SHEBOYGAN COUNTY REVOLVING LOAN FUND COMMITTEE MINUTES

Administration Building
508 New York Avenue, Sheboygan, WI

June 28, 2018 **Called to Order: 12:00 Noon** **Adjourned 12:51PM**

MEMBERS PRESENT: Wendy Charnon, Tom Wegner, Roger TeStroete, Kevin Struck, Bill Goehring, Mel Blanke, Gary Maples

ALSO PRESENT: Carl Buesing – Sheboygan County Corporation Counsel
Jim Schuessler – Sheboygan County EDC
Samuel Kohlhagen – Kohlhagen Ventures, LLC
Natalie Kohlhagen – Kohlhagen Ventures, LLC
Paul Kuplic – Oostburg State Bank

Call to Order
Meeting was called to order by Charnon at 12:00 Noon

Certification of Compliance with Open Meeting and Public Hearing Laws
Charnon certified compliance with applicable open meeting law. Schuessler reported the meeting notice was posted on June 26, 2018 at 8:30M.

Approval of Minutes – March 15, 2018
Motion made by Wegner second by Struck to approve the minutes. Motion carried unanimously voice vote.

Correspondence
Schuessler reported that there was none

Revolving Loan Fund Update and Fund Balance
Schuessler stated the current loan fund availability is $309,673.33 as of today. Outstanding loan balances are currently $1,308,178. Today's application is $25,000 which, if approved, leaves current fund availability $284,000.

Charnon updated the committee on the CDBG-END plan that WI DOA presented via webinar last week. DOA is planning on recapturing all CDBG funds. Program participants have an option to acquire the funds; the details are still being worked out.

Schuessler added that if Sheboygan County acquired the funds, they would be de-federalized and the county would have the option of how to deploy the resources.

Consideration of Request to Provide a Loan to Kohlhagen Ventures LLC d/b/a Frontier Craftsmen

Schuessler provided introduction of project. Kohlhagen Ventures LLC is seeking to acquire additional funds to supplement the purchase of the existing business of Crockett's Cabinetry and Woodworking, LLC. The goal is to expand their existing business, Frontier Craftsmen. This expansion will take Frontier Craftsmen from being just a husband-and-wife team with limited tools and equipment to becoming multiple employees with cabinetry experience, and the ability to manufacture and design custom cabinetry specializing in custom kitchens and baths.

The Kohlhagens have been in business for the past two years. The business has enjoyed growth since inception.

Sam Kohlhagen provided information on both his background, as well as wife Natalie. Both grew up in business-oriented families. He noted their goal was to continue to run Crockett's Cabinetry in a similar fashion as the current owner operated.

Te Stroete inquired as to existing business connections

Kohlhagen noted that all existing customers are to be retained

Blanke inquired as to what types of products Kohlhagen manufactured today

Kohlhagen stated small scale, limited equipment, and service work

Maples inquired where Frontier Craftsmen is physically located

Kohlhagen stated Sheboygan Falls

Maples inquired where Crockett's is located

Kohlhagen stated currently Glenbeulah, but would be relocated to Sheboygan Falls

Maples inquired as to who the major competitors are

Kohlhagen stated the competition are listed in the business plan, also Lowe's, Home Depot, Oostburg Lumber

Struck inquired about the non-complete

Kohlhagen stated two years

Struck inquired if it could be longer than two years

Kohlhagen stated they worked hard to push it to two years

Kuplic noted that it is difficult to push non-competes beyond two years; they are difficult to enforce

Buesing asked to clarify collateral

Schuessler stated the equipment list is in the application, the county would be in third position behind Oostburg State Bank and SBA

Closed Session

A motion was made by Maples, seconded by Goehring to move into closed session in order to discuss the investing of public funds or conducting other specified public business whenever competitive or bargaining reasons. Motion carried by roll-call vote. The committee went into closed session at 12:22 PM.

Committee Member	Vote
Wendy Charnon, Chair	Aye
Kevin Struck	Aye
Gary Maples	Aye

Roger TeStroete	Aye
Thomas Wegner	Aye
Mel Blanke	Aye
Bill Goehring	Aye

Open Session
The Committee returned to open session at 12:41PM with the following vote:

Committee Member	Vote
Wendy Charnon, Chair	Aye
Kevin Struck	Aye
Gary Maples	Aye
Roger TeStroete	Aye
Thomas Wegner	Aye
Mel Blanke	Aye
Bill Goehring	Aye

Maples asked Kohlhagen to specify competitors

Kohlhagen could not specify competitors, but noted that big box retailers were not direct competitors due to cost and quality

Blanke asked how much compensation was being provided to the seller

Kohlhagen stated that they were paying $1,200 per week salary, for a 45-hour week

Blanke made a motion, seconded by Maples to grant Kohlhagen Ventures, LLC d/b/a Frontier Craftsmen an RLF Loan from the County of Sheboygan with following terms:

Loan Terms
- $25,000 RLF loan
- 3rd position on equipment
- Personal guarantee from both owners
- 5-year loan, 3% rate, fully amortized
- All other requirements required by the RLF Handbook

Motion carried by roll-call vote.

Committee Member	Vote
Wendy Charnon, Chair	Aye
Kevin Struck	Aye
Gary Maples	Aye
Roger TeStroete	Aye
Thomas Wegner	Aye
Mel Blanke	Aye
Bill Goehring	Aye

Schuessler reviewed with Kohlhagen that this vote was advisory; the Sheboygan County Executive Committee would meet later that day for a final vote. Wegner advised the Kohlhagens it would not be necessary for her to attend the meeting.

Other Business
None

Adjournment
A motion to adjourn was made by TeStroete, second by Struck. Motion carried unanimously voice vote.

The Revolving Loan Committee adjourned at 12:51PM.

_____
Jim Schuessler
RLF Administrator