

## **ECONOMIC DEVELOPMENT COMMITTEE**

Thursday, July 14, 2011

Third Floor County Board Room

**Call Meeting To Order:** Chairman, Jim Metz at 1:00 p.m.

**Members Present:** Jim Metz, Fred Parent, Steve Deml, Lester Lewis, Wayne Tlusty, Bill Breneman, Vern Pernsteiner, John Lorenz, Deb Conway, Greg Brunner, Arlen Albrecht and Bruce Strama.

**Members Absent:** Michael Wellner and Sue Emmerich

**Other Attendees:** John Stroschine and Richard Sigmund.

**Approve Minutes of the December 10, 2009 meeting:** Lewis/Parent to approve the minutes of the previous meeting. The motion carried.

**Treasurer's Report:** Sarah Holtz reported that the fund balance was currently at \$191,000.00. She also reported on the status of the loans out at this time, stating that all are current except Jannick, LLC and Schmeiser Wood Products. Lewis/Pernsteiner to accept the report. The motion carried.

**Jannick, LLC update and request for Partial Release of Mortgage:** John Stroschine reviewed the correspondence from Mid-Wisconsin Bank in reference to the sale of property by Richard and Janet Sigmund and how the \$48,000 in proceeds would be addressed. Following payment of past due real estate taxes, a St. Joseph Hospital judgment and a Mid-Wisconsin Bank note, the remaining \$3,374 would be applied to the Taylor County RLF loan. He also proposed the possible restructuring of the RLF loan to lower the monthly payment amount and allow the Sigmunds to make payments that would at least cover the interest until economic conditions improve and sales increase. The current interest is at 5% with monthly payments of \$805.00. Richard Sigmund addressed the Committee, reviewing his initial investment and inventory, past sales, expenses and future plans. He stated that he could afford to pay \$200 per month and continue in business. Committee members discussed several options and following discussion Pernsteiner/Deml to approve the sale of 40 acres as requested and to lower the interest rate to 1.5% on the remaining balance with monthly payments of \$204 for three years when the loan will be revisited for possible adjustments. The motion carried unanimously.

**Schmeiser Wood Products loan update:** Stroschine updated members on action related to the Schmeiser Wood Products loan. He reported that Jack Schmeiser has sold some property in order to continue with the business, but that the county has not received neither interest nor principal payments for several years. The downturn in the housing industry has been devastating on the producers producing moldings, hardwood flooring and other related wood products manufactured by Schmeiser. Stroschine has been in contact with Schmeiser who has filed for chapter 11 reorganization but according to Stroschine replies from Schmeiser are rare. Stroschine will continue in his attempt to address the problems being encountered by Schmeiser Wood Products and report to the committee at a future meeting. When questioned about how long those not current on their payments are going to be allowed to continue, Stroschine did inform committee members that the funds in the RLF are for aiding those for which funding may not be available anywhere else and that some of the loans made are more risky than those available at other lending institutions. Stroschine will continue to work with those businesses in hopes economic conditions will change and they will become profitable again.

**Report on Community Block Grant Milk Volume Production for Economic Development application:** Stroschine reported that an application for \$175,000 by Gary Schumacher, d/b/a Never Done Holsteins, has been approved by the Department of

Commerce. The \$175,000 (\$500 per head for 300 head) along with \$6,000 in administrative fees will be received by Taylor County as part of the county's RLF funding following a public hearing and County Board approval of a resolution supporting the loan. The public hearing and action on the resolution will be scheduled at the next county board meeting tentatively scheduled for September 14, 2011 at 10:00 a.m.

Stroschine reported that if the county were interested that future public hearings could be held in conjunction with an Economic Development Committee meeting instead of being scheduled in conjunction with a County Board meeting. Strama noted that scheduling an Economic Development meeting only for the purpose of holding a public hearing would cost almost as much as scheduling a full County Board meeting. Generally a County Board meeting would be scheduled more often than an Economic Development meeting making it the better option.

Parent/Lewis to adjourn the meeting at 2:23 p.m. The motion carried.

Bruce P. Strama