

Winnebago County Industrial Development Board

Meeting Minutes – December 3, 2014

Room 119, County Administrative Building, 112 Otter Ave., Oshkosh, WI

Board Members Present: David Albrecht, Rob Keller, Ken Robl, Mark Harris, George Dearborn, Tim Hamblin, Mary Krueger, Elizabeth Hartman, Linda Kutchenriter.

Board Members Excused: John Bodnar

Others Present: Jerry Bougie, Rob Kleman, John Cappy, Craig Liegel, Mike Norton

Meeting called to order by David Albrecht at 1:30 pm.

1. Approval of Minutes from August 5, 2014 meeting. Ken Robl moved, Rob Keller seconded to approve the meeting minutes. Motion passed 8-0.

Linda Kutchenriter arrived to the meeting.

2. Review and Board action on Town of Winneconne 2014 per capita funding request. Jerry Bougie reported that this item was tabled by the Board at their February meeting due to an incomplete application. He indicated the request today looks complete as submitted and is up for approval for \$2,365.00. Matt Woods, representing the Town, reported on the funding request. He indicated the funding will be used to offset the cost of an infrastructure study for the Highway 45/116 interchange area for potential business development. Discussion pursued. Motion by David Albrecht to approve the funding to the Town of Winneconne in the amount of \$2,365.00. Motion seconded by Ken Robl. Motion approved 9-0.

3. Update on IDB Revolving Loan Fund balances. Jerry Bougie provided the Board with an update on the two loan funds the Board manages. The Board's original loan fund currently has a \$1,458,431 available to loan out, with \$1,226,579 currently outstanding for a total loan fund capacity of \$2,685,010. There are 4 loans currently outstanding – two in Winneconne, one in Omro, and one in the Town of Menasha. All loans are current. The IDB's CDBG-ED loan fund currently has \$443,000 available to loan out with \$350,490 currently outstanding for a total loan fund capacity of \$793,490. There are currently 4 loans outstanding in this fund. The G&J Litho loan is not current and remains unpaid, otherwise all other loans are current. The loan for Outlook Group will be paid off in its entirety this month.

4. Review and Board action on \$400,000 CDBG-ED Loan application for Outlook Group, Town of Menasha. Rob Kleman provided an overview on the loan request. He indicated the Chamber's loan review board for the CDBG program has recommended approval of the loan request. John Cappy and Craig Liegel from Outlook Group distributed handouts and provided a summary of the loan request. They indicated Outlook will be doing an expansion due to current capacity constraints and consumer demand. Outlook intends to purchase more technologically advanced equipment which will increase efficiencies and lower costs. The loan request of \$400,000 will be used to offset the purchase of the new equipment and increase employment with up to 25 new jobs. They indicated without the loan from the IDB they could lose customers – and business - due to delay in purchasing the necessary equipment. Rob Kleman indicated the IDB would have a first (priority) position on the new equipment as security for the loan and retain a security interest in the existing equipment. He also indicated the loan would be amortized over a 5 year period, instead of 10 years as initially proposed. Discussion pursued. Ken Robl moved to approve the \$400,000 CDBG-ED loan request for Outlook Group as presented. Motion seconded by Rob Keller. Motion passed 9-0. Rob Kleman will pursue closing and preparing the necessary loan agreements with Outlook Group.

5. Review and possible Board action on proposed amendments to the IDB Revolving Loan Fund Policies. Jerry Bougie presented proposed changes and updates to the Revolving Loan Fund policies. He indicated the changes are to address issues brought up by the Board in recent meetings and to clean-up older text that no longer is needed. Jerry indicated the key changes are provisions related to interest rates, assurances that recipient businesses applying for loans are receiving consistent loan provisions, and assurances that local municipalities are not creating an undesirable impact on their debt limits. Proposed provisions related to interest rates included removing the complicated use of variable interest rates and going to a fixed interest rate over the life of the loan. It was suggested that the interest rates be at the discretion of the IDB and left to negotiation. Mark Harris suggested the Board explore using the 2 or 5 year treasury rate as a basis for interest rates instead of the county investment rate. Further discussion pursued. A motion was made by David Albrecht and seconded by Ken Robl to establish a fixed interest rate for the life of the loans using the treasury rate (2 or 5 year) as a basis plus one percent for new loans and plus 2% for extensions of existing loans. Motion passed 9-0. Jerry Bougie will check into the 2 and 5 year treasury rates and bring that information to the IDB at its next meeting.

Additional discussion took place relative to loan agreements the local unit of government's set-up with the recipient businesses as a result of the IDB awarding a loan. The Board was in general agreement that the same loan provisions for interest rates and payback provisions

should apply so the business has assurances they are not incurring additional costs. The Board also was in general agreement to request the local unit of government provide evidence a given loan from the IDB will not create an undesirable impact on their debt capacity.

Jerry Bougie will revise the IDB loan policies based on today's discussion and bring them back to the next IDB meeting for review and approval.

6. Review and Board action on contract renewal with Oshkosh Chamber of Commerce for 2015 CDBG-ED Revolving Loan Fund administrative services.

Jerry Bougie distributed a handout summarizing the provisions of the contract and services to be provided. The contract renewal reflects the same services and fees as the prior 2014 contract. Discussion pursued. David Albrecht made a motion to renew the contract for the IDB's CDBG-ED Loan Fund Administrative services with the Oshkosh Chamber for 2015 as presented. Motion seconded by Mary Krueger. Motion passed 9-0.

Motion by Ken Robl, seconded by Linda Kutchenriter to adjourn the meeting. Motion passed 9-0. Meeting adjourned at 2:50 pm.

Submitted by,

Jerry L. Bougie,
Recording Secretary