South Central Illinois Regional Planning Development Commission
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Serving the Illinois Counties of Clay, Effingham, Fayette, Jasper, and Marion since 1972

MINUTES MONTHLY BUSINESS MEETING
VIA TELEPHONE CONFERENCE / ZOOM CALL
TUESDAY, April 26, 2022

Commissioners Present

David Johnson	Clay County
Barry Adair	Clay County
Ernest Garbe	Effingham Co
Larry Taylor	Effingham Co
Norbert Soltwedel	Effingham Co
David Campbell	Effingham Co
Mike Brown	Effingham Co
Glenn Gurtner	Fayette Co
Tom Brown	Jasper County
Karen Booker	Jasper County
RJ Lindemann	Jasper County
Angela Fehrenbacher	Jasper County
Gary Purcell	Marion County
Janie Grimes	Marion County
Derek Sherman	Marion County
David Armbrust	Marion County

Commissioners Absent

Rod Franklin	Clay County
Herb Henson	Clay County
Sasha Althoff	Effingham Co
Ricky Gottman	Fayette Co
John Lotz	Fayette Co
John Roberts	Fayette Co
Jason Warfel	Jasper County
Mike Hall	Jasper County
Debbie Smith	Marion County
Carson Smith	Marion County

Guests Present:

Staff Present: James Patrick, Executive Director
Jeanne Dunahee, Administrative Assistant
Brooke Frederick, EDA Planner II

Chairman Armbrust called the meeting to order at 6:02 p.m.

ROLL CALL (*Taken by signature sheet – see the list of attendees and absentees above*) sixteen voting Commissioners attended and the Executive Director, constituting a legal quorum.

RECOGNITION OF GUESTS/HEARING OF THE PUBLIC – The director welcomed a new board member, RJ Lindemann, of Newton and representing Jasper County. Patrick notes he was appointed by the mayor of Newton.

APPROVAL OF MINUTES

March 29, 2022, Monthly Meeting

Patrick asked if there was any discussion or changes concerning the March 29, 2022 Minutes. There being none, Patrick entertained a motion made by Sherman to approve the Minutes as amended to the Minutes and Agenda. A second was made by T. Brown. *(Approved)*

BILLS & COMMUNICATIONS

Upcoming Grant Deadlines & Submissions

The Executive Director noted he had one new grant update that was not received in time to add to the agenda. The CDBG Economic Development is staying at $1 million this year with rolling due dates. CDBG Infrastructure Disaster Assistance is staying at $200,000, also with a rolling due date. CDBG Housing Rehabilitation is moving to $600,000, and CDBG PI is moving from $550,000 to $1.5 million. Due dates continue to move and are now sitting at October 19th.

Quote from Executive Business Solutions for copier/scanner

Patrick noted that the commission is looking into purchasing a new copier/scanner and has obtained quotes. He indicated that the equipment he is looking at is almost the same as what the office has now. The executive director noted that it would save the commission $60/month. Other minor differences include the number of pages able to be printed per minute, larger paper drawer, inter-finisher fax expansion kit, and right side exit tray. Patrick noted that the current copier/scanner had incurred an extra cost of $361 this month due to being out of a lease and needing repairs. Patrick entertained a motion made by Garbe to update the copier/scanner. A second was made by Armbrust. One commissioner expressed concern over an expired quote to which the director replied that he had been assured that EBS does not anticipate a change in lease agreements. *(Approved)*

TREASURER'S REPORT

Treasurer's Report from March 16, 2022, through April 15, 2022,–Patrick referred to the board packet on pages 12 through 18. The director noted expenses for Great America Financial Services (maintenance expenses), Executive Business Solutions, and Environmental Systems Research (GIS subscription renewal). Patrick also mentioned that the commission had made their unemployment insurance payment of $671.70. The director noted that a check issued regarding the salary for a SCIRPDC employee was different than usual. He explained that the first check of the month had given too much and the employee was okay with receiving the difference on their second check ($389), explaining why it was so low in comparison to the usual paycheck. The actual amount of checks written was $50,654.66. The total including the prorated monthly's depreciation is $51,150.57.

Patrick noted one odd deposit into the Business Now account due to a class action settlement with State Farm. He mentioned that they had already received a settlement for a little over $100 a few months back and State Farm had sent another check for a small amount. The Business Now account had started out at $304,576.87, with $127,638.59 in revenue this month; grant management, $10,350; HSTP paid two payments for $83,411.90; Rent for $1,250; Village of Farina TIF, $560.00; EDA COVID Expense Reimbursement, $12,687.70; EDA 301 (b) expense reimbursement, $9,663.28; Class Action, $39.05; Loan Administration, $9,099.84; Interest $55.86; and SBA 504 Loan Servicing Payment, $520.96. After transferring $50,654.66 out of the account to cover expenses, the ending balance is $381,560.80. Checking account is where

the Business Now transfer went to. After checks were written, the ending balance is $3,000.00. In Accounts Receivable, there was a large payment from IDOT making it a lower amount in the account since the payment was made. The ending balance is $39,792.69. In the EDA 301 (b) Account, the beginning balance was $29,843.99. There were two local matches and a drawdown of $17,500. There was one debit of $9,663.28 for expense reimbursement. The ending balance is $49,347.37. In the EDA Supplemental Disaster Grant account, Patrick noted it did not need a local match. As such, the beginning balance was $48,799.22. There was one debit of $12,687.70 for expense reimbursement. The ending balance is $36,111.52. In the EDA Title IX RLF account, the beginning cash balance was $6,387.83. There were two debits, one being a transfer to savings ($3,387.83) and the other a general administration fee for loan servicing ($3,070.89). The ending balance is $2,250.64. The debit transfer went into the Title IX RLF savings account. The beginning balance was $132,213.52. After interest was added ($64.69), the ending balance is $135,666.04. In the RBI/CDI account, the beginning balance was $186,203.78. There was one debit of $6,028.95 for a general administration fee. The ending balance is $194,333.90.

Patrick noted that the cash on hand is $381,560.80 with total revenues and use of fund balance being $901,403.03. The director mentioned that the commission had met 81.60% of its budget for the year. Year-to-date, SCIRPDC had incurred $382,072.39 in costs which brings them to 38.77% of their expenses for the year.

The executive director will need to meet with board member and banker Herb Henson to discuss cashing in on the funds the commission has with the Clay City Banking Company should the loan the board is voting on be approved. The previous CD balance was $753,427.16. After earning $343.69 in interest, the CD portfolio balance is $753,770.85.

Patrick noted that all RBI recipients are paying as agreed. The blended interest rate is 3.64%. The current balance is $896,608.28. The loans with Rollinson's Home Center and Jasper County Housing Authority will be paid off in May of 2022. Upon paying off, that will leave the commission with three CDI loans, but the City of Kinmundy has expressed interest in paying off their loan as well. Altamont and Central City are paying as agreed. The current balance for CDI loans is $302,316.93 with a blended interest rate of 3%. All Title IX recipients are paying as agreed. The blended interest rate is 3% and the current balance is $519,242.66. The balance of all loans is $1,718,167.87 with a blended interest rate of 3.06%. The Section 504 loan recipient is paying as agreed with a current balance of $942,694.49. There was a loan management fee of $520.96. The ending balance of all four loan categories is $2,660,862.36.

Patrick noted the extra paper in the Treasurer's report was serving as a monthly summary. He mentioned that the commission is about $5,350 off from the cash balance. These figures were calculated before SCIRPDC received an extra grant management payment. Patrick noted that they had invoiced IDOT again for $33,292.69.

Patrick opened the floor for questions. There being none, he entertained a motion made by Taylor to approve the Treasurer's Report. A second was made by Grimes. *(Approved)*

STAFF REPORT
03/16/2022 – 4/15/2022
Patrick referred to page 19 noting Altamont's grant agreement had been received. Ramsey had received clearance on their environment which means they will be moving to a grant agreement stage. Patrick noted that the commission had two loan prospects, one of which the board would be voting on that night.

COMMITTEE REPORT
Patrick noted that the ALRC had met to discuss a loan with Brumleve Properties, LLC. He noted that they are needing a new building for their expanding business. Patrick mentioned that he had everything except for the pre-appraisal. Upon receiving that, if approved, they would be ready to move forward with a loan closing. Brumleve Properties, LLC is asking for $250,000 from SCIRPDC and $850,000 from Dieterich Bank. The owners have cash on hand to cover the difference of $234,076. The whole project should cost $1,334,076. Brumleve Properties, LLC has the ability to make up the difference should material prices change. The debt to equity ratio is .54 (anything less than 1.5 is considered good). Networking capital is plenty for what they need at $1,057,136. The current ratio is 5.85 (1.5 to 3 is good, anything higher indicates that they aren't growing quick enough or aren't using assets to the best ability). The quick ratio is 5.69 (1.1 to 2 is good) which shows that they would have to sell off assets to fulfill the debt. Cash flow coverage of 1.10 or above indicates a healthy company can meet its financial obligations. Designs Unlimited has 5.75x the amount needed to cover this project (FY2021). In FY 2022's projection, the cash flow margin is $424,566 with a cash flow of 3.02. This means they have $3.02 for every dollar of debt. The debt can be covered by depreciation and rent savings. Rent savings were not included in the calculations or cash margin. The business has a net worth of $2,454,519.85. The total loan to collateral value is 82.5%, over the necessary 10% to obtain a loan from SCIRPDC. The interest rate would be 2.25% over ten years, with a balloon of five years. Funds would be used to build an approximately 15,000 square foot building from ACRA. Work will begin in late summer. Patrick opened the floor to questions. There being none, he entertained a motion made by T. Brown to approve the loan. A second was made by Gurtner. *(Approved)*

Patrick noted that while the ALRC was meeting, they also discussed CDI loan rates. The board voted that Title IX and RBI is to always be set at Wall Street Journal Prime-1%. CDI loans hadn't had a specific loan rate vote yet. The director noted that there were few CDI loans and suggested that the interest rate should be set the same as Title IX and RBI. Patrick opened the floor to questions. One board member asked for clarification that the minimum would be 2%; the Executive Director concurred. Patrick noted that the reason for the 2% is that it has to be paid back to USDA and he wants to make sure that SCIRPDC can make its payments. The director entertained a motion made by T. Brown for the interest rate to be Wall Street Journal-1.2% for local governments and 1% for special taxing districts. A second was made by Purcell. *(Approved)*

The Executive Director proposed whether or not to continue offering SBA loans. At the time that SCIRPDC became an SBA qualified lender, there was a lot of interest. In recent years, chain banking institutions have started offering them at better rates. Banks that SCIRPDC often works with are reluctant to use SBA 7a or 504 loans because of problems with technical support and closing/foreclosing. SBA tends to make it harder to collect on a loan. Patrick suggested that SCIRPDC continue to service the last SBA loan they have. When the SBA says

that he needs to take more classes or keep updating information, which is costing more money than the commission is bringing in on these loans, SCIRPDC should elect to no longer offer SBA's program. Patrick opened the floor to questions. There being none, he entertained a motion made by T. Brown to exit the SBA loan program when the time arose. A second was made by Taylor. *(Approved)*

OLD BUSINESS

Fingerprint Cards and 1081 Forms Needed

Patrick noted three board members have not turned in their fingerprint cards and 1081 forms. The new board member was updated on what was needed. The executive director said that Jeanne would be calling specific board members to try and get those forms. These are necessary to maintain the commission's compliance with the Small Business Administration (SBA).

NEW BUSINESS

Housing Email Blast

Patrick noted that the commission needs contractors to work on housing rehabilitation grants. An email blast had been sent out and the executive director, along with a staff member, had sent out approximately fifty mailers. Patrick noted that contractors have been busy both during and after the pandemic. There have been two contractors that have shown interest, with another seven that have reached out. There have also been ads put into each of the counties' local newspapers. Board members have been asked to get contractors who might be interested to contact a staff member at SCIRPDC.

Patrick noted that SCIRPDC's Administrative Assistant would be attending May's board meeting to see all of the board members since she will be retiring in the same month.

ADJOURNMENT

Patrick asked if anyone had anything else to comment on or question. There being none he entertained a motion for adjournment. A motion was made by Grimes and seconded by Gurtner to adjourn the Commission's monthly business meeting held on April 26, 2022 *(Approved)*. The meeting was adjourned at 6:42 p.m**.**

APPROVED THIS, THE 31st DAY OF May 2022 AD.

_____	_____
Herb Henson, Corp. Secretary	David Armbrust, Chairman
SCIRPDC	SCIRPDC