

**COUNTY OF RACINE
FINANCE & HUMAN RESOURCES COMMITTEE**

Supervisor Q. A. Shakoor, II, Chairman
Supervisor Robert N. Miller, Vice Chairman
Supervisor Thomas H. Pringle, Secretary

Supervisor Janet Bernberg
Supervisor Brett Nielsen
Supervisor Donnie E. Snow
Supervisor John A. Wisch

*** THIS LOCATION IS HANDICAP ACCESSIBLE. If you have other special needs, please contact the Racine County Board Office, 730 Wisconsin Avenue, Racine, Wisconsin 53403 (262) 636-3571, fax (262) 636-3491 or the TTD/RELAY 1-800-947-3529. ***

NOTICE OF MEETING OF THE

FINANCE AND HUMAN RESOURCES COMMITTEE

DATE: **Wednesday July 20, 2016**

TIME: **5:00 P.M.**

PLACE: **IVES GROVE OFFICE COMPLEX
AUDITORIUM
14200 WASHINGTON AVENUE
STURTEVANT, WISCONSIN 53177**

AGENDA –

1. Convene Meeting
2. Chairman Comments – Youth In Governance/Comments
3. Public Comments
4. Approval of Minutes from the July 20, 2016 committee meeting.
5. RCEDC – Janell Topczewski – Approve the Semi Annual Racine County Revolving Loan Fund (RLF) Plan Certification for the Period ending March 31, 2016 and authoring submission of said plan to the United States Department of Commerce’s Economic Development Administration – 2016 – Joint Resolution with Economic Development & Land Use Planning Committee – 1st Reading at the July 26, 2016 County Board Meeting.
6. RCDEC – Janell Topczewski – Status of the Racine County Matching Grant Program for the Period Ending June 30, 2016 – Informational only no action needed.
7. Communication Referrals from County Board Meeting:
 - a) United States Bankruptcy Court Eastern District of Wisconsin – Notice of Chapter 13 Bankruptcy Case re: James Henry Griffin Sr.;
 - b) United States Bankruptcy Court Eastern District of Wisconsin Order of Discharge re: Ross Martin & Jaimi Lynn Harrington; Bart Garrett Miller; Marilyn Long;
 - c) United States Bankruptcy Court Eastern District of Wisconsin Order Dismissing Case re: Derek Wayne Price; Candice Junice Taylor; Teresa Waldrop; Bianca Hayes
 - d) United States Bankruptcy Court Eastern District of Wisconsin – Notice and Motion to dismiss – Unconfirmed Plan re: Joanna Howze;

e) United States Bankruptcy Court Eastern District of Wisconsin – No Proof of Claim Deadline:
Shane Daniel Stilo;

f) Foreclosure has been filed on the following:

Attorney	Lending Company	Person/Persons	Amt. owed Racine CO
Patricia C. Lonzo	Wells Fargo Bank	Darren & Margaret Dunk	\$137.56
Patricia C. Lonzo	JP Morgan Chase	Brian E. Walson & Peggy A. James	\$437.65

g)

8. Staff Report – No Action Items.

a. September 2016 – January 2017 Meeting Calendar

9. Adjournment

FINANCE & HUMAN RESOURCES COMMITTEE ACTION ONLY

Requestor/Originator Finance

Committee/Individual Sponsoring: Finance & Human Resources Committee

Date of Committee Meeting: 7/20/2016

Signature of Committee Chairperson
/Designee: _____

Description: Minutes from July 6, 2016 Finance & Human Resources Committee

Motion: _____

Action: **County Board Supervisors**
 Approve
 Deny

Youth In Governance
 Approve
 Deny

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING
July 6, 2016

IVES GROVE OFFICE COMPLEX
AUDITORIUM
14200 WASHINGTON AVENUE
STURTEVANT, WISCONSIN 53177

Meeting attended by: Chairman Shakoor, Supervisors Bernberg, Miller and Nielsen, Youth Representative Krishnan and Scholzen, Finance Director Alex Tillmann, Human Resources Director Karen Galbraith, Finance & Budget Analyst Kris Tapp, Ridgewood Care Center Administrator Liam Doherty, Detention Center Superintendent Ed Kamin and Deputy Treasurer Marilou Hipper.

Excused: County Board Supervisors Pringle, Snow and Wisch.

Agenda Item #1 - Convene Meeting

Meeting Called to Order at 5:02 pm by Chairman Shakoor.

Agenda Item #2 – Chairman Shakoor – Youth In Governance/Comments

Chairman Shakoor read the Youth in Governance statement.

Agenda Item #3 – Public Comments

None.

Agenda Item #4 – Approval of Minutes from the June 15, 2016 Meeting.

Action: Approve the minutes from the June 15, 2016 meeting. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Nielsen. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays

Agenda Item #5 – Approval of Minutes from the Joint Meeting with Government Services from the June 15, 2016 Committee Meeting.

Action: Approve the minutes from the June 15, 2016 Joint meeting with Government Services. **Motion Passed.** Moved: Supervisor Bernberg. Seconded: Supervisor Nielsen. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays

Agenda Item #6 – Approval of Minutes from the June 28, 2016 Meeting.

Action: Approve the minutes from the June 28, 2016 meeting as amended. **Motion Passed.** Moved: Supervisor Bernberg. Seconded: Supervisor Nielsen. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays

Agenda Item #7 - Requests for Transfer

7a – Human Services Department – Hope Otto – Authorize a change of purpose of capital funds from the B&FM Capital Projects – RCSC 3rd FI Carpet to ProPhoenix Software for the Detention Center and transfer of funds of \$51,924 from B&FM Capital Projects 2016 budget to the 16 Capital Projects budget – 2016 – Resolution - 1st Reading at the July 12, 2016 County Board Meeting.

Action: Authorize a change of purpose of capital funds from the B&FM Capital Projects – RCSC 3rd FI Carpet to ProPhoenix Software for the Detention Center and transfer of funds of \$51,924 from B&FM Capital Projects 2016 budget to the 16 Capital Projects budget - 2016 – Resolution – 1st Reading at the July 12, 2016 County Board Meeting. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Nielsen. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays.

7b – Human Services Department – Hope Otto – Authorize the transfer of .5 FTE of Accountant Supervisor from Ridgewood 2016 Budget to the Human Services Department 2016 Budget effective August 1, 2016, Transfer of \$14,151 from the Ridgewood Care Center 2016 Budget to the Human Services Department 2016 Budget – 2016 – Resolution - 1st Reading at the July 12, 2016 County Board Meeting.

Action: Authorize the transfer of .5 FTE of Accountant Supervisor from Ridgewood 2016 Budget to the Human Services Department 2016 Budget effective August 1, 2016, Transfer of \$14,151 from the Ridgewood Care Center 2016 Budget to the Human Services Department 2016 Budget and transfer of \$25,533 within the Human Services Department 2016 Budget - 2016 – Resolution – 1st Reading at the July 12, 2016 County Board Meeting. **Motion Passed.** Moved: Supervisor Bernberg. Seconded: Supervisor Miller. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays.

7c – County Treasurer – Jane Nikolai – Transfer of \$1,400 within the County Treasurers 2016 budget to move funds from overtime to temporary help for clerical services in the County Treasurers Office during the busy tax collection season – 2016 – Report.

Action: Authorize the transfer of \$1,400 within the County Treasurers 2016 budget to move funds from overtime to temporary help for clerical services in the County Treasurers Office during the busy tax collection season - 2016 – Report. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Bernberg. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays.

Agenda Item #8 - Finance – Kris Tapp – Meal Rate for 2017 – County Executive is recommending that the meal rate remains the same – Action of the Finance & Human Resources Committee only.

Action: Retain the meal reimbursement rate of #38 as recommended by the County Executive – Action of the Finance & Human Resources Committee. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Bernberg. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays.

Agenda Item #9- Communication Referrals from County Board Meeting:

Action: Receive and file items a –e. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Nielsen. Vote: All Ayes No Nays. Advisory Vote: All Ayes No Nays.

Agenda Item #10 – Staff Report – No Action Items

- a) September 2016 – January 2017 Meeting Calendar – Chairman Shakoor would like all Finance & Human Resources Committee members (Supervisors & Youth Representatives) to review the departments coming before the Committee and decide if they want to have all appear or remove some and to review the dates.

Agenda Item #11 - Adjournment

Action: Adjourn the meeting at 5:30 pm. **Motion Passed.** Moved: Supervisor Miller. Seconded: Supervisor Bernberg. Vote: All Ayes No Nays.

REQUEST FOR COUNTY BOARD ACTION

YEAR <u>2016</u>	<input checked="" type="checkbox"/>	Resolution Request
	<input type="checkbox"/>	Ordinance Request
	<input type="checkbox"/>	Report Request

Requestor/Originator: RCEDC - Janell Topczewski

Committee/Individual Sponsoring: Finance & Human Resources Committee & Economic Development & Land Use Planning Committee

Date Considered by Committee: 7/20/2016 **Date of County Board Meeting to be Introduced:** 7/26/2016

1st Reading: **1st & 2nd Reading:** *

*** Include a paragraph in the memo regarding why 1st & 2nd reading is required.**

Signature of Committee Chairperson/Designee: _____

TITLE OF RESOLUTION/ORDINANCE/REPORT:

Joint Resolution - Approving the Semi Annual Racine County Revolving Loan Fund (RLF) Plan Certification for the Period ending March 31, 2016 and authorizing submission of said plan to the United States Department of Commerce's Economic Development Administration

SUBJECT MATTER:

The attached memo describes in detail the nature of resolution /ordinance /report and any specific facts which you want included in resolution/ordinance/report must be attached.

Any request which requires the expenditure or transfer of funds must be accompanied by the specific amount being transferred and the account number from which these funds will be taken and to which they will be transferred.

THIS FORM MUST BE FILLED OUT COMPLETELY PRIOR TO YOUR APPEARANCE BEFORE A COMMITTEE.

The Committee believes that this action furthers the following goals:

- Make Racine County the most accessible county in Wisconsin for business to grow, develop and create family supporting jobs.
- Develop a system that encourages employees, elected officials and citizens to suggest ideas for service enhancement and productivity improvements including a measurement of customer satisfaction.
- Foster an environment where intergovernmental cooperation is encouraged to produce better services and efficiencies.
- Reduce or limit the growth of the tax levy as set forth in Resolution No. 2002-59S.
- To make Racine County a healthy, safe, clean, crime-free community and environment.

2
3 **JOINT RESOLUTION BY THE FINANCE AND HUMAN RESOURCES COMMITTEE AND THE**
4 **ECONOMIC DEVELOPMENT AND LAND USE PLANNING COMMITTEE APPROVING THE**
5 **SEMI-ANNUAL RACINE COUNTY REVOLVING LOAN FUND (RLF) PLAN CERTIFICATION FOR**
6 **THE PERIOD ENDING MARCH 31, 2016, AND AUTHORIZING SUBMISSION OF SAID PLAN**
7 **TO THE UNITED STATES DEPARTMENT OF COMMERCE'S ECONOMIC DEVELOPMENT**
8 **ADMINISTRATION**
9

10 To the Honorable Members of the Racine County Board of Supervisors:

11
12 **BE IT RESOLVED** by the Racine County Board of Supervisors that Racine County hereby
13 adopts and approves the Revolving Loan Fund (RLF) Plan Certification for the period ending March
14 31, 2016, which has been prepared by the Racine County Economic Development Corporation and
15 is attached hereto and incorporated as Exhibit A.
16

17 **BE IT FURTHER RESOLVED** by the Racine County Board of Supervisors that the Director
18 of the Racine County Public Works and Development Services Department is hereby authorized
19 and directed to submit the Revolving Loan Fund Plan Certification for the period ending March 31,
20 2016, to the Economic Development Administration of the United States Department of Commerce
21 for approval. The County Clerk is directed to transmit two certified copies of this resolution to the
22 Racine County Economic Development Corporation, 2320 Renaissance Boulevard, Sturtevant, WI
23 53177.
24

25 Respectfully submitted,

26
27 1st Reading _____

**ECONOMIC DEVELOPMENT AND LAND USE
PLANNING COMMITTEE**

28
29 2nd Reading _____

30
31
32 **BOARD ACTION**
33 Adopted _____
34 For _____
35 Against _____
36

David J. Cooke, Chairman

Robert D. Grove, Vice-Chairman

37
38 **VOTE REQUIRED: Majority**

Thomas Roanhouse, Secretary

39
40 Prepared by:
41 Public Works & Development
42 Services Department

Thomas Pringle

43
44 _____
Monte G. Osterman

45
46 _____
Tom Hincz

47
48 _____
Mark M. Gleason
49
50
51

4 Respectfully submitted,

5
6 **FINANCE AND HUMAN RESOURCES**
7 **COMMITTEE**

8
9 _____
10 Q. A. Shakoor II, Chairman

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12 _____
13 Robert N. Miller, Vice-Chairman

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15 _____
16 Thomas Pringle, Secretary

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18 _____
19 Donnie Snow

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21 _____
22 John A. Wisch

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24 _____
25 Janet Bernberg

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27 _____
28 Brett A. Nielsen

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30
31 **The foregoing legislation adopted by the County Board of Supervisors of Racine County,**
32 **Wisconsin, is hereby:**

33
34 **Approved:** _____

35 **Vetoed:** _____

36
37 **Date:** _____,

38
39 _____
40 **Jonathan Delagrave, County Executive**

41
42
43 **INFORMATION ONLY**

44
45 **WHEREAS**, on a semi-annual basis, the Racine County Economic Development Corporation
46 is required to certify to the USDOC Economic Development Administration that:

- 47
48 1. The Revolving Loan Fund is consistent with, and supportive of, the area's current economic
49 adjustment strategy; and
50
51 2. The Revolving Loan Fund is being operated in accordance with the policies and procedures
52 contained in the Revolving Loan Fund, and the loan portfolio meets the standards contained
53 therein.



MEMORANDUM

TO: RACINE COUNTY FINANCE & HUMAN RESOURCES COMMITTEE
RACINE COUNTY ECONOMIC DEVELOPMENT & LAND USE PLANNING COMMITTEE
RACINE COUNTY BOARD OF SUPERVISORS
RCEDC EXECUTIVE COMMITTEE

FROM: JANELL TOPCZEWSKI, COMPLIANCE/CLOSING SPECIALIST

DATE: JUNE 1, 2016

SUBJECT: RACINE COUNTY REVOLVING LOAN FUND (RLF) PLAN CERTIFICATION FOR THE PERIOD
ENDING MARCH 31, 2016

THE REQUEST

The RCEDC is requesting Racine County approve the March 31, 2016 semi-annual Plan Certification (attached) required by the Economic Development Administration (EDA) to indicate that the County's Revolving Loan Fund (RLF) program is consistent with:

- 1) Racine County's Economic Development Plan (EDP); and
- 2) The policies and procedures within the RLF Manual.

PROGRAM STATISTICS

Below are some current statistics on the EDA RLF:

- Fund Capitalization: \$1,100,000;
 - EDA: \$700,000;
 - Racine County: \$400,000;
- Dollars available to lend: approximately \$400,000;
- Outstanding Loan Balances: \$1,369,918;
- Active Loans: 12;
- Total Loans Made: 72 to 61 different companies;
- Total project investments since inception of program: \$55,860,192;
- Total RLF dollars lent since inception of program: \$6,538,258;
- Total private investment since inception of program: \$49,321,934; and
- Total Job Creation/Retention: 643.

REPORT HIGHLIGHTS

Overall, the RLF program is performing within the standards of the RLF Plan or performing better than the goals set for the program. Some of the key metrics include:

	GOAL	CURRENT RESULT
Create Full Time Equivalent (FTE) positions	1 FTE for every \$35,000 lent	1 FTE for every \$10,168
Leverage Private Dollar Investments (financial institution loans or borrowers own dollars)	\$2.00 in private funds for every \$1.00 in RLF funds	\$7.54 in private funds for every \$1.00 in RLF funds
Capital Utilization	More than 75% of RLF dollars should be outstanding in loan balances or committed to projects	77.8% of funds are outstanding as loan balances or committed to projects

During this six month reporting period:

- Two new loans were closed; and
- One loan was paid in full.



RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

TO: RACINE COUNTY FINANCE & HUMAN RESOURCES COMMITTEE
RACINE COUNTY ECONOMIC DEVELOPMENT & LAND USE PLANNING COMMITTEE
RACINE COUNTY BOARD OF SUPERVISORS
RCEDC EXECUTIVE COMMITTEE

FROM: JANELL TOPCZEWSKI, COMPLIANCE/CLOSING SPECIALIST

DATE: JUNE 1, 2016

SUBJECT: RACINE COUNTY REVOLVING LOAN FUND (RLF) PLAN CERTIFICATION FOR THE PERIOD
ENDING MARCH 31, 2016

Introduction

In 1991 the Economic Development Administration (EDA) and Racine County established this low interest loan fund. The fund addresses the goals of business retention and small business development by utilizing RLF funds to create employment opportunities through the retention and expansion of existing, and the development of new, manufacturing and service-related businesses in the County. As these loan dollars are repaid, they are retained in the RLF and are available for relending to another eligible business. RCEDC maintains a service contract with Racine County to administer the County's RLF and has been administering these funds on behalf of the County since the inception in 1991.

Racine County is required to certify to the Economic Development Administration (EDA) on a semi-annual basis that:

1. The Racine County RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; and
2. The RLF is being operated in accordance with the policies and procedures contained in the RLF Plan, and the loan portfolio meets the standards contained therein.

The RLF Plan is Consistent with the Racine County Economic Development Plan

Only those Challenges and Strategies that are applicable to the RLF Program have been included below:

Challenge One – To create an entrepreneurial culture in Racine County

Strategies:

- Existing programs will be maintained and new financial capital programs and resources will be attracted which address fundamental gaps preventing the start and growth of Racine County entrepreneurs.

Challenge Two – To focus on a proactive business recruitment program and a business retention and expansion (BRE) program that will create and retain jobs, create additional tax base and increase personal income in Racine County.

Strategies:

- Continue to implement a targeted and proactive business recruitment program.
- Maintain an active business retention and expansion (BRE) program that meets the needs of existing employers in Racine County
- Continue to provide staff assistance to business and local units of government to support business recruitment and business retention and expansion.

Challenge Four – To take advantage of the development opportunities that exist as a result of the Chicago-Milwaukee Corridor and to properly link land use with future business development county-wide.

Strategies:

- Provide high value real estate development opportunities that link Racine County with the Southeast Wisconsin Region and Northern Illinois, including an update of the Racine County Industrial Lands Absorption Study

Challenge Five – To link education and training in a manner that provides a competitive workforce to meet the present and future needs of local employers and to create opportunities for low-income, disadvantaged, and minority individuals to prepare for and obtain employment.

Strategies:

- Provide the infrastructure for new and expanding business and industry in areas of high unemployment and identify appropriate business targets with the potential to locate in and/or expand in these areas in order to employ the unemployed and underemployed persons that will be educated and trained through the programs identified elsewhere in the plan.

The RLF is Being Operated in Accordance with the Policies and Procedures of the RLF Plan and the Portfolio Meets the Projected Guidelines Contained Therein.

The following provides the original RLF standards, and the current status of the RLF as of March 31, 2016.

1. Job Cost Ratio. An average of one full-time equivalent job will be created and/or retained for every \$35,000 of EDA-RLF investment. Currently, the job cost ratio for the total portfolio is \$10,168.36 and for the active portfolio \$10,623.58. **We are currently performing better than the guideline set.**

Historical Trends:

	March 31, 2015	September 30, 2015	March 31, 2015	September 30, 2014	March 31, 2014
Active Portfolio	\$10,623.58 (12 Loans)	\$11,044.42 (11 Loans)	\$18,088.15 (14 Loans)	\$14,545.28 (11 Loans)	\$17,308.07 (11 Loans)
Total Portfolio	\$10,168.36 (72 Loans)	\$10,024.78 (70 Loans)	\$10,853.13 (70 Loans)	\$10,089.94 (66 Loans)	\$10,342.08 (65 Loans)

2. Assisting Long-Term Unemployed. All loan recipients are required to sign an "Employment Memorandum of Agreement" which requires that the business work with a Workforce Development Center (WDC) Business Consultant in making jobs available to low- and moderate- income persons. To date, all recipients have signed this memorandum. The Business Consultant is located at the Racine County Workforce Development Center which is a "one-stop" shop for meeting the needs of the unemployed. The Center serves persons involved in the welfare-to-work transition as a part of other activities. **We are currently meeting this guideline.**
3. Low- and Moderate-Income Benefit. All loan recipients are required to sign an "Employment Memorandum of Agreement" which requires that the business work with a WDC Business Consultant in making at least 51 percent of new and retained jobs available to low- and moderate-income (LMI) persons. To date, all recipients have signed this memorandum. As part of the efforts of making jobs available to LMI persons, the WDC also provides the job posting to community based organizations that could help reach LMI persons. **We are currently meeting this guideline.**
4. Private Sector Leverage Ratio. A minimum of two private sector dollars for each RLF dollar is required of business participants. To date, total RLF bank financing and equity participation in projects is \$49,321,933.90 and total RLF funds disbursed is \$6,538,257.94 for a leveraging ratio of 7.54 to 1.0. **We are currently performing better than the guideline set for this.**

Historical Trends:

	March 31, 2016	September 30, 2015	March 31, 2015	September 30, 2014	March 31, 2014
Active Portfolio	5.19 (12 Loans)	6.17 (11 Loans)	6.81 (14 Loans)	6.65 (11 Loans)	7.26 (11 Loans)
Total Portfolio	7.54 (72 Loans)	7.59 (70 Loans)	7.59 (70 Loans)	7.45 (66 Loans)	7.66 (65 Loans)

5. Types of Activities Eligible for Funding. All loans must be for fixed assets and working capital. All loans have been for these purposes. **We are currently meeting this guideline.**
6. Types of Businesses Eligible for Funding. The RLF strategy is to retain existing, and develop new, manufacturing and service-related businesses. The following is the distribution of the 12 loans in the active portfolio:
 - A. 12 loans were made to existing businesses and 0 to start-up businesses.

- B. 7 active loans have been made to manufacturing companies, 0 made to commercial/retail companies and 5 to service companies.

We are currently meeting this guideline.

A maximum of 10 percent of the loan portfolio can be loaned to commercial/retail firms. Based on our total portfolio 6.94 percent of the RLF loans have been made to commercial/retail businesses. **We are meeting this guideline.**

The RLF Plan prohibits certain types of business financing. No loans or loan guarantees can be made to EDA Title II recipients. In addition, the RLF may not finance any equity, subsidize interest payments on existing loans, refinance loans made by other lenders, or contribute equity required by other loan programs. **We are meeting this guideline.**

There are several restrictions with regard to the types of businesses that can receive RLF loans:

- A. All loan recipients are located in the County of Racine.
- B. No loans have been made to businesses that have relocated jobs from outside the Racine labor market area to the County of Racine.
- C. No loans have been made that are not related to job creation or retention.
- D. No loans have been made that would create a conflict of interest for existing or former RCEDC Board members or staff.
- E. RLF funds have not been used for speculative activities.

All of the above guidelines have been met.

- 7. Standards to Achieve Economic Objectives and Benefits for the County of Racine. The RLF plan requires that all loans include an analysis of why other public sector loan programs were not used prior to using the RLF funds. All loans subject to this EDA regulation have included this in the loan write-up that is provided to the Loan Committee. **We are currently meeting this guideline.**

A minimum of 15 percent of the loan funds should provide financing for minority owned firms. Currently, a total of 1.39 percent of all the funds have been used for this purpose. **We currently are not meeting this guideline with an explanation provided below.**

Historical Trends- Ethic Minorities:

	March 31, 2016	September 30, 2015	March 31, 2015	September 30, 2014	March 31, 2014
Total Portfolio	1.39	1.43	1.43	1.54	1.54

The RCEDC experience has been that a significant number of minority entrepreneurs have sought funding for small loans for retail and commercial operations that are generally not permitted, nor cost effective, through the RLF program. Often, RCEDC makes referrals to the Women's Business

Initiative Corporation (WWBIC) as their programs are typically better suited (working capital) to meet the needs of these entrepreneurs (see comparison below). RCEDC staff also refers minority entrepreneurs to the appropriate microloan programs, UW- Parkside Small Business Development Center (SBDC), and Gateway Technical College’s Business and Workforce Solutions division (which includes LaunchBox) who has resources to assist these clients to grow their business to be successful. Some of the resources include “Growthwheel” and small business Accelerators.

- Growthwheel is offered through Gateway and SBDC. It is a visual toolkit for dialogue, decision-making and actions planning to assist entrepreneurs build their businesses through a simple action oriented process. The system determines which areas of the business (Concept, Customer Relations, Operations, and Organization) to focus on to strengthen and grow. Each of these four core areas is also broken down into five sub-categories for further evaluation. The Growthwheel program can be utilized by all business in any industry or stage.
- The Accelerator program offered through LaunchBox is designed to provide start-up business with a quick start by providing support and access to high-growth & tech-driven mentorship as well as commercialized assistance through a hands on program.

Gateway, SBDC, and WWBIC create a pool of resources to connect companies with one-on-one counseling and programs like Growthwheel and the accelerator to launch and expand local companies. RCEDC maintains a close partnership with all of these organizations in order to make appropriate referral but also be a resource once the company’s expansion a line with the RLF program requirements.

In addition, Racine County has established the Racine County Matching Grant Program (MGP) to assists minority owned businesses. Businesses which are 51% or more minority owned can apply for this \$2,500 matching grant to assist with: training and/or consulting services, marketing initiatives, or participation in the CEO Roundtable or the Living as a Leader program.

Historical Trends for WWBIC Referrals:

	March 31, 2016	September 30, 2015	March 31, 2015	September 30, 2014	March 31, 2014
WWBIC Referrals for financing	13	11	13	14	17

One significant reason for not reaching this goal is that the entrepreneurs contacting us to discuss their financing options tend to be a better fit for the Wisconsin Women’s Business Initiative Corporation’s (WWBIC’s) micro-loan program. Most businesses in the Racine area that have contacted us and that are owned by racial minorities tend to be commercial/retail businesses, which primarily have financing needs specific to working capital such as the need for a line of credit. RCEDC makes referrals to WWBIC when appropriate for the customer’s needs.

Below is a table that provides a comparison between the WWBIC and EDA RLF loan programs which explains why the EDA RLF program was not designed for certain funding needs and explains why WWBIC’s program is better suited for those purposes.

	EDA – RLF	WWBIC*
Program Fees	Approx. \$3,350 (legal fees and 1.5% processing fee, would be \$2,250 on a \$150,000 example) plus out-of-pocket costs	\$375-\$1,275 based on loan amount
Loan Amount	Up to \$200,000 (average \$150,000)	\$1,000-\$100,000
Loan Terms	Average 15 years	6-year maximum
Typical Use of Funds	Fixed Assets (Real estate and Equipment)	Working Capital (Lines of Credit available)
Bank Participation (Private Dollar Leverage)	Required. A 2:1 private dollar match is required; the EDA RLF can only finance up to 33% of a total funding need.	Not required.
Typical Total Project Amount	\$450,000	\$1,000-\$100,000

*WWBIC is now a participant in the SBA’s Community Advantage program. If a borrower opts into this program they can have access to high loan amounts and longer terms.

It is noteworthy that in January 2015, the RCEDC Executive Committee made the decision to retain the goal of targeting minority and women owned business as a priority but removing the goal of 15%. These applications would continue to be considered a priority over other applications when funding availability is limited. This change would be considered by the Economic Development Administration with the next update to each RLF Plan. The County Plan has been with EDA for consideration since October 2014 (with the January 2015 amendment subsequently provided). Once this draft is approved by EDA, the new RLF Plan would then come before the County Board for approval.

8. Assurances for Maximum Private Sector Leverage. The RLF program will maximize private sector leverage and private equity contributions and ensure that RLF funds are not substituted for private financing. To this end, the RLF program requires: 1) financial institutions participating in the project to submit a letter stating that the financial institution is providing the maximum amount available and that the loan is contingent upon the receipt of RLF financing, and 2) equity contributions must be documented with a letter from contributing source that commits to the injection of the equity upon receipt of an RLF loan. **This guideline has been met for each loan and has been included in the loan write-up that is provided to the Loan Committee.**

9. Total Number of Loans in Initial Funding Cycle. A total of 72 loans to 61 companies have been made from the original grant, the recapitalization and loan program income. The number of loans required has been met. **We have met this guideline.**

10. RLF Loan Size. The anticipated average loan size is \$100,000, with a minimum loan size of \$5,000 and a maximum loan size of \$200,000 (unless approved on a case-by-case basis by EDA). Currently, the average active loan size is \$137,221 and the average for the total loan portfolio is \$90,809. The active loan size is larger than originally anticipated. The largest loan amount was \$470,000 (approved by EDA); with the smallest loan size being \$6,600. **Currently we are meeting this guideline.**

11. RLF Loan Proportions. Working capital loans cannot exceed 50 percent of the portfolio. Currently, zero percent of the active RLF loans have been made for working capital purposes and only 13.9% of the total portfolio has been used for working capital loans. **We are meeting this guideline.**

12. Standard Terms and Rate of Interest. The terms and interest rates of the loans have not exceeded the standards included in the RLF plan. Interest rates on all active loans are set at a fixed rate. **We are meeting this guideline.**
13. Special Financing Techniques. Special financing techniques the RLF program can offer to applicants include: 1) deferral of principal payments during the first year of an RLF loan, 2) the subordination of the RLF security position to private sector lenders that participate in the RLF program, and 3) the use of balloon payments. The RCEDC has subordinated its collateral to financial institutions, has deferred payments of the principal portion for seven active loans, and balloon payments are typically offered. **We are meeting this guideline.**
14. Equity Requirements. The RLF program requires a 10 percent equity injection for each loan. Consideration will be given for individuals who have made substantial equity commitments to the business. 66 loan recipients have provided a 10 percent or more equity injection. 2 loan recipients have provided a 5 percent equity injection, and 4 loan recipients have provided 0% equity injection, due to other previous cash contributions to the Company. **We are meeting this guideline.**
15. Collateral Requirements. The current goal of the RLF is to provide a 1:1 collateral coverage ratio on each loan. Personal guarantees and mortgages on non-project assets are often used to increase the collateral coverage when project assets are not sufficient. The goal of 1:1 collateral coverage is always sought but given the nature of the program is rarely achieved. In those cases, new project assets are often taken as additional collateral. Therefore, **we have met this guideline.**
16. Restructuring RLF Loans. One RLF loan was restructured. Racine Precision Machining is no longer an operating concern. The principal had agreed to make yearly payments of \$2,400 through June of 2006. In 2000, RCEDC filed a legal judgment against the borrowers to collect the outstanding principal balance of the loan. One half of the judgment was paid off and a judgment in the amount of \$13,429.31 is still active although it is unknown if RCEDC will be able to collect this money in the future. **We are meeting this guideline.**
17. Elements of a Loan Guarantee Program. The RLF may establish a loan guarantee program with recycled or second-generation RLF funds to reduce the risk of private lenders and thereby persuade lenders to provide financing that otherwise would not have been available. **The RLF has not provided any loan guarantees.**
18. Interest Payments on Recycled RLF Funds and Sales of RLF Loans and Loan Origination Fee. The RLF program will utilize a maximum of 100 percent (approved by Racine County as Resolution 2014-161 on 4.21.2015) of any and all program income for expenses associated with the administration of the RLF and will not charge more than 1.5 percent loan origination fees on all EDA-RLF loans. **This guideline has been met.**
19. RLF Program Coordination with SBA 504 and Other Programs. The RLF program will utilize private sector financial institutions and the local SBA 504 Certified Development Company program, as well as other public sector financing programs, in packaging loans. **This guideline has been met** and has been included in the loan write-up that is provided to the Loan Committee.

20. Time Schedule for Loan Closings. All of the original RLF funds have been utilized within the three-year time period for disbursement. **This guideline has been met.**

21. Technical and Management Assistance. The RLF program utilizes the services of the Small Business Development Center (SBDC), as well as other providers of technical assistance. A significant degree of coordination between the RLF and the SBDC is currently being achieved. **We are currently meeting this guideline.**

22. Loan Packaging and Referral Services. The staff for the RLF program is responsible for all aspects of the RLF program, including program and policy development, finance, law, marketing, credit analysis and loan packaging, processing and servicing. The RCEDC staff prepares all loan packages for review by the Loan Committee. **We are currently meeting this guideline.**

23. Capital Utilization Standard. During the revolving phase, at least 75 percent of an RLF's capital should be in use. At any time subsequent to a second consecutive report showing that the applicable standard has not been met, EDA may require the grant recipient to deposit excess funds in an interest bearing account and EDA approval will be required to withdraw the sequestered funds. This goal was not met in previous semi-annual periods, thus \$25,693.03 of the RLF funds are sequestered in an interest bearing account. When those funds are needed for new project disbursements, RCEDC will seek EDA approval to release those funds into the RLF operating account. For the time period ending March 31, 2016, the RLF fund had 77.82 percent of its capital in use. RCEDC has worked diligently over the past few years to improve the RLF by adjusting loan terms to better meet current economic conditions (i.e. longer terms and reduced interest rates). **We are currently meeting this guideline.**



RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

TO: RACINE COUNTY BOARD
FINANCE AND HUMAN RESOURCE COMMITTEE

FROM: JANELL TOPCZEWSKI, COMPLIANCE/CLOSING SPECIALIST
RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION

DATE: June 30, 2016

SUBJECT: STATUS OF THE RACINE COUNTY MATCHING GRANT PROGRAM
FOR THE PERIOD ENDING JUNE 30, 2016

The purpose of this memorandum is to provide Racine County ("County") with a quarterly update, for the Racine County Matching Grant Program ("MGP") that is administered on behalf of the County by Racine County Economic Development Corporation ("RCEDC").

HISTORY

In 2004 Racine County established a Manufacturing Renewal Grant Program ("MRG"). This was followed up with the establishment of the Minority Matching Grant Program ("MMG") in 2006. The goal of these programs was to assist small businesses with training, marketing, and other services and resources in order for the businesses to stay in operation and provide jobs for Racine County residents. Over the years the programs underwent various changes in terms of eligible applicants, eligible use of funds, and the approval process. In 2015 Racine County Vice Chairperson Pam Zenner-Richards requested that RCEDC review how and when the funds were available to women owned businesses. This request was a catalyst for an overall review of the program with Racine County leadership. The end result was a consolidation of the MRG and MMG into the MGP.

OVERVIEW OF THE MGP

The goal of the MGP is to provide a means for the existing small and medium sized Racine County companies to obtain professional services necessary for a strong foundation for continued business growth and provide jobs for Racine County residents. The MGP is a reimbursement based matching grant program up to \$2,500 per business per year to support training costs and marketing consultants. Companies are eligible for MGP funds based on meeting the following criteria:

- Located in Racine County;
- For profit entity;
- Been in operation for more than two continuous years (from the date of the first sale);
- Less than 200 employees at the Racine County location;
- Less than \$25 million in gross annual US Sales;
- Manufacturer with NAICS code of 31, 32, or 33; or 51% owned by ethnic/racial minority; or 51% owned by a women; or a manufacturing company that was recruited by RCEDC who has begun its Racine County operations with a sales office or distribution facility with the intent to establish a manufacturing operation in Racine County within a defined period of time; or a Company enrolled in the RCEDC/RAMAC Living as a Leader program or the RCEDC CEO Roundtable;
- Working with one of the following Racine County partner organizations: RCEDC (loan recipient or engaged in an incentive agreement); Gateway Technical College training program; Racine Area

Manufacturers and Commerce ("RAMAC") training; Wisconsin Women's Business Initiative Corporation ("WWBIC") loan recipient, class, training; Small Business Development Center ("SBDC") class, training, consulting; Independent Consultant (deemed appropriate by RCEDC Staff and Loan Committee); RCEDC CEO Roundtable; and RCEDC/RAMAC Living as a Leader Program; and

- Current with all Racine County real estate taxes and certify that the company is current with all other financial obligations and taxes.

RCEDC staff reviews each of the applications received to ensure the applicant meets the eligibility criteria identified above and works with the applicant, if requested, to complete an application. RCEDC staff makes a recommendation to the RCEDC Loan Committee for approval of the grant application.

REPORT

This report covers the period of January 1, 2016- June 30, 2016.

Program Accounting

2015 MRG/MMG Carry Forward	\$12,645.00
2016 MGP Allocation	\$50,000.00
Total Available for Grants in 2016	\$62,645.00
Quarter 1 Grant Approvals	\$7,497.50
Quarter 2 Grant Approvals	\$15,200.00
Total Available to Grant in 2016	\$39,947.50

Projects Approved 2016 Year to Date

Company Name	Community	Company Description	Grant Award	Total Disbursement (to Date)	Partner	Qualifier	Project Details	Referral Source	App Job Count	One Year Job Count
A M I, Inc	Mount Pleasant	Software Development and Managed IT Services.	\$ 1,700.00	\$ -	RCEDC	CEO Roundtable	CEO Roundtable	RCEDC Laura Million	20	No Yet Due
Bukacek Construction Group, Inc.	City of Racine	Construction	\$ 1,700.00	\$ -	RCEDC	CEO Roundtable	CEO Roundtable	RCEDC Laura Million	24	No Yet Due
David Insurance Agency, Inc.	Mount Pleasant	Insurance Agent	\$ 2,500.00	\$ 2,500.00	RCEDC; RAMAC	Living as a Leader	4 employees to the Living as a Leader program.	RCEDC Carolyn Engel	32	No Yet Due
ECONOPRINT OF RACINE, INC.	City of Racine	Printing, Finishing, Design firm.	\$ 1,700.00	\$ -	RCEDC	CEO Roundtable	CEO Roundtable	RCEDC Laura Million	13	No Yet Due
Hy-Safe Technology	Union Grove	Design, manufacture and install fall prevention protocols.	\$ 1,700.00	\$ -	RCEDC	CEO Roundtable	CEO Roundtable	RCEDC Laura Million	30	No Yet Due
Marini Manufacturing	City of Racine	Machine Shop	\$ 1,700.00	\$ -	RCEDC	CEO Roundtable	CEO Roundtable	RCEDC Laura Million	25	No Yet Due

O & H Danish Bakery, Inc.	Mount Pleasant	Bakery	\$ 2,500.00	\$ -	RCEDC; RAMAC	Living as a Leader; Manufacturer	3 employees to the Living as a Leader program.	RCEDC Carolyn Engel	150	No Yet Due
Pipes Down Under, LLC	Village of North Bay	Pool Pipe Repair kit system to repair leaking or cracked underground swimming pool pipe without the need to excavate.	\$ 2,500.00	\$ -	RCEDC	Other	Building of company website and new logo design.	RCEDC Jenny Trick	1	No Yet Due
PTF German Precision Technology Inc	Sturtevant	Mechanical high-tech precision parts and assemblies	\$ 2,497.50	\$ -	RCEDC	Manufacturer Recruit	Exhibit at a trade show	RCEDC Jenny Trick	1	No Yet Due
Reliance Controls Corporation	City of Racine	Electrical Products Manufacturing	\$ 1,700.00	\$ -	RCEDC	CEO Roundtable	CEO Roundtable	RCEDC Laura Million	36	No Yet Due
Spee-Dee Packaging Machinery, Inc.	Yorkville	Material Handling Equipment Manufacturing	\$ 2,500.00	\$ -	RCEDC	CEO Roundtable; Manufacturer	CEO Roundtable and Consultant for new workflow management	RCEDC Laura Million	69	No Yet Due
Totals			\$22,697.50	\$ 2,500.00					401	

September 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7 Finance	8	9	10
11	12	13 County Board	14	15	16	17
18	19	20	21 Finance	22	23	24
25	26	27 County Board	28	29	30	

October 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday								
						1								
2	3	4 County Board Budget Present	5 Finance	6	7	8								
9	10	11 6:00 pm Fin Comm meets with Depts.	12 6:00 pm Fin Comm meets with Depts.	13 6:00 pm Fin Comm meets with Depts.	14	15								
16	17	18	19 Finance Comm meets with Depts.	20 County Board Public Hearing	21	22								
23	24	25 Finance Budget Deliberation	26	27	28	29								
30	31													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 16.6%;">October 11th Meeting Agenda</th> <th style="width: 16.6%;">October 12th Meeting Agenda</th> <th style="width: 16.6%;">October 13th Meeting Agenda</th> <th style="width: 16.6%;">October 19th Meeting Agenda</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> Clerk of Courts District Attorneys - DA & Victim Witness Community Services - Emergency Mgmt, Medical Examiners, Alt to Inc & UW Extension Communication Department Human Resources Department Sheriff's Office - Sheriffs, Jail </td> <td style="vertical-align: top;"> PW&DS - Development Service, Land Info Land Conservation, RCEDC, SEWRPC BFM, Parks, Highway, Golf Co Bridge Aids Reefpoint Marina Corporation Counsel - Corp Counsel & Office of Child Support Enf - Change Information Systems Department Finance Department </td> <td style="vertical-align: top;"> County Executive County Board County Clerk County Treasurer Register of Deeds/Land Description Human Services Dept - HSD, Veterans, Ridgewood Care Center and Health Services </td> <td style="vertical-align: top;"> Contingency Non Allocated Revenues Debt Service Cultural Activities Employee Benefits County Schools Lakeshore Library System (These are presented by Finance) This will be part of the regular Finance & Human Resources Committee Meeting Presented by Finance Dept </td> </tr> </tbody> </table>							October 11th Meeting Agenda	October 12th Meeting Agenda	October 13th Meeting Agenda	October 19th Meeting Agenda	Clerk of Courts District Attorneys - DA & Victim Witness Community Services - Emergency Mgmt, Medical Examiners, Alt to Inc & UW Extension Communication Department Human Resources Department Sheriff's Office - Sheriffs, Jail	PW&DS - Development Service, Land Info Land Conservation, RCEDC, SEWRPC BFM, Parks, Highway, Golf Co Bridge Aids Reefpoint Marina Corporation Counsel - Corp Counsel & Office of Child Support Enf - Change Information Systems Department Finance Department	County Executive County Board County Clerk County Treasurer Register of Deeds/Land Description Human Services Dept - HSD, Veterans, Ridgewood Care Center and Health Services	Contingency Non Allocated Revenues Debt Service Cultural Activities Employee Benefits County Schools Lakeshore Library System (These are presented by Finance) This will be part of the regular Finance & Human Resources Committee Meeting Presented by Finance Dept
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November 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Budget Passed County Board	2 Finance	3	4	5
6	7 Tax Levy Passed County Board	8	9	10	11	12
13	14	15 Apportionment due to State	16 Finance	17	18	19
20	21	22	23	24 Thanksgiving Holiday	25	26
27	28	29 County Board	30			

December 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7 Finance	8	9	10
11	12	13	14	15	16	17
18	19	20 County Board	21 Finance	22	23 Holiday	24
25	26 Holiday	27	28	29	30 Holiday	31

January 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Holiday	3	4 Finance	5	6	7
8	9	10 County Board	11	12	13	14
15	16	17	18 Finance	19	20	21
22	23	24 County Board	25	26	27	28
29	30	31				