

MINUTES
BUSINESS REVOLVING LOAN FUND COMMITTEE
TUESDAY, FEBRUARY 24, 1987 1:30 P.M.
COMMISSIONER'S COMMITTEE ROOM

PRESENT: Comm. Gould and Dusseau

ALSO PRESENT: Geoff Sculley-Adrian Fabricators, Al Vanderberg and Bill Bacon

I. Approval of Minutes

Motion by Dusseau, supported by Gould to approve the minutes of the September 4, 1986 meeting. Motion carried.

II. Review Grant Proposal of Adrian Fabricators

Geoff Sculley, financial officer for Adrian Fabricators, distributed financial data for the operation of Adrian Fabricators. The first quarter of their new fiscal year, October-December 1986, was the best quarter in the firm's history. There was a net profit of \$84,806. Graphs were reviewed indicating that booking, shipments and backlog were up. Mr. Sculley explained that the product mix manufactured by Adrian Fabricators had changed drastically in the last three years. Collapsible containers used to be their main product, however, rack deck had now become the primary product line. This is a material intensive product that results in the most profit for the firm.

Mr. Sculley explained that Adrian Fabricators experienced a net loss of \$37,211 in 1986. Direct strike costs were \$93,926, which contributed to the net loss for the year.

Adrian Fabricators has recently purchased newer, more efficient equipment and has been able to hire skilled workers from firms that have shut down in the Adrian area. They are pursuing advertising and increasing the efficiency of their production. The labor situation at the firm has been greatly improved according to Mr. Sculley. They are going to a water based paint line which should improve the safety and efficiency of this process.

Adrian Fabricators is seeking a 1.4 million dollar long term improvement program. The program is to be funded as follows:

\$700,000 Small Cities Block Grant
\$200,000 Employee Stock Ownership -State Fund
\$155,000 Lessor-funds for new roof
\$345,000 Bank loan on new equipment

\$ 1,400,000 TOTAL

The improvement funds are to be used as follows:

- 1) Capital improvements including a new roof - \$955,000
- 2) Additional consulting work for Industrial Technology Institute - \$250,000
- 3) Working capital - \$195,000

Mr. Bacon explained that the County's obligation in applying for a grant would be to place the necessary advertisement in the newspaper regarding an environmental review and to obtain wage scales to comply with the Davis-Bacon Act for

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federal financing of construction projects. A full application would be submitted under the County's name sometime next month. Initial up front costs for administration would include the newspaper advertisement for approximately \$200.

Motion by Gould, supported by Dusseau to authorize the payment from the Business Revolving Loan Fund of any administrative costs associated with the full application for the Adrian Fabricators grant. Motion carried.

Motion by Dusseau, supported by Gould to recommend to the County Board of Commissioners that a full Small Cities Block Grant application be submitted to the State of Michigan in the amount of \$700,000. This would be contingent upon the full participation of all other lenders to the firm. Motion carried.

III. Adjournment

Motion by Dusseau, supported by Gould to adjourn the meeting at 2:30 p.m.
Motion carried.

WRB/sb

MINUTES
BUSINESS LOAN REVOLVING FUND COMMITTEE
MONDAY, MAY 11, 1987 8:00 P.M.
COMMISSIONER'S COMMITTEE ROOM

PRESENT: Comm. Gould, Comm. Dusseau, Prosecutor Fairchild

ALSO PRESENT: David Munson, Hazel Jacobs, Bill Bacon, Al Vanderberg

The meeting was called to order by Chairman Gould at 8:10 p.m.

I. Approval of Minutes

Motion by Dusseau, supported by Fairchild to approve the minutes of the February 24, 1987 meeting. Motion carried.

II. County Airport Application

Hazel Jacobs presented an application for funding for the construction of five Airport hangers from the Business Loan Revolving Fund. The project is estimated to cost a total of \$85,545. \$79,445 is being applied for from the Business Loan Revolving Fund. David Munson voiced several concerns about this project. He stated that this project is not within the intent of today's regulations for recaptured grant monies and that there is no other source for business loans from the County. Discussion centered around the appropriateness of the County lending itself money, State regulations of recaptured grant monies and the intent of what the use of the money should be.

Motion by Dusseau, supported by Gould to recommend to the Ways and Means Committee that the Airport application should be approved. Motion carried with County Prosecutor Fairchild voting no.

III. Update on Status of Adrian Fabricators 1986 Small Cities Community Development Block Grant Application

Bill Bacon reported that the County had recently written a short letter to the State regarding the County's understanding of its responsibility to monitor the proposed Adrian Fabricators loan. The earliest that any grant funds can be disbursed by the State is June 20th.

IV. Other Business

No other business at this time.

V. Adjournment

Motion by Dusseau, supported by Gould to adjourn the meeting at 9:10 p.m. Motion carried.

AGV/sm

MINUTES
BUSINESS LOAN REVOLVING FUND COMMITTEE
THURSDAY, SEPTEMBER 17, 1987—9:00 A.M.
COMMISSIONER'S COMMITTEE ROOM

Present: Comm. Dusseau, Prosecutor Fairchild, Comm. Gould

Also Present: Don Rogers, Geoff Sculley, Dave Munson, Bill Bacon, Al Vanderberg

The meeting was called to order at 9:30 a.m.

I. Approval of Minutes

Motion by Dusseau, supported by Fairchild to approve the minutes of the May 11, 1987 meeting. Motion carried.

II. Review Status of Adrian Fabricators Grant Application

The application will be reviewed by the State TRG (Technical Resources Group) Committee today for the second time. The final step in the application process is the review by Doug Ross, Director of Michigan Department of Commerce.

III. Recommendation for Business Revolving Fund Use

Motion by Dusseau, supported by Fairchild recommending to the Board of Commissioners that \$95,000 in Business Revolving Loan Funds be allocated to Adrian Fabricators Inc., contingent upon approval by the State of Michigan of a pending grant application and according to the following terms and conditions:

- 1) a loan in the amount of \$95,000;
- 2) a 5-year term;
- 3) 6% per annum interest;
- 4) first 6-months - interest and principal deferred;
- 5) second 6-months - principal only deferred - interest to be paid monthly;
- 6) if cashflow forecasts justify an extension of the deferment of principal payments in 6-month intervals may be granted upon approval of the RLF and the Lenawee County Commission;

and that immediately upon State approval of the grant, should such approval be forthcoming, funds will be made available for timely repair of the Adrian Fabricators roof before seasonal changes make this completion impossible. Motion carried.

IV. Other Business

V. Adjournment

The meeting was adjourned at 10:00 a.m.

MINUTES
BUSINESS LOAN REVOLVING FUND COMMITTEE
THURSDAY, NOVEMBER 19, 1987—9:30 A.M.
COMMISSIONER'S COMMITTEE ROOM

Present: Comm. Dusseau and Gould

Also Present: Nathan Fairchild, Geoffrey Sculley, Don Rogers, Sam Dubois,
Dave Munson, Bill Bacon and Al Vanderberg

The meeting was called to order by Chairman Gould at 9:30 a.m.

- I. Approval of Minutes
Motion by Dusseau, supported by Gould to approve the minutes of the September 17, 1987 meeting. Motion carried.

- II. Review and Approval of Adrian Fabricators Loan Closing Documents
Prosecutor Fairchild and Mr. Sam Dubois, attorney for Adrian Fabricators, Inc., briefly reviewed recent changes in the loan agreements. The County will have a fourth (4th) position security interest and not a third (3rd) position security interest as previously understood. The terms and conditions of the present grant agreement are not significantly different from the terms and conditions of the previous Adrian Fabricators, Inc. grant.

Motion by Dusseau, supported by Fairchild to approve and sign all loan documents. Motion carried.

- III. Other Business
There was no other business at this time.

- IV. Adjournment
Motion by Gould, supported by Dusseau to adjourn. Motion carried.