robl, seconded by K. Lennon to approve the minutes. Motion passed unanimously.
2. **Discussion and potential decision on CDBG-ED loan request by G&J Litho Printing, Inc.**

Jerry Bougie gave an overview of the CDBG-ED Revolving Loan Fund program. The loan fund was established via the State previously loaning dollars directly to several businesses in Winnebago County. The businesses then repaid the loan dollars back to the County, enabling the County to establish a Revolving Loan Fund for other businesses in the County in non-entitlement communities (all communities excepting Oshkosh and Neenah). Unlike the IDB's primary Revolving Loan Fund, loans from the CDBG-ED RLF are not backed by the taxing authority of local communities, which makes them similar to standard bank loans. Therefore, the IDB has contracted with West Pointe bank to conduct the underwriting for the loans under this program.

Jerry provided a summation of the loan application submitted by G&J Litho Printing of Menasha for \$400,000 and the underwriting report received from West Pointe Bank. He indicated that West Pointe bank recommended denial of the loan application due to concerns that the business may not be able to repay the loan. The applicant and the applicant's representative reported on their proposal and status of the business and its recent sales figures. Discussion pursued between the Board and the applicant. Discussion centered on the ability of the company to repay the loan based on its current debt and potential new debt, lack of personal guarantee in the project, other collateral to secure the loan, financial commitment from the applicant's financial institution, and level of risk that the IDB should incur as part of these loans.

A motion was made by S. Volkert to loan \$200,000 to G&L Litho printing contingent upon submittal of established collateral and a dollar for dollar match by their private

lender. Seconded by D. Albrecht. Discussion pursued. Other Board members felt that this information should be obtained and reviewed by the IDB before voting on any loan disbursement. S. Volkert rescinded his motion. A motion was made by G. Dearborn and seconded by K. Robl to request the applicant to submit a written personal guarantee, a written commitment by their financial institution for a dollar for dollar loan match, and clarification on job creation and retention resulting from the proposed loan, all to be reviewed at the next established IDB meeting . Motion passed unanimously.

- 3. Status of IDB and CDBG-ED Revolving Loan Funds.** J. Bougie distributed a handout detailing status of the IDB loan fund. The IDB RLF currently has \$1,398,009 available to loan out, with one outstanding loan to the City of Omro for \$125,000. The SWMB RLF currently has an outstanding balance of \$2,793,044, with four loans currently outstanding, one of which is scheduled to be repaid by June 9, 2009 by the City of Menasha. The CDBG-ED RLF has about \$700,000 available to loan out at the present time.

S. Kline distributed and read a letter from Robert Buckingham, Executive Director of Future Neenah, thanking the IDB for their financial support of \$5000 related to their successful “shop local” marketing campaign, which generated sales of over \$37,000.

- 4. Adjournment:** Motion by D. Albrecht, second by K. Lennon to adjourn the meeting. Motion passed unanimously. Meeting adjourned at 2:50 pm.

Submitted by,

Jerry L. Bougie, IDB Coordinator