

March 8, 2023

AGENDA
DOUGLAS COUNTY REVOLVING LOAN FUND, INC.
BOARD OF DIRECTORS
Wednesday, March 15, 2023, 3:00 p.m., Boardroom 201, Government Center
1316 North 14th Street, Superior, Wisconsin

Please contact the Secretary, Kaci Lundgren (715-395-1568) if you are unable to attend.

MEMBERS:	Dick Nystrom	Mark Liebaert
	Alan Jaques	Mark Hubbard
	Carol Jones	Carolyn Pierce
	Kaci Lundgren	Mary Lou Bergman

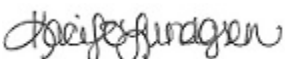
A G E N D A

1. Roll call.
2. Approval of minutes from the August 4, 2021, meeting (attached).
3. Election of officers (Chair/President and Vice President).
4. Approval of amended Administrative/Operating Agreement with the Development Association, Inc. (attached).
5. Funding allocated to Entrepreneur Fund (attached).
6. Reports (attached):
 - (a) Executive Committee action;
 - (b) Financial statements ending December 2022, January 2023 and February 2023; and
 - (c) Loans.
7. Future agenda items.
8. Adjournment.

Copied: Superior Telegram Jim Caesar (Development Association) Superior/Douglas County Chamber of Commerce

NOTE: Attachments to agenda available in County Clerk's Office for viewing or copying. Action may be taken on any items on the agenda. The County of Douglas complies with the Americans with Disabilities Act of 1990. If you are in need of an accommodation to participate in the public meeting process, please contact the Douglas County Clerk's Office at (715) 395-1341 by 4:00 p.m. on the day prior to the scheduled meeting. Douglas County will attempt to accommodate any request depending on the amount of notice received.

Posted: Courthouse, Government Center, Douglas County website

By:  Date: 3-8-23

DOUGLAS COUNTY REVOLVING LOAN FUND, INC.

Board of Directors

**Wednesday, August 4 2021, 1:00 p.m., Board Room Second Floor, Government Center
1316 North 14th Street, Superior, Wisconsin**

Present –Dick Nystrom, Alan Jaques, Susan Sandvick, Carol Jones, Charlie Glazman, Mark Hubbard. Absent – Mark Liebaert, Carolyn Pierce. Others present – Jim Caesar, Joan Finckler, Valerie Chamings.

Chair Nystrom called meeting to order.

APPROVE MINUTES OF PREVIOUS MEETING: Motion by Jaques, second Glazman, to approve the January 5, 2021, meeting minutes. Motion carried.

REPORTS:

Financial Statement Ending 6-30-21 – Distributed with agenda/reviewed.

ACTION: Motion by Hubbard, second Jones, to accept the financial statement. Motion carried.

Loans – Distributed with agenda/reviewed/discussed.

ACTION: Motion by Jaques, second Hubbard, to accept the loan report. Motion carried.

Audited Financial Statements 2020 and 2019 – Nystrom stated it may be time to look at auditing costs; Jones will request proposals from auditing firms and bring back to the board.

ACTION: Motion by Glazman, second Hubbard, to accept the audited financial statements. Motion carried.

MOTION TO ADJOURN OPEN SESION AND CONVENE INTO CLOSED SESSION PURSUANT TO SECTION 19.85(1)(e) OF THE WISCONSIN STATUTES TO DISCUSS \$100,000 LOAN REQUEST FROM DMB MORALES, LLC, D/B/A SHORTY’S. Motion by Jaques, second Jones, to adjourn open session and convene into closed session, as stated above. Roll call vote taken, with all present voting yes. Absent – Liebaert, Pierce. Open session adjourned at 1:25 p.m.

Submitted by,

Susan Sandvick, Secretary

**Douglas County Revolving Loan Fund
Administrative/Operating Agreement**

This agreement made this ____ day of _____, 202__, by and between the Douglas County Revolving Loan Fund, **Inc.** (Hereinafter “Fund”) and the Development Association, Inc. (Hereinafter “D.A.)

Whereas, the Fund has been a flexible local financing tool since its creation in 1986, used to encourage local business expansions, support entrepreneurship, encourage new business start-ups and support growth, and

Whereas, a board of directors, whose officers consist of a president, Vice President, Secretary and Treasurer, governs the Fund, and

Whereas, the Fund is in need of administration of its loan portfolio, and

Whereas, the D.A, has the expertise and the personnel necessary to administer the Fund portfolio,

NOW THEREFORE, in consideration of the neutral promises and covenants contained herein the parties agree as follows:

LOAN FUND

The board shall make all decisions with regard to whether, when and to whom a loan is made, including evaluating the credit worthiness of the potential borrower, the amount of the loan, the term of the loan, the interest rate, the nature and adequacy of the collateral and guarantees given to secure the loan. In addition, all decisions with regard to renewals, extensions and modifications, whether to declare default, to accelerate payments or to pursue collections shall also be and remain the responsibility of the board.

At all times, the D.A. shall act in accordance with the wishes of the board and shall administer the Fund as directed.

The chair of the Douglas County Board of Supervisors shall appoint a Fund advisory board. The D.A. shall seek the recommendation of the advisory board prior to presentation of a loan application to the board of directors. The advisory board shall make recommendations regarding the credit worthiness of each applicant. The D.A. shall report the findings of the advisory board to the board of directors.

Douglas County Revolving Loan Fund Administrative/Operating Agreement

The D.A. shall provide information to the board to assist in making lending decisions as requested. In addition, the D.A. shall provide administration services to the Fund as those are described herein.

REPRESENTATIVE

Except as stated herein, the D.A. shall act as the representative of the Fund in all negotiations and transactions with the borrower. In case of emergency or for other reasons the Fund may conduct negotiations through its president or duly authorized agent appointed by the president to act in his or her absence.

LOAN DOCUMENTATION

The D.A. shall interview potential borrowers to ascertain their needs and assist in the preparation of loan applications. The D.A. shall further be responsible for the completion of all necessary loan closing documents including, but not limited to, promissory notes, mortgages, security agreements, financing statements and other documents necessary for the closing of the loan. The D.A. shall seek legal representation, at the cost of the Fund, as needed to complete the documents required to successfully complete the loan. The D.A. shall represent the Fund at the loan closing, require the execution of all the necessary loan documents and shall register and file said loan documents as required.

PORTFOLIO MANAGEMENT

The D.A. shall follow all written procedures for portfolio management, which shall include, at a minimum, a semi-annual review including:

- A. Collecting data and verifying the status of collateral and guarantees.
- B. Evaluating financial information and the borrower's compliance with all loan covenants and agreements,
- C. Data to be used by the board to evaluate the financial health of the borrower.

REPORTING

The D.A. shall report any significant deterioration of the collateral or guarantee securing each loan to the board in writing. The D.A. shall also, in the same manner, report significant changes in the repayment ability of the borrower. Upon receipt of an adverse report the board may require the D.A. to meet with the borrower to prepare a plan to cure the adverse condition(s). The D.A. shall deliver a written report of the semi-annual review to the board for each loan one week prior to the next regularly scheduled board meeting after the completion of the review.

**Douglas County Revolving Loan Fund
Administrative/Operating Agreement**

MANAGING DELINQUENCIES AND WORKOUTS

The procedure used by the D.A. for managing delinquencies and workouts for the noncompliant loans must adhere to all state and federal laws and be adopted as policy by the board prior to implementation. The D.A. shall administer the policy as directed by the board.

OTHER RESPONSIBILITIES

The D.A. shall also prepare any grant or other applications needed to secure additional loan funds.

The D.A. shall implement a plan to market the Fund to increase use by business start-ups, entrepreneurs and expanding businesses. The marketing plan shall include, but not be limited, a user friendly, printed materials and community presentations. All cost of printing, website development and other advertising such as billboards shall be the responsibility of the Fund. Expenditures of more than \$100.00 shall be approved by the board prior to purchase.

PAYMENT

The Fund shall pay the D.A. the total sum of \$ ____, _____ . ____ for the term of this contract, one half to be paid by January 15, 202__ and the remainder to be paid on June 15, 202__.

TERM

The term of this contract shall be January 1, 2023 to December 31, 2023.

This contract may be terminated by either party without cause by giving thirty (30) days' written notice of termination to the other party.

Each term shall automatically renew for subsequent periods of the same length as the initial term unless either party gives the other written notice of termination at least thirty (30) days prior to expiration of the then-current lease.

PERSONNEL

The D.A. assumes responsibility for its personnel providing services hereunder, and will make all deductions required of employees by state, federal and local laws, including deductions for Social Security and withholding taxes, and contributions for unemployment compensation funds, and shall maintain worker's compensation and

**Douglas County Revolving Loan Fund
Administrative/Operating Agreement**

liability insurance on each employee. In addition, the D.A. shall provide all training and education needed by its employees to successfully administer the Fund.

The D.A. further reserves the right to sub-contract to qualified third parties, any part or all the performances of the services described in this Agreement.

The parties intend that an independent contractor-employer relationship be created by this contract. The conduct and control of the work will rely solely with the D.A., subject to the policy decisions of the Fund as described herein.

IN WITNESS WHEREOF, the parties have caused this contract to be signed the day and year first above written.

DOUGLAS COUNTY REVOLVING LOAN FUND, Inc.

By: _____

Richard B. Nystrom, President

THE DEVELOPMENT ASSOCIATION, Inc.

BY: _____

Paul Holt, President

From: [Dick Nystrom](#)
To: [Lundgren, Kaci](#)
Subject: Fw: Recap on the 8 million grant to the Entrepreneur Fund
Date: Tuesday, February 21, 2023 10:50:19 AM

----- Forwarded Message -----

From: Jim Caesar <jim@wegrowbiz.org>
To: Dick Nystrom <dick.nystrom@yahoo.com>
Cc: Alan Jaques <belknapiquor@chartermi.net>
Sent: Friday, February 17, 2023 at 03:04:54 PM EST
Subject: Recap on the 8 million grant to the Entrepreneur Fund

Dick,

The Grant money was ARPA funds through the Wisconsin Department of Administration.

The 8 million was actually two Diverse Business Investment Grants. One for \$3 million and one for \$5 million.

The area of coverage for the loan program is 13 northern Wisconsin Counties (Ashland, Bayfield, Burnett, Douglas, Florence, Forest, Iron, Marinette, Oneida, Price, Sawyer, Vilas, Washburn) which put the program out of the purview of the Douglas County Revolving Loan Fund, the Development Association and Northwest Wisconsin Regional Planning Commission (NWRPC).

Also the grant had to go to a Community Development Financial Institution (CDFI) which the Development Association, Douglas County and NWRPC are not.

Douglas County cannot become a CDFI lender as one of the eligibility requirements for CDFI certification is a legal non-governmental entity. The Development Association could apply to become a CDFI lender however we do not have the staff, nor the budget for staffing an additional position and again it would be outside of our area of coverage.

Likewise NWRPC could apply to become a CDFI lender. I spoke with Sheldon Johnson, Executive Director of NWRPC. He had discussions with his staff about the * million grant and CDFI. Their consensus was that with the current loan funds under their management that they would have needed to add another full time staff member and did not see a significant enough payback. Also NWRPC covers 10 counties in Northwest Wisconsin. Two counties in their area (Rusk & Taylor) are not with in the 13 counties included in this program.

I hope this clears things up.

Thank you.

Jim Caesar
Executive Director
The Development Association
1401 Tower Avenue
Suite 309
Phone 715-392-4749
Mobile 218-310-9887
jim@wegrowbiz.org



Douglas County Clerk

1313 Belknap Street, Room 101
Superior, Wisconsin 54880

KACI JO LUNDGREN, *County Clerk*

Voice: (715) 395-1341

CHERYL L. WESTMAN, *Deputy*

Fax: (715) 395-1421

To: Douglas County Revolving Loan Fund Board of Directors
From: Kaci Jo Lundgren, County Clerk
Date: March 8, 2023
Subject: Executive Committee Action Taken

The Executive Committee has met three times since the last Board of Directors meeting. The following loan requests were addressed:

1. \$25,000 to Zia Properties, d/b/a Tower Avenue Taproom;
2. \$25,000 to Nick Korhonen (Korhonen Agency); and
3. \$25,000 to Catherine and Gerrit Van Doorn (Crafty Rooster Pub & Eatery, LLC) and subsequent reconsideration.

In addition to the above loan requests, the following were also addressed:

1. Request for loan payment modification to \$750.00 for six months from Call Center Resources; and
2. Loan collection direction for Market Beautiful and Three Irish Girls Yarn, Inc.

###

6:11 PM

01/22/23

Accrual Basis

Douglas County Revolving Loan Fund

Profit & Loss

December 2022

	<u>Dec 22</u>
Ordinary Income/Expense	
Income	
Interest on Checking	447.79
Interest on Loans	1,060.78
Interest on Savings	3.55
	<hr/>
Total Income	1,512.12
	<hr/>
Gross Profit	1,512.12
Expense	
Bank Charges	
Deluxe Checks	57.74
	<hr/>
Total Bank Charges	57.74
Bank Service Charges	94.53
Office Supplies Expense	25.00
	<hr/>
Total Expense	177.27
	<hr/>
Net Ordinary Income	1,334.85
	<hr/>
Net Income	<u><u>1,334.85</u></u>

Douglas County Revolving Loan Fund
Balance Sheet
As of December 31, 2022

	Dec 31, 22
ASSETS	
Current Assets	
Checking/Savings	
Associated FKA Huntington	12,678.46
BMO Checking	1,714.55
BMO Corporate MM	419,615.85
Chippewa Valley Bank	3,115.19
National Bank of Commerce	11,792.25
SCCU Savings	43.42
Security State Bank	3,923.57
Superior Choice MM	106,281.29
Total Checking/Savings	559,164.58
Accounts Receivable	
Accounts Receivable	398,796.47
Interest Receivable on Loans	-1.90
Total Accounts Receivable	398,794.57
Other Current Assets	
Accounts Receivable Suspense	-34,405.31
Total Other Current Assets	-34,405.31
Total Current Assets	923,553.84
Other Assets	
Chg Provision for Uncoll Loans	-58,481.23
Reserve for Loan Losses	-55,000.00
Total Other Assets	-113,481.23
TOTAL ASSETS	810,072.61
LIABILITIES & EQUITY	
Equity	
Net Income	7,560.40
Opening Bal Equity	1,362,665.57
Retained Earnings	-548,411.84
Net Income	-11,741.52
Total Equity	810,072.61
TOTAL LIABILITIES & EQUITY	810,072.61

6:10 PM

01/22/23

Douglas County Revolving Loan Fund
Customer Balance Summary
As of December 31, 2022

	<u>Dec 31, 22</u>
Bucktales	93,418.67
Call Center Resources, LLC	90,794.13
Crafty Rooster Pub	23,004.28
Earth Rider Brewery	23,920.91
Guardian Pest Solutions	26,590.91
Learning Institute for Excellence	18,351.15
Market Beautiful	18,107.84
Nick Korhonen Agency, LLC	23,717.04
North Shore Compressor	32,453.71
Sportmen's Marketing	212.08
Storm Werkz	14,830.48
Tap Exchange	16,364.62
Three Irish Girls Yarn Inc (LOC)	17,028.75
TOTAL	<u><u>398,794.57</u></u>

11:37 AM
02/13/23
Accrual Basis

Douglas County Revolving Loan Fund
Profit & Loss
January 2023

	<u>Jan 23</u>
Ordinary Income/Expense	
Income	
Interest on Checking	358.64
Interest on Loans	1,036.98
Interest on Savings	2.15
	<hr/>
Total Income	1,397.77
	<hr/>
Gross Profit	1,397.77
Expense	
Bank Service Charges	97.25
Other Expense	7,500.00
Postage Expense	37.29
Professional Fees	
Legal Fees	196.00
	<hr/>
Total Professional Fees	196.00
Treasurer's Fees	391.00
	<hr/>
Total Expense	8,221.54
	<hr/>
Net Ordinary Income	-6,823.77
	<hr/>
Net Income	<u><u>-6,823.77</u></u>

Douglas County Revolving Loan Fund
Balance Sheet
As of January 31, 2023

	<u>Jan 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
Associated FKA Huntington	12,680.61
BMO Checking	1,284.85
BMO Corporate MM	418,225.43
Chippewa Valley Bank	3,115.19
National Bank of Commerce	11,794.20
SCCU Savings	43.42
Security State Bank	3,923.57
Superior Choice MM	106,281.29
Total Checking/Savings	<u>557,348.56</u>
Accounts Receivable	
Accounts Receivable	394,277.56
Interest Receivable on Loans	-1.90
Total Accounts Receivable	<u>394,275.66</u>
Other Current Assets	
Accounts Receivable Suspense	-34,894.15
Total Other Current Assets	<u>-34,894.15</u>
Total Current Assets	916,730.07
Other Assets	
Chg Provision for Uncoll Loans	-58,481.23
Reserve for Loan Losses	-55,000.00
Total Other Assets	<u>-113,481.23</u>
TOTAL ASSETS	<u>803,248.84</u>
LIABILITIES & EQUITY	
Equity	
Net Income	7,560.40
Opening Bal Equity	1,362,665.57
Retained Earnings	-560,153.36
Net Income	-6,823.77
Total Equity	<u>803,248.84</u>
TOTAL LIABILITIES & EQUITY	<u>803,248.84</u>

11:36 AM

02/13/23

Douglas County Revolving Loan Fund
Customer Balance Summary
As of January 31, 2023

	<u>Jan 31, 23</u>
Bucktales	92,714.40
Call Center Resources, LLC	90,044.13
Crafty Rooster Pub	22,600.13
Earth Rider Brewery	24,581.58
Guardian Pest Solutions	25,716.62
Learning Institute for Excellence	18,242.61
Market Beautiful	17,799.70
Nick Korhonen Agency, LLC	23,542.99
North Shore Compressor	31,614.16
Sportmen's Marketing	1.85
Storm Werkz	14,384.76
Tap Exchange	15,954.99
Three Irish Girls Yarn Inc (LOC)	17,077.74
TOTAL	<u><u>394,275.66</u></u>

2:24 PM

03/03/23

Accrual Basis

Douglas County Revolving Loan Fund
Profit & Loss
February 2023

	<u>Feb 23</u>
Ordinary Income/Expense	
Income	
Interest on Checking	480.19
Interest on Loans	1,017.77
Interest on Savings	1.95
	<hr/>
Total Income	1,499.91
	<hr/>
Gross Profit	1,499.91
Expense	
Bank Service Charges	106.52
	<hr/>
Total Expense	106.52
	<hr/>
Net Ordinary Income	1,393.39
	<hr/>
Net Income	<u><u>1,393.39</u></u>

2:24 PM

03/03/23

Accrual Basis

Douglas County Revolving Loan Fund
Balance Sheet
As of February 28, 2023

	<u>Feb 28, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
Associated FKA Huntington	12,682.56
BMO Checking	1,275.33
BMO Corporate MM	423,585.67
Chippewa Valley Bank	3,115.19
National Bank of Commerce	11,795.97
SCCU Savings	43.42
Security State Bank	3,923.57
Superior Choice MM	106,281.29
Total Checking/Savings	<u>562,703.00</u>
Accounts Receivable	
Accounts Receivable	391,706.06
Interest Receivable on Loans	-1.90
Total Accounts Receivable	<u>391,704.16</u>
Other Current Assets	
Accounts Receivable Suspense	-36,283.70
Total Other Current Assets	<u>-36,283.70</u>
Total Current Assets	918,123.46
Other Assets	
Chg Provision for Uncoll Loans	-58,481.23
Reserve for Loan Losses	-55,000.00
Total Other Assets	<u>-113,481.23</u>
TOTAL ASSETS	<u>804,642.23</u>
LIABILITIES & EQUITY	
Equity	
Net Income	7,560.40
Opening Bal Equity	1,362,665.57
Retained Earnings	-560,153.36
Net Income	-5,430.38
Total Equity	<u>804,642.23</u>
TOTAL LIABILITIES & EQUITY	<u>804,642.23</u>

2:24 PM

03/03/23

Douglas County Revolving Loan Fund
Customer Balance Summary
As of February 28, 2023

	<u>Feb 28, 23</u>
Bucktales	92,007.58
Call Center Resources, LLC	90,794.13
Crafty Rooster Pub	22,195.78
Earth Rider Brewery	25,244.15
Guardian Pest Solutions	24,843.51
Learning Institute for Excellence	18,133.62
Market Beautiful	16,874.28
Nick Korhonen Agency, LLC	23,368.36
North Shore Compressor	30,772.52
Storm Werkz	13,937.92
Tap Exchange	16,405.44
Three Irish Girls Yarn Inc (LOC)	17,126.87
TOTAL	<u><u>391,704.16</u></u>