



**COVID-19 EMERGENCY SMALL BUSINESS LOAN FUND SUBCOMMITTEE MEETING
WEDNESDAY, APRIL 14, 2021 – 10:30 A.M.
HELD REMOTELY VIA ZOOM
CALL: 312-626-6799
MEETING ID#: 878 5115 8604 - PASSCODE: 576995**

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Agenda

1. Call to Order
2. Adoption of Agenda
3. Citizen Participation, Communications and Announcements
4. Introductions
5. **Action Item:** Review and approval of March 31, 2021 Covid-19 Emergency Small Business Loan Fund Subcommittee Meeting Minutes
6. Information Item: COVID-19 Small Business Loan Fund (SBLF) Update
7. **Action Item:** Approval of SBLF Subcommittee Policies & Procedures
8. Future SBLF Subcommittee Meeting Dates
9. Adjournment

The County of Rock will provide reasonable accommodations to people with disabilities. Please contact us at 608-757-5510 or e-mail countyadmin@co.rock.wi.us at least 48 hours prior to a public meeting to discuss any accommodations that may be necessary.



MINUTES
COVID-19 EMERGENCY SMALL BUSINESS LOAN FUND SUBCOMMITTEE MEETING
Wednesday, March 31, 2021 – 10:30 AM
Meeting was teleconferenced using Zoom

The meeting of the COVID-19 Emergency Small Business Loan Fund Subcommittee was called to order at 10:37 AM on Wednesday, March 31, 2021. Chair Podzilni presided. Members present: Supervisors Wes Davis, Wayne Gustina and Genia Stevens. Member not present: Supervisor Kevin Leavy QUORUM PRESENT.

Nonmember present: County Board Chair Rich Bostwick

Rock County Staff Present: James Otterstein (Economic Development Manager) and Andrew Baker (Planning Director).

1. Call To Order. 10:37 AM
2. Adoption of Agenda

Motion by Davis to Adopt, Seconded by Gustina.

Adopted (4-0)
3. Citizen Participation, Communications and Announcements

None
4. Introductions
5. Information Item: COVID-19 Small Business Loan Fund (SBLF) Overview

Rock County Economic Development Manager James Otterstein summarized the creation and the activity of the SBLF, which was originally created in April 2020 with funding derived from excess sales tax revenues (i.e. \$1 MM for loans and \$50,000 for administrative expenses). A 7-member SBLF Committee was appointed by the County Board, and they were tasked with creating the SBLF's Policies and Procedures. Additional SBLF details, as well as a summary of the Committee's roles and responsibilities, are noted with the slide presentation.

Mr. Otterstein noted that to date there have been 15 loans approved totaling \$238,500. Applicant activity has been impacted by the influx of forgivable loans or grant funding from Federal and/or State sources. In addition, the volume of partial or incomplete SBLF applications collected by the online (application) portal suggests that modifications to the overall SBLF are warranted.

As a result, the County Board approved modifications to the SBLF during their December 2020 meeting, including the authorization of this five-member Subcommittee. The Subcommittee is tasked with creating, as well as recommending, policies and procedures for the new SBLF Fund structure: Fund II (Minority-owned businesses), Fund III (Home-based businesses) and Fund IV (Non-Profits). The Subcommittee is also tasked with making funding recommendations, as well. Mr. Otterstein noted the original SBFL (Fund I), and the SBLF Committee's roles and responsibilities remain unchanged.

Mr. Otterstein presented the proposed Policies and Procedures for Funds II-IV, which were outlined in the slide presentation. Discussion followed, with significant dialogue between staff and members related to what constitutes a business versus a hobby. For example, Supervisor Stevens questioned whether a person with a number of businesses may be eligible based on the proportion of annual income attributed to said business(s). Mr. Otterstein clarified that all business would be eligible to apply. However, applicant scoring – and ultimately the recommended funding or award amount – would vary depending on several factors. Therefore, applicants engaged in fully-operational, small businesses would score higher than those aligned with hobby-related activities.

At this point, the group jumped ahead to the proposed scoring matrix slide. The matrix is based on 10 topical categories, with a maximum score of 50 points per applicant. These point values would be assigned to each topical category, using the following system: one point (low), three points (medium) and five points (high). Applicants with 21-30 points would be capped at a \$5,000 funding level; applicants with 31-39 points would be capped at a \$7,500 level; and then applicants with 40-50 points would be able to receive the maximum amount of \$10,000. Meanwhile, applicants with 20 or fewer points would not be recommended for funding. There was discussion.

The Subcommittee also discussed the following topics: How is the impact of a business on the community determined? What does status quo mean in terms of COVID adaptability? How does a home-based business document longevity? What if a business had to closed, but wants to reopen? Could a business apply if they received COVID relief funding from other sources? Could future grant monies be used to pay down these loans, and vice versa? How long will the funding be available? Will applicants be required to submit a business plan?

Mr. Otterstein then reviewed the slide that contained the proposed applicant documentation list. There was discussion.

Chair Podzilni noted that applications would be reviewed in an anonymous fashion, and the names of particular business would only be revealed or discussed if/when the Subcommittee decides to enter into Executive Session.

Supervisor Stevens asked if collateral would be required? Mr. Otterstein suggested that collateral would not be; however, personal guarantees would be required. Supervisor Stevens then asked whether these guarantees would be based on factors similar to how signature bonds are determined. Mr. Otterstein noted the personal guarantee requirement would be the same for each applicant, regardless of how their application scored.

6. **Possible Action Item:** Review and Possible Approve, Approve with Conditions SBLF Subcommittee Policies and Procedures.

Chair Podzilni ask the question of whether the Committee should proceed with the recommended policies and procedures and start building the application process. Mr. Otterstein noted that it would likely take several weeks to adjust the existing online application portal to accommodate the modified Fund I – Fund IV format. Additional discussion followed.

While there was support to continue advancing the proposed Policies and Procedures, no formal action was taken. As such, the Subcommittee will reconvene on April 14, 2021 at 10:30 AM. In the meantime, each member was asked to share their feedback with staff prior to the meeting on the 14th.

7. Future SBLF Subcommittee Meeting Dates
Wednesday April 14th, 2021 at 10:30 AM via Zoom.
8. Adjournment: Motion made by Supervisor Davis, seconded by Supervisor Gustina.
Meeting adjourned at 11:53 AM.

Respectfully Submitted – Andrew Baker, Acting Secretary

These minutes are not official until approved by Committee.

Future Meetings/Work Sessions