

**MINUTES**  
**COMMUNITY DEVELOPMENT REVOLVING LOAN FUND**  
**LOAN COMMITTEE**  
**Monday, March 30, 2015**  
**Room 207, City Hall, 4:30 p.m.**

**ROLL CALL:**

Gary Delveaux	x	Ald. Tim De Wane	x
Matt Schueller	x	Mike Vogel	x
Mike Borlee	Exc.		

Others Present: Kevin Vonck, Wendy Townsend, Economic Development; Kelly and Lisa Reynolds, Reynolds Packaging LLC; Chuck Brys, WBDC; Adam Rodewald, Green Bay Press Gazette

The meeting was called to order by G. Delveaux at 4:30 p.m. All members were present as indicated above.

**1. Approval of minutes from August 18, 2014 meeting**

Motion to approve the minutes of the August 18, 2014 meeting of the Revolving Loan Fund Committee made by M. Schueller, seconded by Ald. De Wane. Motion carried.

**2. Review and action on a Revolving Loan Fund loan application from Reynolds Packaging LLC**

W. Townsend stated that Reynolds produces clear bags for the food industry. The business has remained relatively small over the years due to limitations of the equipment being used by Kelly in terms of speed and quantities which has limited his competitiveness in the industry. In the past two years, Kelly has been designing and engineering a machine with a much higher speed and quantity capability which has him as competitive or more competitive as anyone in the industry. Kelly has lost some business over the years as competitors had upgraded equipment with lowered pricing. Kelly married a couple of years ago a partner with good business and marketing experience and together they have put together an extensive business plan to ramp up the company and make it a much larger player in the food packaging business. The new machine is now in operation and produced bags at a rate of up to 400 per minute as compared to the old machine which had maxed out at producing 75 bags per minute. The cost to produce a bag has also now gone down considerably where the company is now competitive with their pricing. Reynolds quality has never been a question and they are using biodegradable materials for their bags which most competitors are not using so this also gives Kelly a competitive advantage over his competition as well. Kelly has

approached some of his former customers recently sharing his new capabilities and pricing and has been able to get purchase orders from some of them and indications of interest from others but first Kelly needs to add some pieces of equipment and additional labor to fulfill what is anticipated to be much larger orders and quantities.

Kelly and Lisa are working with Brent Jensen from First Community Credit Union. They are structuring the loan for 85% SBA 7a guaranteed loan up to 150,000 which will primarily cover new equipment including a boxer and folder equipment. The City will be securing some smaller pieces of equipment and will be taking a second position on the equipment. With the planned growth of the company they expect to meet the CD-RLF requirement of three full-time positions with five positions. The positions being created full and part-time are 2 hand packers, 2 machine operators and 1 administrative assistant. All positions will be made available to individuals of low to moderate income levels.

Motion made by M. Vogel, seconded by M. Schueller to convene in closed session. Motion carried. G. Delveaux read the closed session notice and roll call was taken with all members present.

Motion made by M. Schueller, seconded by Ald. De Wane to reconvene in open session. Motion carried.

After the Committee's review of the financial information submitted, a motion was made by M. Vogel, seconded by M. Schueller and unanimously carried to provide a loan to Kelly and Lisa Reynolds, Reynolds Packaging LLC. Under the following terms and conditions:

- The Loan is for \$105,000 towards the expansion of their business.
- The Loan will have a four percent fixed interest rate for the 10 year period.
- The City of Green Bay will have a security agreement and second position lien on the equipment.
- Personal loan guarantee from all principals at Reynolds Packaging LLC.
- Create three full-time positions with five positions. The positions being created full and part-time will be made available to individuals of low to moderate income levels.

### **3. Review status of outstanding loans.**

Motion made by M. Vogel, seconded by M. Schueller to convene in closed session. Motion carried. G. Delveaux read the closed session notice and roll call was taken with all members present.

Motion made by M. Schueller, seconded by Ald. De Wane to reconvene in open session. Motion carried.

Motion made by Ald. De Wane to receive and place the report on file and to refer the delinquent loan to staff to further investigate legally and make a recommendation, seconded by M. Vogel. Motion carried.

#### **4. Adjourn**

There being no further business, a motion to adjourn was made by Ald. De Wane, seconded by M. Schueller. Motion carried.