

**Minutes – ECIA Business Growth, Inc.  
Full Membership**

DATE: Friday, August 28, 2009

TIME: 2:00 P.M.

PLACE: ECIA Offices  
7600 Commerce Park  
Dubuque, Iowa

MEMBERS PRESENT:	Cedar County	<input type="checkbox"/> Steve Lacina	<input type="checkbox"/> Eric Newton	<input type="checkbox"/> Bob Cummins
*Alternate		<input type="checkbox"/> Mike Hein	<input checked="" type="checkbox"/> Jeff Meyer	
	Clinton County	<input checked="" type="checkbox"/> John Staszewski	<input checked="" type="checkbox"/> Don Thiltgen	<input checked="" type="checkbox"/> Norlan Hinke
		<input type="checkbox"/> Steve Ames	<input checked="" type="checkbox"/> Lou Egging	<input type="checkbox"/> Steve Lindner*
	Delaware County	<input checked="" type="checkbox"/> Milt Kramer	<input type="checkbox"/> Brett Nagel	<input type="checkbox"/> Donna Boss
		<input type="checkbox"/> Steve Hoeger	<input checked="" type="checkbox"/> Lori Cole	
	Dubuque County	<input checked="" type="checkbox"/> David Gaylor	<input type="checkbox"/> Donna Smith	<input type="checkbox"/> Tori Richter
		<input checked="" type="checkbox"/> Jacque Rahe	<input checked="" type="checkbox"/> Scott Frost	<input checked="" type="checkbox"/> Tom Johnson
	Jackson County	<input checked="" type="checkbox"/> Roger Stewart	<input checked="" type="checkbox"/> Larry Koos	<input checked="" type="checkbox"/> Florian Steffen
		<input checked="" type="checkbox"/> Mary McAllister	<input type="checkbox"/> Dave Knoebel	

OTHERS PRESENT: None

STAFF PRESENT: Deutmeyer, Nesteby, Schroeder, Specht

**Call To Order**

The meeting was called to order by Chairperson Gaylor at 2:00 p.m. Introductions of board members and staff followed.

**Approval of Minutes of November 19, 2008 Meeting**

Motion by Thiltgen, second by McAllister to approve the minutes of the November 19, 2008 meeting. The motion passed unanimously.

**Review/Approve Resolution No. 01-2010 on Prepayment of SBA 504 Loans**

Schroeder referred board members to Resolution 01-2010 in the agenda packets. Approval of this resolution allows borrowers to prepay their SBA 504 loans without gaining approval from the board members throughout the year.

Motion by Koos, second by Stewart to approve Resolution No. 01-2010 on Prepayment of SBA 504 Loans. The motion passed unanimously.

### **Review/Approve Resolution No. 02-2010 on Operation of EDA-RLF Fund**

Schroeder said the Economic Development Administration (EDA) requires annual certification of the plan. He noted that amendments to the plan were made last fall and are on file.

Motion by Koos, second by Staszewski to approve Resolution 02-2010 on Operation of EDA-RLF Fund. The motion passed unanimously.

### **Review/Approve FY 2010 Budget**

Schroeder distributed the FY 2010 budget to the board members. He reviewed the revenues and expenses of the 2007 Actual, the 2008 Actual, the 2009 Budget, 2009 Budget Estimate and 2010 Budget. The 2009 Budget had been approved by the board at the June 2008 Full Membership meeting. He detailed the different funding sources and income under Revenue and the various expenses of the department for each budget and estimate for the board members.

The 2008 Actual net income is \$45,737, based on \$328,727 income and \$282,990 expenses. The 2009 Budget shows a net income of \$24,098, with income at \$345,408 and expenses of \$321,310; while the 2009 Estimate shows net income at \$3,733, income at \$267,001 and expenses at \$263,268. Due to the poor economy and minimum loan activity, income dropped along with the expenses. He noted in particular the income from SBA loan processing fees and legal fees dropped more than double from the projected budget. Loans that had been approved by the board during the fiscal year were not closed and funded immediately due to higher than normal interest rates. Five loans prepaid while four loans defaulted during the year which meant a loss of servicing income. A new line item was added for Appraisals and Environmental Reports which is now required for SBA loans. Also, Business Growth needed to acquire insurance which was a new expense for FY 2009.

Schroeder included some detailed notes in the budget on fees, income and staff expenses for FY 2009. Specht divided his time between the Economic Development Department and the Community Development Department during the fiscal year which helped with the budget. \$56,107 was added for new lending, \$59,609 was taken to the unrestricted reserve, and \$10,000 was allocated to signage as required by the SBA. Total Balance Unrestricted Reserve is estimated to be \$99,237 for the 2009 Budget Year. Schroeder said the EDA, the IRP and the Peosta income can be used for additional lending or for program income at the discretion of the board members. Currently, 50% of the income is used for program income. Deutmeyer noted that incentives for all programs were eliminated for FY 2009 and may be suspended indefinitely.

Discussion followed by board members and staff concerning loan fees paid with stimulus funding, loan activity starting to increase, and Specht's time to be decreased in the Community Development Department for the next fiscal year, so that he may spend more time generating loans.

Schroeder distributed the FY 2010 Budget to the board members. The budget lists net income at \$63,172 based on \$317,258 income and \$254,086 expenses. This includes \$56,358 for new lending with a Balance Unrestricted Reserve at \$90,051. The FY 2010 Budget is projecting \$4,000,000 in funded loans which includes 100% of the EDA-RLF Program Income. Schroeder

proposes using 100% of the funds for program income with the board members' approval. He noted that the current loan programs would then have sufficient funding available to increase Specht's time in the Economic Development Department. This department also receives income from writing CEBA, EDSA, RISE and other grants.

Motion by Meyer, second by Egging to approve 100% use of EDA-RLF Funds for the FY 2010 Budget, but the use of the additional earned EDA-RLF funds is to be reviewed annually by the Board. The motion passed unanimously.

Motion by Koos, second by Frost to approve the FY 2010 Budget for E.C.I.A. Business Growth, Inc. The motion passed unanimously.

Board members commended staff on their hard work during this past fiscal year.

### **Review/Approve Resolution No. 03-2010 on Contract for Services with ECIA for FY 2010**

Schroeder explained this is a contract for services between ECIA and Business Growth. ECIA provides the staff to operate and manage the Certified Development Corporation.

Motion by Stewart, second by Steffen to approve Resolution No. 03-2010 on Contract for Services with ECIA for FY 2010. The motion passed unanimously.

### **Review/Approve Conflict of Interest Policy**

Schroeder referred board members to the Conflict of Interest Policy Statement Affidavit included in the agenda packages. He said the EDA-RLF plan was recently amended, which requires a policy to be adopted by the Full Membership. After discussion on the policy at previous board meetings, the Affidavit will apply to only the Board of Director members, not the Full Membership.

Motion by Kramer, second by Egging to approve the Conflict of Interest Policy. The motion passed unanimously.

Schroeder requested the Board of Directors' members present at the meeting sign the affidavit and return it to him. Affidavits will be sent to the board members not present at the meeting.

### **Other Business**

Schroeder said Board of Director reappointments will be on the agenda for the November Full Membership meeting. Prior to the November meeting, the ECIA Council will, at their September meeting, need to reappointment Council members to the Business Growth Full Membership. He noted that terms will need to be staggered for the private sector Business Growth members that are not on the ECIA Council. Board member consensus that staff assign staggered terms limits to the private sector Business Growth members that are not on the ECIA Council.

Staff reminded board members that the annual report and audit will both be presented at the November Business Growth Full Membership meeting, in addition to the member reappointments.

**Adjournment**

Motion by Thiltgen, second by Steffen to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 2:45 p.m.

Respectfully submitted,

Kelley Hutton Deutmeyer  
Secretary/Treasurer