

**Minutes – ECIA Business Growth, Inc.
Board of Directors**

DATE: Thursday, December 17, 2009

TIME: 12:00 P.M.

PLACE: ECIA Conference Room
7600 Commerce Park
Dubuque, Iowa

MEMBERS PRESENT:

Cedar County	<input checked="" type="checkbox"/> Steve Lacina	<input checked="" type="checkbox"/> Eric Newton	<input checked="" type="checkbox"/> Wayne Deerberg
Clinton County	<input type="checkbox"/> John Staszewski	<input checked="" type="checkbox"/> Don Thiltgen*	<input type="checkbox"/> Norlan Hinke <input type="checkbox"/> *Steve Lindner, Alternate
Delaware County	<input type="checkbox"/> Milt Kramer	<input checked="" type="checkbox"/> Brett Nagel	<input type="checkbox"/> Donna Boss
Dubuque County	<input checked="" type="checkbox"/> David Gaylor	<input type="checkbox"/> Donna Smith	<input type="checkbox"/> Tori Richter
Jackson County	<input checked="" type="checkbox"/> Roger Stewart	<input checked="" type="checkbox"/> Larry Koos	<input type="checkbox"/> Florian Steffen

OTHERS PRESENT: Dennis Rogers, North Cedar Recycling, L.L.C.
Jeff Meyer, Bridge Community Bank
Ilene Lande, Elmira Cellars, Inc.
John McNutt, Elmira Cellars, Inc.
Ed Larew, Community State Bank

STAFF PRESENT: NESTEBY, Schroeder, Specht

Call To Order

The meeting was called to order by Chairperson Gaylor at 12:10 p.m.

Request from North Cedar Recycling, L.L.C. for a \$175,000 EDA RLF Loan

Introductions by board members, Dennis Rogers, Jeff Meyer and staff followed. Schroeder said the business started in 1991 as Johnson County Recycling Center. It was renamed North Cedar Recycling and relocated to Stanwood in 2001 and focused on paper and cardboard recycling. In 2007, Cedar Poly, LLC, located in Tipton was formed by Rogers' two sons with the assistance of a RLF loan through Business Growth to recycle plastics. North Cedar Recycling has a new contract to process recyclables which means the business needs to expand and purchase more equipment.

They are requesting a \$175,000 EDA-RLF loan to purchase two shredders and a bailer for the North Cedar Recycling business. This loan for 29.5% of the project will be seven years at 4.5% interest rate. Bridge Community Bank will renew the \$400,000 Line of Credit for the business for 67.3% of the project. The owners will contribute \$19,000 for 3.2% of the project. Total

project cost is \$594,000. The project will create three new jobs as required by the RLF Plan. An assignment of life insurance will be required on Dennis Rogers in the amount of the EDA-RLF loan.

Rogers said the economy caused prices to drop; there were no orders so they stored paper waiting for the market to rebound. Business has picked up since September, and 2010 should be a better year. Discussion followed by board members concerning accounts, contaminants, and payables versus receivables. Rogers said their recycled paper has no contaminants, so they are paid a premium price for it; some of their accounts include the City of Dubuque schools' and Chicago schools' textbooks; and their receivables were higher than their payables in the last quarter of 2009.

At this time, Rogers and Meyer were excused from the meeting.

Closed meeting

Motion by Deerberg, second by Nagel to move to closed session per Iowa Code Section 21.5 to discuss loan applications at 12:25 p.m. Roll call vote: Yes-Gaylor, Yes-Newton, Yes-Deerberg, Yes-Nagel, Yes-Lacina, Yes-Thiltgen, Yes-Stewart, Yes-Koos.

Request from North Cedar Recycling, L.L.C. for a \$175,000 EDA RLF Loan

Motion by Newton, second by Thiltgen to approve a \$175,000 EDA RLF Loan to North Cedar Recycling, L.L.C. The motion passed unanimously.

Rogers and Meyer returned to the meeting. Gaylor said the loan was approved by the board members. They thanked the board members for their loan approval. Gaylor asked about the short-term loans. Meyer said the loans were extended to 90 days until the end of the year to see about how best to restructure them. If projections for the business hold for the first half of the year, the business would be stabilized and in a good position, and it would not be necessary to borrow more funds.

Request from Elmira Cellars, Inc., for a \$182,000 SBA 504 Loan

Introductions by board members, Ilene Lande, John McNutt, Ed Larew and staff members followed. Specht said the business started as Wallace Winery in 2005 just outside of West Branch. Lande and McNutt plan to buy out the other current owners, rename the business to Elmira Winery and relocate to a historical building in West Branch.

They are requesting an \$182,000 SBA 504 loan to purchase an existing building and construction and remodeling expenses related to a 2,800 sq. ft. addition. This loan for 40% of the project will be for twenty years at an interest rate to be determined at the time of funding. The owners will contribute \$44,000 downpayment for 10% of the project. Community State Bank will have a \$220,000 first mortgage on the real estate for 50% of the project. Total project cost is \$440,000. The project will create two new jobs and meets a public policy goal: woman owned business. An assignment of life insurance will be required on both owners in the amount of the SBA loan.

Lande said she will be the general manager and in charge of the wine production for the business; McNutt will take care of the accounting side of the business. Discussion followed by board members concerning the location of the business, the city's support, McNutt's family farm, that it is a seasonal business, and if there are any environmental issues. McNutt said the location of the business is next to a national park on Main Street. They have applied for a Main Street Grant from the Iowa Department of Economic Development through the City of West Branch. Funds from this grant would assist in upgrading the exterior and a tin ceiling inside the building. Events are being planned all year such as wine tastings and music events to bring in business. The winery would also be available for small weddings and other parties. McNutt said he inherited the 108 acre family farm. Larew said additional collateral in the farm is available if it is needed. A Department of National Resources letter is recorded at the courthouse that no further clean up action is needed at the site.

At this time, Lande, McNutt and Larew were excused from the meeting.

Closed meeting

Motion by Stewart, second by Koos to move to closed session per Iowa Code Section 21.5 to discuss loan applications at 1:15 p.m. Roll call vote: Yes-Gaylor, Yes-Newton, Yes-Deerberg, Yes-Nagel, Yes-Lacina, Yes-Thiltgen, Yes-Stewart, Yes-Koos.

Request from Elmira Cellars, Inc., for a \$182,000 SBA 504 Loan

Motion by Stewart, second by Koos to approve an \$182,000 SBA 504 loan to Elmira Cellars, Inc. with the following stipulation: House and 108 acres as additional collateral in second position behind Community State Bank. The motion passed; Newton abstained.

Lande, McNutt and Larew returned to the meeting. Gaylor said the loan was approved by the board members with the following stipulations: the house and 108 acres as additional collateral in second position behind Community State Bank. Schroder said based on their next five-year performance, the stipulation may be able to be removed. They thanked the board members for their loan approval.

Staff Update on Status of Loan Portfolio

Closed meeting

Motion by Newton, second by Lacina to move to closed session per Iowa Code Section 21.5 to discuss loan status portfolio at 1:30 p.m. Roll call vote: Yes-Gaylor, Yes-Newton, Yes-Deerberg, Yes-Nagel, Yes-Lacina, Yes-Thiltgen, Yes-Stewart, Yes-Koos.

Other Business

None.

Adjournment

Motion by Thiltgen, second by Koos to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 1:40 p.m.

Respectfully submitted,

Kelley Hutton Deutmeyer
Secretary/Treasurer