

Board Meeting Agenda

1:30 pm May 25, 2023
700 16th Street NE, Suite 301
Cedar Rapids, Iowa 52402

The East Central Iowa Council of Governments (ECICOG) Board Meeting will be held in person. Members can still attend using the call-in number below, but please understand that your meeting experience may be less than optimal. Members of the public can participate during the meeting, but only during the public comment portions of the agenda.

Virtual Option: You can join the meeting by calling +1 312 626 6799 and using Meeting ID: 965 3400 4616. Board members received a Zoom meeting invitation with a web link to join the meeting using their computer's video and audio. Please mute your computer audio or phone when not speaking and identify yourself by name when speaking.

Page #s	1. Call to Order
	a. Recognition of Alternates
	b. Public Comments
	o General Public
	o Legislators or Legislative Staff
	c. Approve Agenda
	2. Approve Minutes
2-4	a. Board Meeting Minutes -April 27, 2023
5	b. Personnel Committee Minutes-May 22, 2023
	3. Financial Report
6-15	a. Receive and File Financial Statements for Audit
	b. Approve Expenditures
16	4. Business Lab Opportunity – Jordan DeGree
	5. Action Items
17-36	a. Approve Amendment to Revolving Loan Fund (RLF) Administrative Plan
37-66	b. Approve Amendment to Revolving Loan Fund 2 (RLF2) Administrative Plan
67-68	c. Approve Write Off of Uncollectable loans to Pro Ag, Fastek & Zero Energy Systems for Accounting Purposes
69	d. Approve adjustment to FY24 Employee Compensation
70	6. Reports
71-72	a. Director's Report
73-78	b. Community and Economic Development Report
79-80	c. Housing Report
81-82	d. Transportation and Transit Report
83-84	e. Environmental Services Report
85	7. Discussion/Presentations
86	a. Office Remodel
	b. Presentation: CDBG Downtown Revitalization
	c. Board Member Updates
	8. Adjourn - Next Meeting: June 29, 2023

MINUTES

East Central Iowa Council of Governments
Board Meeting/Zoom 1:30 pm, April 27, 2023
ECICOG, 700 16th St NE, Suite 301, Cedar Rapids, IA

MEMBERS PRESENT

Dave Fish-City of Belle Plaine
Tracy Seeman-Benton County Supervisor
Kevin Heitshusen-Iowa County Supervisor
Chris Montross-Iowa County Supervisor
Meghann Foster-Mayor of Coralville
Jon Green-Johnson County Supervisor
Chris Taylor-Mayor of Swisher
Allison Wells-Johnson County Citizen
Derek Lumsden-Jones County Citizen
Jon Zirkelbach-Jones County Supervisor
David Connolly-Linn County Citizen
Adam Griggs-Mayor of Central City
Kirsten Running-Marquardt-Linn County Supervisor
Mary Audia-Washington County Citizen
Bob Yoder-Washington County Supervisor

MEMBERS ABSENT

Kate Robertson-Benton County Citizen
Tony Hocamp-Iowa County Citizen
Vacant-Jones County
Eric Van Kerckhove-Mayor of Palo
Chris Nosbisch-Mount Vernon City Administrator
Deanna Mc Cusker-Washington City Administrator

ALTERNATES PRESENT - none

OTHERS PRESENT

Rochelle Fuller-Senator Grassley's Office
Andy Whiting-Senator Ernst's Office
Kim Reem-Senator Ernst's Office

STAFF PRESENT

Karen Kurt-Executive Director
Gina Peters-Office Manager
Mark Culver-Housing Specialist
Robyn Jacobson-Contract Administrator
Julie Herny-Housing Fellow
Tracey Achenbach- Housing Director
Jennifer Fencl-Environmental Services Director
Joe Bauer-Communications Specialist
Justice Inkoom-Planning Fellow

1. CALL TO ORDER

The meeting was called to order by Chairperson Zirkelbach at 1:31 p.m.

- a. Recognition of Alternates** -none
- b. Public Comments**

Fuller, Reem and Whiting encouraged members to contact them with any questions or concerns.

- c. Approve Agenda**

M/S/C (Lumsden/Green) to approve the agenda as presented. All ayes.

2. Public Hearing: Consolidated Transit Application

M/S/C (Yoder/Green) to open the public hearing at 1:33 pm All ayes.

Grenis said this public hearing is to discuss an application from the East Central Iowa Council of Governments (ECICOG) to the Iowa Department of Transportation for financial assistance for FY 2024 transit operating and capital needs. ECICOG will request federal and state transit assistance amounting to approximately \$1,232,790 and \$886,791 respectively for the support of day-to-day operations for Corridor Rides Transit, which consists of

the following public transit providers: Benton County Transportation, Iowa County Transportation, Johnson County SEATS, Jones County JETS, Linn County LIFTS, Washington County Mini Bus, 380Express and CorridorRides vanpool.

ECICOG will also request federal transit assistance to support planned capital equipment activities. The total estimated cost of these capital purchases is \$3,277,842. If approved, federal funds will be matched with local financing on an 85% federal - 15% local basis. These projects will not have significant detrimental environmental effects on the area and no persons or businesses will be displaced by these activities. The transit projects are in conformance with the Region 10 FY 2024-2027 TIP.

Yoder asked if the prices were per unit-Grenis stated they were. Audia asked what the lead-time was on the vehicles-Grenis stated minivans were approximately a year to delivery and buses were 2-3 years to delivery. M/S/C (Yoder/Heitshusen) to close the public hearing at 1:36 pm. All ayes.

a. Approve FY 2023 Consolidated Transit Application Authorizing Resolution

Grenis said the authorizing resolution allows ECICOG Transit Administrator Brock Grenis to be the signatory for various funding applications and agreements with the DOT. Lumsden asked when the application was due-Grenis said June 1.

M/S/C (Green/Fish) to approve the FY 2024 Consolidated Transit Application Authorizing Resolution. All ayes.

3. APPROVE MINUTES

a. Board Meeting Minutes-March 30, 2023

M/S/C (Yoder/Heitshusen) to approve the minutes of the March 30, 2023 Board Meeting as written. All ayes.

4. FINANCIAL REPORT

a. Receive and File Financial Statements for Audit

b. Approve Expenditures

M/S/C (Fish/Griggs) to receive and file the March financial statements for audit and to approve the expenditures as presented. All ayes.

5. ACTION ITEMS

a. Approve to Submit Response to IFA Homeowner Assistance Fund Home Repair Administrative Partner Request for Proposal

Kurt said the Iowa Finance Authority (IFA) is seeking partner agencies to administer a Iowa Homeowner Assistance Fund Home Repair program to which they are allocating up to \$10 million dollars. IFA is intending for the program to cover the entire state so they will be selecting many partners. ECICOG would like to submit a proposal to cover our entire region. Upon completion of each project, ECICOG will submit a request for reimbursement from IFA to cover the costs of the project including the 10% administration fee allowed by IFA. Kurt wanted to make the Board aware this program was on a reimbursement basis and she noted there are reserves available to cash flow the projects. Discussion followed.

M/S/C (Green/Lumsden) to approve the submission of a response to IFA's Homeowner Assistance Fund Home Repair Administrative Partner RFP, with the understanding that ECICOG will be required to pay contractors prior to receiving reimbursement from the State of Iowa. All ayes.

b. Approve Amendment to Revolving Loan Fund (RLF) Administrative Plan

Jacobson said the original RLF was defederalized in the spring of 2022 and we are no longer required to submit an administrative plan to EDA. However, to guide the ECICOG Board and the RLF Committee in their process of reviewing applications, this document is still used. Jacobson said the RLF Committee is suggesting the additions/deletions included in a copy of the plan in the packet. These changes will also incorporate the goals of the Envision East Central Iowa plan. Discussion followed. Lumsden asked about including underserved/distressed areas as a component in the risk matrix. He would like the RLF committee to consider some way to include this metric to help business owners who locate within distressed economic areas. Jacobson said she will bring this suggestion to the RLF Committee for consideration.

M/S/C (Fish/Green) to approve the amendment of the RLF Administrative Plan. All ayes.

c. Approve RLF Funding for Katie's Healing Hands Massage LLC

The RLF Committee reviewed an application from Katie's Healing Hands Massage LLC for equipment. The committee recommends approval of the loan for \$18,000 at 7.5% interest for 60 months, 6 months no payment. UCC Lien and personal guaranty for collateral.

M/S/C (Green/Fish) to approve the loan to Katie's Healing Hands Massage LLC for \$18,000 at 7.5% interest for 60 months, 6 months no payment. UCC Lien and personal guaranty for collateral. All ayes.

6. REPORTS

a. Director's Report

Kurt said a bill for state funding for COG assistance is currently in the senate with potential funding of \$250,000-\$275,000. She noted ECICOG received \$14,000 last year in COG assistance. She encouraged board members to advocate for the increase in funding. Kurt introduced Julie Herny, Housing Fellow and said she would be helping with the CDBG DR work. She also noted Steve Van Abbema, Housing Rehabilitation Coordinator, will begin on May 1. Kurt said ECICOG's 50th anniversary is this year and asked the Board to contact her with ideas on how to celebrate.

b. Community and Economic Development Report

Kurt said she has been in conversations with Linn County to prepare fringe-area agreements. Lumsden asked about the need for additional office space and how that was coming along. Kurt said she engaged a commercial realtor and in doing that learned that we have a decent lease rate for location and quality. She noted that the properties forwarded by the agent would need remodeling and many did not have the easy access to I-380 that we currently have. Kurt said she is working with the building owners to do some space planning and hopes to bring something to the Board in May.

c. Housing Report

Culver gave an update on CDBG DR and housing projects and noted the PATCH Program had a compliance monitoring earlier in the month with no findings.

d. Transportation and Transit Report

Grenis passed out an Active Transportation Plan handout and encouraged Board members to participate in the public input site that is listed on the flyer.

e. Environmental Services Report

Fencl said she is working on the CDBG DR applications for generators and tree canopy for Benton and Linn Counties. She gave an overview of the EPA Climate Pollution Reduction Grant Program for greenhouse gas reduction and said ECICOG will submit a Notice of Intent to Participate in the program on behalf of the Cedar Rapids and Iowa City MSAs. She said total potential funding would be \$2,000,000 and would require additional staffing. Discussion followed.

7. DISCUSSION/PRESENTATIONS

a. Presentation: Envision East Central Iowa and ECICOG

Kurt gave a presentation and answered questions.

b. Board Member Updates

Yoder gave an update on the Washington County offices relocation to one building. Lumsden encouraged board members to get involved and serve on a pillar with Envision East Central Iowa.

8. NEXT MEETING: May 25, 2023

M/S/C (Lumsden/Green) to adjourn the meeting at 2:47 p.m. All ayes.

Mary Audia, Secretary

1. Call to Order

Meeting was called to order by Chair Hocamp at 12:33. Members Connelly, Robertson, Foster and Taylor were in attendance.

2. ECICOG FY24 Compensation Budget

Executive Director Kurt reviewed potential changes to ECICOG's proposed FY24 compensation budget given higher than anticipated inflation and tight labor market conditions. The approved budget included a 2% base increase and 2% merit pool for an overall compensation increase "pool" of 4%. Kurt noted that during the budgeting process she indicated that there may a need to reconsider that number as the end of the fiscal year approached. Based on continuing recruitment challenges, Kurt recommended increasing the base amount from 2% to 3% for a total compensation increase of 5% with merit. An additional 1% would add approximately \$11,645 to the FY24 budgeted expenses.

Committee members reviewed FY24 compensation data from other COGs. Hocamp asked if there is sufficient projected revenue to cover the additional cost. Kurt stated that ECICOG has a number of projects in the pipeline and that revenue is not a concern. She also stated that some of the new positions are temporary in nature. Foster stated that she is on the board of other organizations that are experiencing similar staffing issues.

Motion: Member Foster motioned that an additional 1% be added to the base salary for a total merit pool of 5% for all positions, including the Executive Director. Taylor seconded. Motion passed unanimously.

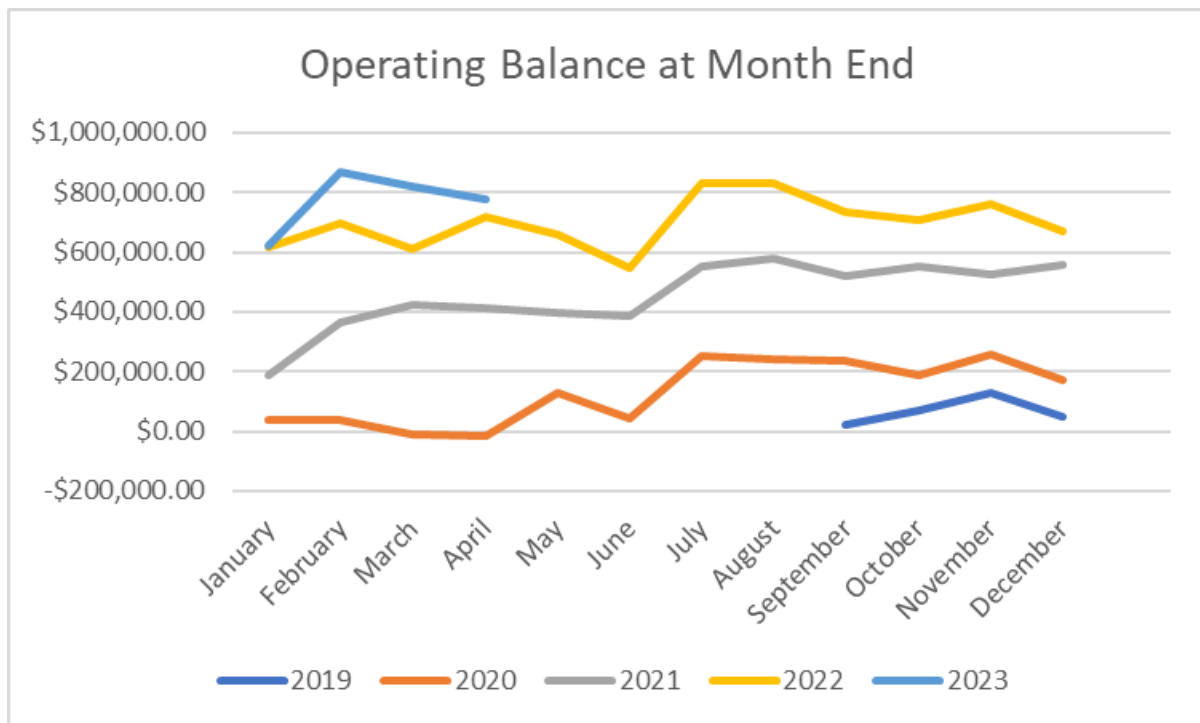
3. Adjourn

Meeting adjourned at 12:48pm.

3. Financial Report	
a. Receive Financial Statements Sample Motion: <i>"I move to receive and file the financial statements for the audit."</i>	Attachments • Balance Sheet • Profit/Loss Statement • Cash Flow Statement
b. Approve Expenditures Sample Motion: <i>"I move to approve May expenditures for payment."</i>	• April Transactions

Notes:

Our operating balance decreased from \$819,993 at the end of March to \$778,023 at the end of April. We expect that our operating balance will decline for the next few months as we have staffed up for new projects but won't see payment for our work until early summer.



EAST CENTRAL IA COUNCIL OF GOVERNMENTS

Balance Sheet

Accrual Basis

As of April 30, 2023

	Apr 30, 23
ASSETS	
Current Assets	
Checking/Savings	
1125 · CHECKING ACCOUNT	
1126 · OPERATING	778,023.87
1127 · PASS THRU	624,255.75
Total 1125 · CHECKING ACCOUNT	1,402,279.62
1200 · GCRCF/ECICOG RLF MICRO LOAN	260,487.17
1225 · TRANSIT ACCOUNT	1,459,792.89
1235 · 380 EXPRESS BUS	107,033.81
1245 · HOUSING ACCOUNT	25,761.60
1262 · ECICOG RLF 2 ACCOUNT	442,410.84
1265 · ECICOG RLF ACCOUNT	1,380,980.85
1268 · EDA	106.13
1270 · CEDAR RAPIDS RLF TOTAL	2,882.06
1272 · MARION RLF ACCOUNT	56,610.93
1274 · MED QUARTER RLF	50.16
1276 · VANPOOL ACCOUNT TOTAL	
1277 · VANPOOL ACCOUNT	26,854.01
1278 · VANPOOL EXPANSION RESERVE	305,317.49
Total 1276 · VANPOOL ACCOUNT TOTAL	332,171.50
Total Checking/Savings	5,470,567.56
Accounts Receivable	
1500 · ACCOUNTS RECEIVABLE	188,444.61
Total Accounts Receivable	188,444.61
Other Current Assets	
1400 · PREPAID EXPENSES	13,842.43
1499 · Undeposited Funds	3,333.33
Total Other Current Assets	17,175.76
Total Current Assets	5,676,187.93
Fixed Assets	
1610 · TRANSPORTATION EQUIP	6,349,295.09
1615 · A/D TRANSPORTATION EQUIP	(3,866,630.70)
1620 · FURNITURE & FIXTURES	72,716.88
1625 · A/D FURNITURE & FIXTURES	(40,477.65)
1630 · LEASEHOLD IMPROVEMENTS	43,847.15
1635 · A/D LEASEHOLD IMPROVEMENTS	(42,711.50)
1640 · RIGHT TO USE LEASE BLDG	97,368.63
1645 · ACCUM AMORT RIGHT TO USE	(24,186.32)
1650 · RIGHT TO USE LEASE EQUIP	15,486.19
Total Fixed Assets	2,604,707.77
Other Assets	
1680 · ECICOG RLF LOANS	
1683 · CREATIVE PRINTING PLUS	23,685.86
1749 · INTECONNECT INC. - 3	155,621.47
1754 · FASTEK INTERNATIONAL LTD	29,804.66
1758 · HAPPLES GOURMET FOODS, LLC	96,020.22
1795 · PRO AG SERVICES 3	452,788.06
1804 · ICONNECT	72,275.26
1812 · ACCENTZ, LLC dba LIONNE DESIGNS	3,680.12
1822 · REVOLUTION REALTY TEAM 2	10,141.94
1855 · ZERO ENERGY SYSTEMS	202,184.21
1880 · PRALL ADVT-DICKS TAP & SHAKE RM	9,025.48
1890 · BRICK ALLEY PUB & SPORTS BAR	6,416.18
1900 · IA SOUL FOOD CO dba SUGAPEACH	20,474.14
1924 · ALTERNATIVE SPORT ENT - HATCHET	6,547.77

EAST CENTRAL IA COUNCIL OF GOVERNMENTS

Balance Sheet

Accrual Basis

As of April 30, 2023

	Apr 30, 23
1927 · BDC GROUP	155,268.08
1928 · JULIANNA GONDEK, E IA FAM COUNS	45,236.21
1929 · STRATAFOLIO, INC.	85,247.32
1930 · STRATAFOLIO, INC. - 2	97,872.21
1931 · ELEASE DAYCARE LLC	17,847.41
1933 · OLYMPIC SOUTH SIDE THEATRE	140,290.09
1935 · OLYMPIC SOUTH SIDE THEATRE 2	62,095.50
1937 · SPOTIX INC	103,747.71
1942 · ATLAS TRUCK BODIES	125,875.00
1944 · BOWERS CHIROPRACTIC	25,735.80
1946 · ZAPO NIXON LLC	20,500.00
1948 · MOBILE DEMAND - 6	425,000.03
1950 · KRAUS PLUMBING AND HEATING, LLC	104,400.02
1954 · 4D MOBILE - 2	212,499.97
Total 1680 · ECICOG RLF LOANS	2,710,280.72
1690 · PENSION RELATED DEF. OUTFLOWS	230,032.00
6000 · ECICOG RLF 2 LOANS	
6002 · BDC GROUP INC	59,588.44
6004 · MONDO'S UNION BREWERY	141,877.32
6006 · DELHICACY	107,345.28
6008 · MSD SALES, INC.	151,593.69
6010 · WATCHPOINT DATE INC	358,333.39
6012 · DELHICACY 2	81,250.07
6014 · SCHNOEBELEN INC	69,780.64
6016 · 4D MOBILE	158,333.26
6018 · MJ SPORTS dba BLUTRACK	480,338.54
6020 · IBLITZ BOXING & FITNESS LLC	20,158.27
6022 · O'S GRILL	67,500.00
6024 · SIMRANJEET/ HAVALI INDIAN CUIS	70,445.14
6026 · EASTERN IOWA HEALTH CENTER	465,277.80
6028 · FX UNLIMITED INC	465,645.29
6030 · STRATAFOLIO, INC. - 3	20,416.63
6031 · STRATAFOLIO, INC. - 4	65,000.00
6032 · SERENITY SALON AND SPA LLC	43,960.00
6034 · AMELIA JANE LLC	36,900.02
6036 · NOURISH MED SPA LLC	180,000.02
6038 · RAINING ROSE, INC	180,952.40
6040 · BOXX SCAFFOLDING LLC	193,388.89
6042 · ECO PALLETS INC	96,666.66
6044 · DASCOA, INC	226,190.48
6046 · LISA NGUYEN LLC	70,000.00
Total 6000 · ECICOG RLF 2 LOANS	3,810,942.23
Total Other Assets	6,751,254.95
TOTAL ASSETS	15,032,150.65
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · ACCOUNTS PAYABLE	92,486.27
Total Accounts Payable	92,486.27
Other Current Liabilities	
2300 · ACCRUED VACATION PAY	56,900.17
2360 · FLEXIBLE BENEFITS	2,900.99
2460 · STATE UNEMPLOYMENT	3,458.59
2480 · UNEARNED REVENUE	237,680.43
Total Other Current Liabilities	300,940.18
Total Current Liabilities	393,426.45

EAST CENTRAL IA COUNCIL OF GOVERNMENTS**Balance Sheet****As of April 30, 2023**

Accrual Basis

	Apr 30, 23
Long Term Liabilities	
2470 · LEASE AGREEMENTS	88,668.50
2485 · PENSION RELATED DEF INFLOWS	710,460.00
2490 · NET PENSION LIABILITY	18,402.00
Total Long Term Liabilities	817,530.50
Total Liabilities	1,210,956.95
Equity	
2500 · FUND BALANCE-UNRESERVED	4,088,522.05
2510 · FUND BALANCE-RESERVED	2,375,790.39
2600 · Retained Earnings	6,717,366.46
Net Income	639,514.80
Total Equity	13,821,193.70
TOTAL LIABILITIES & EQUITY	15,032,150.65

EAST CENTRAL IA COUNCIL OF GOVERNMENTS

Profit & Loss

April 2023

Accrual Basis

	TOTAL		
	Apr 23	Jul '22 - Apr 23	% YTD
Ordinary Income/Expense			
Income			
3100 · FEDERAL FUNDS	267,801.12	2,652,460.91	10.1%
3200 · STATE FUNDS	57,420.05	586,143.68	9.8%
3300 · LOCAL FUNDS	108,914.69	1,652,641.53	6.6%
3410 · RLF LATE FEES	0.00	520.85	0.0%
3900 · INTEREST INCOME	4,856.06	21,740.46	22.3%
3910 · INTEREST INCOME - ECICOG RLF	2,909.75	46,169.33	6.3%
3912 · INTEREST INCOME - ECICOG RLF2	2,966.17	4,784.23	62.0%
3915 · CR RLF-PRIN/INTEREST INCOME	1,381.24	13,813.05	10.0%
3916 · CR MICRO-PRIN/INT PAYMENTS	0.00	756.29	0.0%
3917 · MARION RLF PRINC/INT INCOME	445.01	6,094.29	7.3%
3918 · CRST MINI MICRO PRIN/INT PMTS	0.00	3,643.29	0.0%
3919 · CR FOUNDATION-PRIN/INT INCOME	0.00	2,205.60	0.0%
3920 · CR FOUND 2-NONREV PRIN/INT INC	0.00	3,651.51	0.0%
3921 · CR FOUND-GREAT AMERICA PRIN/INT	0.00	3,247.64	0.0%
3924 · ECICOG/GCRCF PRIN/INT INCOME	1,611.37	1,611.37	100.0%
Total Income	448,305.46	4,999,484.03	9.0%
Gross Profit	448,305.46	4,999,484.03	9.0%
Expense			
4100 · ADVERTISING	258.11	3,284.95	7.9%
4102 · 5210 EXPENSE	1,903.03	2,445.48	77.8%
4122 · CEDS UPDATE	0.00	15,000.00	0.0%
4140 · CONTRACTED SERVICES	200.00	17,581.00	1.1%
4147 · CONTRACTED SERVICES - ENVIRO	500.00	3,200.00	15.6%
4150 · CONTRACTED SERVICES-IT	4,433.51	11,880.69	37.3%
4152 · CONTRACTED SERVICES-TRANS	209.38	421.76	49.6%
4154 · CONTRACTED SERVICES-RLF	0.00	80.11	0.0%
4170 · DEPRECIATION	43,686.17	436,861.70	10.0%
4180 · DUES & SUBSCRIPTIONS	100.00	14,625.00	0.7%
4200 · EDUCATION & TRAINING	1,850.00	3,831.92	48.3%
4220 · FREIGHT & POSTAGE	(143.48)	1,693.49	(8.5)%
4225 · SUMMER LIBRARY READING PROGRAM	0.00	3,519.25	0.0%
4240 · FUEL TAX	0.00	0.00	0.0%
4260 · INSURANCE-GENERAL	2,063.99	17,447.73	11.8%
4280 · INS-HEALTH & DENTAL	13,938.49	131,545.69	10.6%
4290 · HRA EXPENSES	0.00	1,633.41	0.0%
4300 · IPERS	9,659.96	90,434.19	10.7%
4330 · FHLB	0.00	329.00	0.0%
4340 · LEGAL & ACCOUNTING	500.00	17,034.88	2.9%
4343 · SPECIAL LEGAL	0.00	188.50	0.0%
4360 · OFFICE EXPENSE	235.61	4,731.73	5.0%
4370 · SOFTWARE EXPENSE	7,795.07	27,267.82	28.6%
4400 · PAYROLL	102,329.84	960,045.69	10.7%
4420 · PAYROLL TAXES	8,467.65	76,465.76	11.1%
4460 · PRINTING & COPYING	295.32	7,046.01	4.2%
4480 · PASS-THRU	144,456.97	2,456,525.83	5.9%
4490 · EQUIPMENT PURCHASE	0.00	0.00	0.0%
4510 · RENT	4,057.00	40,570.00	10.0%
4515 · ECICOG RLF 2 EXPENSE	344.76	3,632.21	9.5%
4540 · TELEPHONE/UTILITIES	1,098.72	10,570.86	10.4%
4560 · REPAIRS & MAINTENANCE	300.00	2,640.00	11.4%
4562 · RURAL RECOVERY CHALLENGE	0.00	2,500.00	0.0%
4600 · TRAVEL	2,037.94	18,511.21	11.0%
4610 · TRAVEL-PD	(275.00)	3,181.07	(8.6)%
4990 · ADMIN ALLOCATION	0.00	0.00	0.0%
Total Expense	350,303.04	4,386,726.94	8.0%
Net Ordinary Income	98,002.42	612,757.09	16.0%

EAST CENTRAL IA COUNCIL OF GOVERNMENTS

Profit & Loss

April 2023

Accrual Basis

	TOTAL		
	Apr 23	Jul '22 - Apr 23	% YTD
Other Income/Expense			
Other Income			
3922 · INTEREST INCOME - GCRCF/ECICOG	299.94	315.81	95.0%
5005 · GAIN ON SALE OF ASSETS	0.00	26,441.90	0.0%
Total Other Income	299.94	26,757.71	1.1%
Net Other Income	299.94	26,757.71	1.1%
Net Income	98,302.36	639,514.80	15.4%

EAST CENTRAL IA COUNCIL OF GOVERNMENTS

Profit & Loss Budget vs. Actual

Accrual Basis

July 2022 through April 2023

	TOTAL			
	Jul '22 - Apr 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
3100 · FEDERAL FUNDS	2,652,460.91	4,205,382.00	(1,552,921.09)	63.1%
3200 · STATE FUNDS	586,143.68	802,620.00	(216,476.32)	73.0%
3300 · LOCAL FUNDS	1,652,641.53	1,207,398.00	445,243.53	136.9%
3410 · RLF LATE FEES	520.85	0.00	520.85	100.0%
3900 · INTEREST INCOME	21,740.46	1,800.00	19,940.46	1,207.8%
3910 · INTEREST INCOME - ECICOG RLF	46,169.33	62,341.00	(16,171.67)	74.1%
3912 · INTEREST INCOME - ECICOG RLF2	4,784.23	0.00	4,784.23	100.0%
3915 · CR RLF-PRIN/INTEREST INCOME	13,813.05	0.00	13,813.05	100.0%
3916 · CR MICRO-PRIN/INT PAYMENTS	756.29	0.00	756.29	100.0%
3917 · MARION RLF PRINC/INT INCOME	6,094.29	0.00	6,094.29	100.0%
3918 · CRST MINI MICRO PRIN/INT PMTS	3,643.29	0.00	3,643.29	100.0%
3919 · CR FOUNDATION-PRIN/INT INCOME	2,205.60	0.00	2,205.60	100.0%
3920 · CR FOUND 2-NONREV PRIN/INT INC	3,651.51	0.00	3,651.51	100.0%
3921 · CR FOUND-GREAT AMERICA PRIN/INT	3,247.64	0.00	3,247.64	100.0%
3924 · ECICOG/GCRCF PRIN/INT INCOME	1,611.37	0.00	1,611.37	100.0%
Total Income	4,999,484.03	6,279,541.00	(1,280,056.97)	79.6%
Gross Profit	4,999,484.03	6,279,541.00	(1,280,056.97)	79.6%
Expense				
4100 · ADVERTISING	3,284.95	2,000.00	1,284.95	164.2%
4102 · 5210 EXPENSE	2,445.48	0.00	2,445.48	100.0%
4122 · CEDS UPDATE	15,000.00	0.00	15,000.00	100.0%
4140 · CONTRACTED SERVICES	17,581.00	3,120.00	14,461.00	563.5%
4147 · CONTRACTED SERVICES - ENVIRO	3,200.00	3,000.00	200.00	106.7%
4150 · CONTRACTED SERVICES-IT	11,880.69	10,000.00	1,880.69	118.8%
4152 · CONTRACTED SERVICES-TRANS	421.76	75,000.00	(74,578.24)	0.6%
4154 · CONTRACTED SERVICES-RLF	80.11	0.00	80.11	100.0%
4170 · DEPRECIATION	436,861.70	524,234.00	(87,372.30)	83.3%
4180 · DUES & SUBSCRIPTIONS	14,625.00	15,800.00	(1,175.00)	92.6%
4200 · EDUCATION & TRAINING	3,831.92	12,350.00	(8,518.08)	31.0%
4220 · FREIGHT & POSTAGE	1,693.49	2,000.00	(306.51)	84.7%
4225 · SUMMER LIBRARY READING PROGRAM	3,519.25	3,700.00	(180.75)	95.1%
4260 · INSURANCE-GENERAL	17,447.73	18,200.00	(752.27)	95.9%
4280 · INS-HEALTH & DENTAL	131,545.69	158,817.10	(27,271.41)	82.8%
4290 · HRA EXPENSES	1,633.41	0.00	1,633.41	100.0%
4300 · IPERS	90,434.19	106,606.91	(16,172.72)	84.8%
4330 · FHLB	329.00	0.00	329.00	100.0%
4340 · LEGAL & ACCOUNTING	17,034.88	24,000.00	(6,965.12)	71.0%
4343 · SPECIAL LEGAL	188.50	0.00	188.50	100.0%
4360 · OFFICE EXPENSE	4,731.73	5,500.00	(768.27)	86.0%
4370 · SOFTWARE EXPENSE	27,267.82	9,500.00	17,767.82	287.0%
4400 · PAYROLL	960,045.69	1,174,482.96	(214,437.27)	81.7%
4420 · PAYROLL TAXES	76,465.76	104,461.22	(27,995.46)	73.2%
4460 · PRINTING & COPYING	7,046.01	7,000.00	46.01	100.7%
4480 · PASS-THRU	2,456,525.83	4,376,022.00	(1,919,496.17)	56.1%
4490 · EQUIPMENT PURCHASE	0.00	3,000.00	(3,000.00)	0.0%
4510 · RENT	40,570.00	48,500.00	(7,930.00)	83.6%
4515 · ECICOG RLF 2 EXPENSE	3,632.21	0.00	3,632.21	100.0%
4540 · TELEPHONE/UTILITIES	10,570.86	12,000.00	(1,429.14)	88.1%
4560 · REPAIRS & MAINTENANCE	2,640.00	2,000.00	640.00	132.0%
4562 · RURAL RECOVERY CHALLENGE	2,500.00	0.00	2,500.00	100.0%
4600 · TRAVEL	18,511.21	27,550.00	(9,038.79)	67.2%
4610 · TRAVEL-PD	3,181.07	19,000.00	(15,818.93)	16.7%
4990 · ADMIN ALLOCATION	0.00	0.00	0.00	0.0%
Total Expense	4,386,726.94	6,747,844.19	(2,361,117.25)	65.0%
Net Ordinary Income	612,757.09	(468,303.19)	1,081,060.28	(130.8)%

EAST CENTRAL IA COUNCIL OF GOVERNMENTS

Profit & Loss Budget vs. Actual

Accrual Basis

July 2022 through April 2023

	TOTAL			
	Jul '22 - Apr 23	Budget	\$ Over Budget	% of Budget
Other Income/Expense				
Other Income				
3922 · INTEREST INCOME - GCRCF/ECICOG	315.81	0.00	315.81	100.0%
5005 · GAIN ON SALE OF ASSETS	26,441.90	0.00	26,441.90	100.0%
Total Other Income	26,757.71	0.00	26,757.71	100.0%
Net Other Income	26,757.71	0.00	26,757.71	100.0%
Net Income	639,514.80	(468,303.19)	1,107,817.99	(136.6)%

EAST CENTRAL IOWA COUNCIL OF GOVERNMENTS

Cash Flow Statement
April 1- April 30, 2023

Type	Date	Num	Name	Description	Amount	Balance
1126 - OPERATING					Beginning Balance 4/1/2023	\$819,993.68
Revenue						
Deposit	04/11/2023		KEEP IOWA BEAUTIFUL	MONTHLY CONTRACT	3,333.33	
Deposit	04/17/2023		CITY OF IOWA CITY	GENERAL/NON-METRO ASSESSMENT PAYMENT	20,849.75	
Deposit	04/17/2023		ICOG	S210 PROJECT ADMINISTRATION	6,000.00	
Deposit	04/17/2023		CITY OF CENTRAL CITY	CITY NUISANCES	900.00	
Deposit	04/17/2023		HOUSING FUND FOR LINN COUNTY	FHLB CONSTRUCTION MANAGEMENT	1,620.00	
Deposit	04/17/2023		HOUSING FUND FOR LINN COUNTY	PATCH PROGRAM	7,132.00	
Deposit	04/17/2023		HOUSING FUND FOR LINN COUNTY	PROFESSIONAL STAFFING	7,718.00	
Deposit	04/17/2023		ST. JOHN LUTHERN CHURCH	5210 DONATION	150.00	
Transfer	04/24/2023		FROM PASS THRU ACCOUNT	FY23 MIDDLE CEDAR WMA ADMINISTRATION	15,000.00	
Deposit	04/24/2023		EDA	PLANNING FUNDS	17,500.00	
Deposit	04/27/2023		LINN COUNTY	LINN COUNTY HOUSING STUDY	15,000.00	
Deposit	04/27/2023		CITY OF NORTH LIBERTY	CDBG GRANT REHAB ADMINISTRATION	2,775.00	
Deposit	04/27/2023		HOUSING TRUST FUND OF JOHNSON COUNTY	FHLB CONSTRUCTION MANAGEMENT	1,750.00	
Deposit	04/27/2023		CITY OF ANAMOSA	CDBG GRANT REHAB ADMINISTRATION	2,400.00	
Deposit	04/27/2023		CITY OF ANAMOSA	DOWNTOWN REVITALIZATION ADMINISTRATION	2,062.50	
Deposit	04/27/2023		EAST CENTRAL IOWA HOUSING TRUST FUND	PROFESSIONAL STAFFING	2,209.00	
Deposit	04/27/2023		EAST CENTRAL IOWA HOUSING TRUST FUND	FHLB CONSTRUCTION MANAGEMENT	1,800.00	
Deposit	04/27/2023		PITNEY BOWES	RETURN OF POSTAGE METER OVERPAYMENT	248.49	
Deposit	04/27/2023		EDA	RURAL IDEAS NETWORK ADMINISTRATION	2,000.00	
Deposit	04/28/2023		IDOT	380 EXPRESS MARKETING HOURS	8,850.00	
Deposit	04/30/2023		CEDAR RAPIDS BANK & TRUST	INTEREST INCOME	1,432.54	
Total Revenue for April					\$ 120,730.61	\$ 120,730.61
Expenses						
Liability Check	04/04/2023	AUTO	WAGEWORKS	FLEXIBLE BENEFITS PLAN	(8.00)	
Liability Check	04/10/2023	AUTO	WAGEWORKS	FLEXIBLE BENEFITS PLAN	(317.33)	
Paycheck	04/14/2023	D DEPOSIT	ALICIA P PRESTO	PAYROLL	(1,843.70)	
Paycheck	04/14/2023	D DEPOSIT	BROCK A GRENIS	PAYROLL	(2,180.23)	
Paycheck	04/14/2023	D DEPOSIT	DEANNA L ROBINSON	PAYROLL	(1,527.64)	
Paycheck	04/14/2023	D DEPOSIT	GINA K PETERS	PAYROLL	(2,232.12)	
Paycheck	04/14/2023	D DEPOSIT	JENNIFER A RYAN FENCL	PAYROLL	(2,992.12)	
Paycheck	04/14/2023	D DEPOSIT	JESSICA Y JOHNSON	PAYROLL	(1,891.62)	
Paycheck	04/14/2023	D DEPOSIT	JOSEPH P BAUER	PAYROLL	(1,349.20)	
Paycheck	04/14/2023	D DEPOSIT	JULIE A HERNY	PAYROLL	(1,282.95)	
Paycheck	04/14/2023	D DEPOSIT	JUSTICE N INKOOM	PAYROLL	(1,483.47)	
Paycheck	04/14/2023	D DEPOSIT	KAREN M KURT	PAYROLL	(3,751.62)	
Paycheck	04/14/2023	D DEPOSIT	MARK A CULVER	PAYROLL	(2,047.36)	
Paycheck	04/14/2023	D DEPOSIT	MARY T RUMP	PAYROLL	(3,046.53)	
Paycheck	04/14/2023	D DEPOSIT	NICOLE E BEUC	PAYROLL	(1,607.92)	
Paycheck	04/14/2023	D DEPOSIT	PAULA J MITCHELL	PAYROLL	(1,898.39)	
Paycheck	04/14/2023	D DEPOSIT	ROBYN L JACOBSON	PAYROLL	(2,334.30)	
Paycheck	04/14/2023	D DEPOSIT	THOMAS LH GRUIS	PAYROLL	(1,910.67)	
Paycheck	04/14/2023	D DEPOSIT	TRACEY L ACHENBACH	PAYROLL	(2,749.07)	
Liability Check	04/14/2023	30237	COLLECTION SERVICES CENTER	CHILD SUPPORT	(37.50)	
Liability Check	04/17/2023	EFTPS	EFTPS	FEDERAL TAX DEPOSIT	(12,161.90)	
Liability Check	04/17/2023	AUTO	WAGEWORKS	FLEXIBLE BENEFITS PLAN	(16.00)	
Bill Pmt -Check	04/19/2023	AUTO	THE HARTFORD	LIFE INSURANCE PREMIUMS	(291.73)	
Bill Pmt -Check	04/19/2023	AUTO	ALLIANT ENERGY	UTILITY PAYMENT	(212.56)	
Liability Check	04/25/2023	AUTO	WAGEWORKS	FLEXIBLE BENEFITS PLAN	(219.33)	
Bill Pmt -Check	04/27/2023	30238	ACCESS SYSTEM	COPIER EXPENSE	(295.32)	
Bill Pmt -Check	04/27/2023	30239	ADAM BENTLEY	CONTRACTED SERVICE - EXECUTIVE DIRECTOR REVIEW	(200.00)	
Bill Pmt -Check	04/27/2023	30240	ALICIA PRESTO	TRAVEL CLAIM	(145.41)	
Bill Pmt -Check	04/27/2023	30241	BRADLEY & RILEY	RLF EXPENSE	(192.50)	
Bill Pmt -Check	04/27/2023	30242	BROCK GRENIS	TRAVEL CLAIM	(69.43)	
Bill Pmt -Check	04/27/2023	30243	CABINET STUDIO INC	OFFICE EXPENSE	(18.73)	
Bill Pmt -Check	04/27/2023	30244	CEDAR RAPIDS BANK & TRUST	CREDIT CARD EXPENSE	(5,034.96)	
Bill Pmt -Check	04/27/2023	30245	CENTRAL PARK PARTNERS, LLC	RENT EXPENSE	(4,057.00)	
Bill Pmt -Check	04/27/2023	30246	COLLEGE DISTRICT-CEDAR RAPIDS	MEMBERSHIP DUES	(100.00)	
Bill Pmt -Check	04/27/2023	30247	DELTA DENTAL	VISION INSURANCE PREMIUMS	(118.94)	
Bill Pmt -Check	04/27/2023	30248	ENCOMPASS	IT EXPENSE	(4,433.51)	
Bill Pmt -Check	04/27/2023	30249	GAZETTE COMMUNICATIONS	ADVERTISING	(258.11)	
Bill Pmt -Check	04/27/2023	30250	IMON COMMUNICATIONS, LLC	INTERNET EXPENSE	(149.99)	
Bill Pmt -Check	04/27/2023	30251	IOWA LEAD & ASBESTOS SAFETY	TRAINING EXPENSE	(1,500.00)	
Bill Pmt -Check	04/27/2023	30252	JENNIFER RYAN FENCL	TRAVEL CLAIM	(47.16)	
Bill Pmt -Check	04/27/2023	30253	JESSICA JOHNSON	TRAVEL CLAIM	(313.07)	
Bill Pmt -Check	04/27/2023	30255	MARK CULVER	TRAVEL CLAIM	(1,058.27)	
Bill Pmt -Check	04/27/2023	30256	MIDAMERICAN ENERGY	UTILITY PAYMENT	(84.23)	
Bill Pmt -Check	04/27/2023	30257	PAULA MITCHELL	TRAVEL CLAIM	(104.80)	
Bill Pmt -Check	04/27/2023	30259	ROBYN JACOBSON	TRAVEL CLAIM	(7.21)	
Bill Pmt -Check	04/27/2023	30260	SAVANT TAX & CONSULTING	ACCOUNTING EXPENSE	(500.00)	
Bill Pmt -Check	04/27/2023	30261	SOLBERG'S	OFFICE EXPENSE	(19.00)	
Bill Pmt -Check	04/27/2023	30262	SUN LIFE FINANCIAL	DISABILITY INSURANCE PREMIUMS	(512.64)	
Bill Pmt -Check	04/27/2023	30263	THE HARTFORD	LIFE INSURANCE PREMIUMS	(327.79)	
Bill Pmt -Check	04/27/2023	30264	TOM GRUIS	TRAVEL CLAIM	(258.73)	
Bill Pmt -Check	04/27/2023	30265	TRUENORTH	COMMERCIAL INSURANCE PREMIUMS	(10,005.06)	
Bill Pmt -Check	04/27/2023	30266	WELLMARK	HEALTH INSURANCE PREMIUMS	(14,252.99)	
Bill Pmt -Check	04/27/2023	30271	KAREN KURT	TRAVEL CLAIM	(45.85)	
Bill Pmt -Check	04/27/2023	30272	TYPE A CLEANING	OFFICE CLEANING EXPENSE	(300.00)	
Bill Pmt -Check	04/27/2023	30273	TOM GRUIS	TRAVEL CLAIM	(325.65)	
Liability Check	04/28/2023	30274	COLLECTION SERVICES CENTER	CHILD SUPPORT	(37.50)	
Liability Check	04/28/2023	EFTPS	EFTPS	FEDERAL TAX DEPOSIT	(12,229.36)	
Liability Check	04/28/2023	AUTO	TREASURER, STATE OF IOWA	STATE WITHHOLDING	(3,772.89)	
Liability Check	04/28/2023	AUTO	IPERS	IPERS	(15,096.49)	
Paycheck	04/30/2023	D DEPOSIT	ALICIA P PRESTO	PAYROLL	(1,843.71)	
Paycheck	04/30/2023	D DEPOSIT	BROCK A GRENIS	PAYROLL	(2,180.22)	
Paycheck	04/30/2023	D DEPOSIT	DEANNA L ROBINSON	PAYROLL	(1,527.64)	
Paycheck	04/30/2023	D DEPOSIT	GINA K PETERS	PAYROLL	(2,232.12)	
Paycheck	04/30/2023	D DEPOSIT	JENNIFER A RYAN FENCL	PAYROLL	(2,992.11)	
Paycheck	04/30/2023	D DEPOSIT	JESSICA Y JOHNSON	PAYROLL	(1,891.62)	
Paycheck	04/30/2023	D DEPOSIT	JOSEPH P BAUER	PAYROLL	(1,349.20)	
Paycheck	04/30/2023	D DEPOSIT	JULIE A HERNY	PAYROLL	(1,578.73)	
Paycheck	04/30/2023	D DEPOSIT	JUSTICE N INKOOM	PAYROLL	(1,483.46)	
Paycheck	04/30/2023	D DEPOSIT	KAREN M KURT	PAYROLL	(3,751.61)	
Paycheck	04/30/2023	D DEPOSIT	MARK A CULVER	PAYROLL	(2,047.36)	
Paycheck	04/30/2023	D DEPOSIT	MARY T RUMP	PAYROLL	146.54	
Paycheck	04/30/2023	D DEPOSIT	NICOLE E BEUC	PAYROLL	(1,607.93)	

Type	Date	Num	Name	Description	Amount	Balance
Paycheck	04/30/2023	D DEPOSIT	PAULA J MITCHELL	PAYROLL	(1,896.39)	
Paycheck	04/30/2023	D DEPOSIT	ROBYN L JACOBSON	PAYROLL	(2,334.29)	
Paycheck	04/30/2023	D DEPOSIT	THOMAS LH GRUIS	PAYROLL	(1,910.66)	
Paycheck	04/30/2023	D DEPOSIT	TRACEY L ACHENBACH	PAYROLL	(2,749.06)	
Check	04/30/2023		CEDAR RAPIDS BANK & TRUST	SERVICE CHARGE	(9.95)	
Total Operating Expense for April					\$ (162,700.42)	\$ (162,700.42)
Remaining Operating Balance 4/30/2023						\$778,023.87
1127 - PASS THRU						
Beginning Balance 4/1/2023					\$	259,566.11
Revenue						
Deposit	04/17/2023		IDOT	FEBRUARY 380 EXPRESS REIMBURSEMENT	85,213.00	
Deposit	04/17/2023		IDOT	JANUARY 380 EXPRESS REIMBURSEMENT	86,393.00	
Deposit	04/21/2023		IDOT	NOVEMBER & DECEMBER 380 EXPRESS REIMBURSEMENT	181,588.00	
Transfer	04/27/2023		FROM VANPOOL RESERVE ACCOUNT	COMMUTE WITH ENTERPRISE	7,545.16	
Transfer	04/27/2023		FROM 380 EXPRESS ACCOUNT	MARCH 380 EXPRESS FARES	14,598.16	
Transfer	04/27/2023		FROM TRANSIT ACCOUNT	MARCH 380 EXPRESS REIMBURSEMENT	118,641.94	
Transfer	04/27/2023		FROM VANPOOL RESERVE ACCOUNT	KARR CREATIVE, WEBSITE REWORK EXPENSE	6,315.56	
Deposit	04/27/2023		EDA	FOR RURAL IDEAS NETWORK	35,719.12	
Deposit	04/28/2023		IDOT	STATE TRANSIT ASSISTANCE	57,420.05	
Deposit	04/28/2023		IDOT	FELLOWSHIP REIMBURSEMENT	3,116.00	
Deposit	04/28/2023			Deposit	118,770.00	
Total Pass Thru Revenue for April					\$ 715,319.99	\$ 715,319.99
Expenses						
Transfer	04/04/2023		TO TRANSIT ACCOUNT	PARTIAL PAYMENT OF FEBRUARY 380 EXPRESS REIMBURSEMENT	(12,979.00)	
Transfer	04/17/2023		TO TRANSIT ACCOUNT	REIMURSEMENT OF FEBRUARY 380 EXPRESS FUNDS FOR WINDSTAR	(85,213.00)	
Transfer	04/17/2023		TO TRANSIT ACCOUNT	REIMBURSEMENT OF JANUARY 2023 380 EXPRESS WINDSTAR	(86,393.00)	
Transfer	04/24/2023		TRANSFER TO OPERATING ACCOUNT	FY23 MIDDLE CEDAR WMA ADMINISTRATION	(15,000.00)	
Bill Pmt -Check	04/27/2023	30254	LINN COUNTY FINANCE	WATERSHED EXPENSE FOR SOIL HEALTH COORDINATOR	(3,671.71)	
Bill Pmt -Check	04/27/2023	30258	RAPIDS REPRODUCTIONS	380 EXPRESS EXPENSE	(209.38)	
Bill Pmt -Check	04/27/2023	30267	COMMUTE WITH ENTERPRISE	VANPOOL EXPENSE	(7,545.16)	
Bill Pmt -Check	04/27/2023	30268	KARR CREATIVE, LLC DBA MONKEYTHIS	WEBSITE EXPENSE	(5,879.00)	
Bill Pmt -Check	04/27/2023	30269	SCOTT KOEPKE	LANDFILL SCHOOL ASSEMBLIES	(600.00)	
Bill Pmt -Check	04/27/2023	30270	WINDSTAR LINES	380 EXPRESS EXPENSE	(133,240.10)	
Total Pass Thru Expense for April					\$ (350,630.35)	\$ (350,630.35)
Remaining Pass Thru Balance 4/30/2023						\$ 624,255.75

4. Business Lab Opportunity

Presenter	Jordan DeGree, Rural Ideas Network
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ECICOG wrote the EDA grant to expand the Innovation and Business Lab programs created by the Rural Ideas Network. Innovation Labs are typically housed in repurposed downtown buildings and serve as co-working spaces/entrepreneur centers. Business Labs are virtual 1:1 business coaching services. As part of the grant, the normal fees to participate in these programs are waived for one year. Due to our assistance with the grant, the Rural Ideas Network is offering our region the first chance to bring Business Labs to their community. The best match for this opportunity will be communities with the capacity to promote the program to local businesses.

A virtual Business Lab allows you to provide all of the following services virtually to your local business owners, at no cost to them:

- 1-on-1 Startup Coaching
- 1-on-1 Business Management Coaching
- 1-on-1 Succession Planning
- 1-on-1 Website Evaluations
- WIX Website Design Bootcamps
- Peer Learning Roundtables
- Peer Learning Forum
- Curated Workshop Library
- Curated Podcast Library

The Rural Ideas Network's team of successful entrepreneurs (including women founders, tech founders, and Spanish speakers) lead all the coaching and their staff coordinates all the peer learning and professional development experiences, so there's almost no administrative burden for you – except for making local businesses aware of the services.

If you're interested, the first step is to schedule a quick 30-minute chat so the Rural Ideas Network team can answer any questions you have and give you a link to the scholarship application form. You can schedule a day/time to chat when it's convenient using this link: <https://calendly.com/jordandegree/quick-chat>

5. Action Items	
a. Amend Revolving Loan Fund (RLF) Administrative Plan for legacy RLF program	
Staff Lead: Robyn Jacobson	Attachments: None
Sample Motion: <i>"I move to approve the amendment of the RLF1 Administrative Plan"</i>	

Description:

At the April meeting, the ECICOG Board approved an amended administrative plan that incorporated the new CEDS but also included two new loan risk matrix metrics. These included points for non-metro area businesses and TSB certification. The Board recommended adding a metric that included businesses located in underserved/distressed areas. The Loan committee recommends adding 2 points to the loan risk matrix if the business is located in an underserved/distressed area. This will be determined by using the Federal Financial Institutions Examination Council mapping tool that uses census data on incomes within a census tract. The following information will be added to the administrative plan:

- Added 2 points for a business being located in a Distressed/Underserved area determined by the FFIEC (Federal Financial Institutions Examination Council) mapping tool. This information is based on census data.

Financial Impact: None



EAST CENTRAL IOWA
COUNCIL OF GOVERNMENTS
YOUR REGIONAL PLANNING AGENCY

BUSINESS ASSISTANCE REVOLVING LOAN FUND ADMINISTRATIVE PLAN

Legacy Fund

~~April 2023~~

May 2023

05-57-04694



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The East Central Iowa Council of Governments (ECICOG) Business Assistance Revolving Loan Fund is initially offered as a partnership between ECICOG, a generous grant from the Washington County Riverboat Foundation, and an Economic Adjustment Award of \$1.5 million from the Department of Commerce Economic Development Administration.

Part I: The Revolving Loan Fund Strategy

Introduction

The East Central Iowa Council of Governments (ECICOG) is a regional planning agency that provides planning and technical assistance to local governments in Benton, Iowa, Johnson, Jones, Linn, and Washington Counties. ECICOG was established in 1973 under Chapter 28E and is designated as the planning agency for the six-county region under Chapter 28H of the Code of Iowa. The agency is governed by a board of directors composed of elected officials and private citizens. In 2007, ECICOG was also designated as a federal Economic Development District (EDD) by the Department of Commerce Economic Development Administration.

RLF Program Established

The initial ECICOG Business Assistance Revolving Loan fund (RLF) was established in 2009 to assist businesses that were adversely affected by the 2008 floods of East Central Iowa. The original RLF was funded through an Economic Development Administration (EDA) grant for \$1.5 million dollars along with \$100,000 in local match. The RLF was recapitalized in 2011 with another EDA grant for \$2.9 million dollars plus \$295,380 in local match. As of 2022, the RLF has been defederalized allowing for more local control of this resource

The RLF is used to make loans consistent with the Envision East Central Iowa (EECI), the region's Comprehensive Economic Development Strategy. This document describes the regional strategies, and administrative and operational guidelines of the RLF. Part I is a summary of EECI and its relationship to the RLF. Part II serves as the operational manual for ECICOG to administer the RLF consistent with Prudent Lending Practices.

Envision East Central Iowa and its Relationship to the RLF

In 2022, ECICOG worked with a cross section of regional stakeholders to explore the region's economic development ecosystem and economic strategies for the future. The 8-month long visioning and strategic planning process began in July 2021 and ended with the approval of EECI by the ECICOG Board of Directors in August of 2022. Rooted in a scenario planning process, the preferred future or vision for the region is described as "Thriving in East Central Iowa." This vision adopts "an innovation approach to economic and infrastructure development, as well as a more holistic, equitable, and inclusive approach to workforce and workplace transportation". EECI identified seven strategic pillars that support the vision for the region. These pillars include:

- Embracing an innovation focus to build regional competitiveness,
- Fostering an entrepreneurial approach to create and capture new opportunities,
- Protecting and sustaining our unique natural resources,

- Reimagining the built environment,
- Creating more vibrant communities,
- Purposefully growing a thriving and diverse regional workforce, and
- Creating and expanding pathways for shared prosperity.

The three strategic pillars most applicable to the RLF program include: embracing an innovation focus to build regional competitiveness, fostering an entrepreneurial approach to create and capture new opportunities, and growing a thriving and diverse regional workforce. Each of these strategies and their relationship to the RLF are outlined in detail below.

Embracing an Innovation Focus to Build Regional Competitiveness

The East Central Iowa region has a foundation of strong, long-established industries, many with reputations as great innovators. It has core strength in manufacturing, food and bioprocessing, transportation, and education. However, it was determined that the region was not well prepared for the future challenges and opportunities associated with this core. Underlying important trends include a shift to renewable energies, the reshoring of manufacturing supply chains, and growing importance of the region's bioeconomy. The preferred future 'Thriving in East Central Iowa' identifies a future where the region is applying a strong innovation focus to the development approach, including building on existing industries.

Implications for the RLF - The region has a strong innovation culture and outperforms many comparable regions on the national Innovation Index. Leveraging this innovation capacity can help identify and build new opportunities, in both existing and emerging industry sectors. The RLF program can provide loans to support existing business expansions or new businesses to the region.

Fostering an entrepreneurial approach to create and capture new opportunities

The preferred future for the East Central Iowa region is predicated on a strong innovation focus that invests in existing industries in creative ways, and invests in emerging economies such as biosciences, technology, and renewable energy. This innovation will come from existing industry participants and will also be driven by entrepreneurs and an entrepreneurial approach. The region has a strong talent pipeline coming from the educational institutions, which can be converted into entrepreneurial applications. Building a strong entrepreneurial support ecosystem will help innovators gain traction in the region. This will help build future economic activity and deepen the region's economy, adding to the long-term resilience.

Implications for the RLF - The RLF has been and will continue to be a financial resource for start-up businesses. Working in coordination with local innovation spaces, banks, incubation labs, and other entrepreneurial resources, the RLF will continue to assist in the creation of new businesses throughout our region.

Growing a Thriving and Diverse Regional Workforce

Like everywhere in the United States, attracting and retaining workers to a community is becoming increasingly important. As the country emerges from the pandemic, the deep workplace and workforce impacts of the demographic shifts are becoming more apparent. EECI identified workforce and workforce transportation as both the number one opportunity and number one threat to the region. In order to grow the strength and diversity of the economic opportunities in East Central Iowa, the region must attract people outside of the area to move here and must offer something that encourages the local talent we have to stay.

Implications for the RLF – The RLF has historically prioritized loan applications that created or expanded regional jobs. RLF loans will continue to assist businesses that enhance the regional workforce through job creation or retention.

This plan is structured in two parts. Part I is a summary of the Envision East Central Iowa for the six-county region that comprises the EDD and provides the purpose of the RLF.

Part II serves as the operational manual for ECICOG to administer the RLF consistent with Prudent Lending Practices.

FINANCING POLICIES

The following financing policies and techniques will be used to achieve the goals of the RLF:

Eligible Lending Area: The eligible lending area is Benton, Iowa, Johnson, Jones, Linn, and Washington Counties.

Allowable Borrowers: Borrowers include for profit, non-profits (must be designated a 501c3), start-up businesses, and expansion businesses. Business sectors allowed are retail, commercial, service, industrial, and manufacturing. Applicants/Borrowers must be authorized to work in the United States to be eligible for this program.

Allowable Lending Activities: RLF funds may be used for working capital and Furniture, Fixtures, and Equipment and purchase of property. Construction projects are not allowed. Prohibited uses of the funds include:

- Acquire an equity position in a private business.
- Subsidize interest payments on an existing RLF loan.
- Provide for borrowers' required equity contributions under other Federal Agencies' loan programs.
- Enable borrowers to acquire an interest in a business either through the purchase of stock or through the acquisition of assets, unless sufficient justification is provided in the loan

documentation. Sufficient justification may include acquiring a business to save it from imminent closure or to acquire a business to facilitate a significant expansion or increase in investment with a significant increase in jobs. The potential economic benefits must be clearly consistent with the strategic objectives of the RLF.

- Provide RLF loans to a borrower for the purpose of investing in interest-bearing accounts, certificates of deposit, or any investment unrelated to the RLF; or
- Refinance existing debt, unless:
 - The RLF Recipient sufficiently demonstrates in the loan documentation a “sound economic justification” for the refinancing (e.g., the refinancing will support additional capital investment intended to increase business activities). For this purpose, reducing the risk of loss to an existing lender(s) or lowering the cost of financing to a borrower shall not, without other indicia, constitute a sound economic justification; or
 - RLF capital will finance the purchase of the rights of a prior lien holder during a foreclosure action which is necessary to preclude a significant loss on an RLF loan. RLF capital may be used for this purpose only if there is a high probability of receiving compensation from the sale of assets sufficient to cover an RLF's costs plus a reasonable portion of the outstanding RLF loan within eighteen (18) months following the date of refinancing.

Loan Size: A minimum loan size will be \$15,000 and a maximum loan size will be \$300,000. Multiple loans to one borrower will be at the discretion of the RLF committee and ECICOG Board of Directors.

Interest Rates: The minimum interest rate a RLF recipient shall be charged is 0.5% below the current prime interest rate quoted by the Wall Street Journal on the day of the loan committee approval. In no event shall the interest be less than 75% of the prime rate. The RLF Loan Committee will have the discretion of the maximum interest rate of 1-2% above the prime rate and shall never be above 10%. The RLF Loan committee will use the established loan risk matrix to suggest any flexibility from the stated interest rate.

Terms: Loan terms may vary based on the intended purposes of the loan and at the discretion of the RLF Loan Review Committee. Fixed assets tend to be anywhere from three to seven years based on loan amount. Working capital can vary from three to seven years based on amount and collateral.

Fees: The sources of funds for these reimbursements will be a single loan processing fee paid by the RLF borrower equal to 2% of the RLF loan upon approval. By federal regulations, these fees cannot be rolled into the loan.

ECICOG will be reimbursed for administration of the RLF program. In addition, up to 100% of the interest earned on loans in a six-month reporting period will be used to cover actual

administrative costs. Further, each RLF borrower will reimburse ECICOG for all legal expenses incurred in the closing of each RLF loan.

In the determination of collateral requirements, the RLF Loan Review Committee may consider the merits and potential economic benefits of each request. A detailed list of collateral will be provided in the application. When appropriate and practical, RLF financing may be secured by liens or assignment of rights in assets of assisted firms as follows.

- In order to encourage financial participation in a direct or fixed asset loan project by other lenders and investors, the lien position of the RLF may be subordinate and made inferior to lien or liens securing other loans made in connection with the project.
- In projects involving direct working capital loans, the RLF will normally obtain collateral such as liens on inventories, receivables, fixed assets and/or other available assets or borrowers. Such liens may be subordinate only to existing liens of record and other loans involved in the project.
- In projects involving guaranteed loans in the revolving phase (pending EDA approval), the lending institution ordinarily will be required to maintain a collateral position, to which the RLF is subordinate, in the assets of the borrower, such as by taking liens on inventories, receivables, fixed assets, and/or other available assets of borrowers.
- In addition to the above types of security, the RLF may also require security in the form of assignment of patents and licenses.
- RLF loan requests submitted by closely held corporations, partnerships, or proprietorships dependent for their continuing success on certain individuals will ordinarily be expected to provide and assign to the RLF life insurance on these key persons. Personal guarantees may also be required from principal owners, as appropriate.

Principal Moratoria: The RLF Loan Review Committee has the authority to negotiate special financing, such as approval of a temporary moratorium on principal payments because of temporary difficulty or extenuating circumstances, which a deserving funded project may be experiencing. The moratorium on principal payments shall be up to six month increments with one renewal possible. In order for a borrower to be granted a moratorium, they must submit a written request to ECICOG stating the reason and length of time needed for this moratorium. The RLF Loan Committee will approve these written requests only if over a 6-month time period otherwise RLF administrative staff will be allowed to evaluate each request and implement if deemed necessary.

Interest Moratoria: This can only be enacted if given explicit approval by EDA. The RLF Loan Review Committee has the authority to negotiate special financing, such as approval of a temporary moratorium on interest payments because of extraordinary extenuating circumstances, which a deserving funded project may be experiencing. The moratorium on interest payments shall not exceed one year (although interest shall keep accruing). In order for a borrower to be granted this moratorium, they must submit a written request to ECICOG stating the reason and length of time needed for this moratorium.

Start-Ups: There will be no difference in policies with regards to start-up businesses. However, they may be granted interest only periods more frequently and their financials will require a pro forma.

Working Capital: The ECICOG RLF will allow for working capital loans at the discretion of the RLF Committee and ECICOG Board of Directors.

Credit not otherwise available: The RLF cannot be used to substitute for available private capital. Borrowers must demonstrate that credit is not otherwise available by providing a bank “turn down” letter or letter indicating they can only fund a portion of the money that the borrower needs.

Job Cost Ratio: The ECICOG RLF will seek to maintain a \$50,000 cost per job-ratio. Jobs can include retained or created jobs as well as full or part time.

RLF LOAN SELECTION CRITERIA

Each loan applicant must demonstrate that financing is not otherwise available due to terms and conditions that would permit completion of the project activities to be financed. This would include a bank denial letter. Criteria for selection/risk will be considered as part of the interest rate discussion and that criteria will be based on whether the business is currently established or a start-up. Existing business criteria are based on the following areas:

- Quality of management team/character/commitment
- Collateral position or loan guarantees available.
- Projected cash flow/debt coverage
- Potential FTE job created or retained.
- Loan guarantor’s credit score(with further consideration if score is affected by medical or school debt).
- Non-metro area location
- TSB certification (Targeted Small Business)

The RLF Loan Committee will make every effort to be consistent with the Envision Iowa and give priority to those projects that enhance or progress the long-term goals set forth by the joint process used to create the Envision Iowa.

Part II: Revolving Loan Fund Operational Procedures

ORGANIZATION STRUCTURE

Critical Operational Functions: The East Central Iowa Council of Governments is responsible for the implementation and administration of the RLF. An Administrator, under the general direction of the Executive Director, is responsible for developing, completing, coordinating, and overseeing the servicing of the loans generated by the RLF. This includes but is not limited to developing the application, intake of application, initial review of application, Portfolio input, sending application to review committee, maintaining review committee, marketing RLF, environmental review (if necessary), loan processing, loan closings, loan servicing, and organizational administration. ECICOG does not contract any loan servicing aspects to a third party. An Administrative Assistant, under the direction of the Executive Director and with the input from the administrator conducts Automated Clearing House (ACH) withdrawals once a month and applies payments to the borrowers' accounts within ECICOG's overall bookkeeping functions.

Once a year, ECICOG is audited by an accredited Certified Public Accountant (CPA) firm to conduct the required federal audits for all our federally funded programs including but not limited to EDA's funding.

Marketing of the RLF is another function held by multiple people within ECICOG. Between the Administrator and the Public Information Specialist, the goal is to identify eligible applicants within our region. This includes but is not limited to:

- Networking with local lenders to let them know about the RLF program.
- Publish articles about the program periodically with an audience of business and financial specialists.
- Market the RLF through direct marketing and through business associations, e.g., job fairs.
- Post RLF on ECICOG website and other economic development websites.
- Network with economic development organizations in the region to educate them about the program.

Loan Administration Board: The RLF will be administered by ECICOG, a public planning agency originally formed under Chapter 28E, Code of Iowa, and provided for under Chapter 28H, Code of Iowa. ECICOG is governed by a 21-member board of directors representing both the public and private sectors. The board consists of three representatives from our rural counties (Benton, Iowa Jones, and Washington), five from Linn County, and four from Johnson County.

The rural counties have two elected officials and one citizen representative. Linn and Johnson County have a combination of elected officials, citizen representatives, and those responsible to an elected official.

Members are appointed by the Supervisors of each County for three-year terms at the beginning of each calendar year. There are no experience or occupational requirements per se other than some have to be elected officials and all have to be appointed by their respective Boards of Supervisors. Our quorum requirement is that of having 12 members present to call a meeting to order. This board has final authority over committing loan funds to a project, modifications to a previous agreed to loan, writing off any loans, and amending/overhauling of the RLF Administrative Plan.

ECICOG also has an Underwriting Committee that makes recommendations to the Loan Administration Board. This group consists of nine people, including bankers and economic development leaders, that will review each loan application on its merit. Each county will have one representative (6 total) and 3 at large representatives. The six county representatives will have to be approved by their respective Boards of Supervisors and the three at large candidates will be approved by the ECICOG Board of Directors each January. Members have a one-year, renewable term. A quorum will consist of five members. Each County and the ECICOG Board are encouraged to consider regional demographics when making appointments so that Underwriting Committee's membership reflects the diversity of the region. This will include making concerted efforts to appoint members of disadvantaged groups (e.g.: minorities, women, immigrants, etc.).

Timely consideration of applications is necessary to effectively implement the RLF. If necessary, due to time constraints and/or committee availability issues, voting by email may be allowed. If voting by email, all motions and votes are printed and included in the RLF loan folder for each applicant. Roberts Rules of order will still be applicable.

The RLF Loan committee will meet via zoom once a month. If necessary, in person meetings will take place at an agreed upon location if technology is available for those who attend remotely.

Conflict of Interest: For purposes of the RLF program, the conflict-of-interest policy shall include that:

- An interested party of ECICOG may not receive, directly or indirectly, any personal or financial benefits from disbursement of RLF loans.
 - An interested party includes any officer; employee; member of the ECICOG board; those who advise ECICOG on business decisions such as members of an entity that has financial impact on ECICOG eg; Boards of Supervisors, City Councils, Etc., consultants, attorneys, or accountants; or the immediate family, significant other, or domestic partner of an interested party.

- ECICOG shall not lend RLF funds to a former ECICOG board member or his/her immediate family for a period of at least two (2) years since the board member last served on the ECICOG board of directors.

LOAN PROCESSING PROCEDURES

Standard Loan Application Requirements:

- Application fully filled out and signed electronically. Maybe submitted by email if technology is not available to the applicant.
- Business plan
- Credit not otherwise available (bank letter)
- Balance sheet and income statement (most recent 3 years), if existing business
- Current balance sheet (not over 90 days old)
- Three-year Projected Profit & Loss (P&L's) (5 year pro forma if new business and may require three years of personal tax returns)
- Personal financial statement
- List of equipment or machinery to purchase.
- Collateral to offer. A detailed list shall be included in the application or as requested by ECICOG staff.
- Any additional supporting documents
- TSB Certification
- **Map of location showing underserved/distressed area (FFIEC Map)**

Credit and Financial Analysis: A business owner credit report will be run through Equifax to determine a credit score.

Standard collateral will be a personal guaranty unless other collateral can be sufficiently secured in lieu of this. UCC liens will be instituted on all borrowers in a blanket lien unless otherwise identified. If liens are placed on real property, the borrower is required to pay the recording fee. If an appraisal is required, it is at the cost of the borrower.

All applicants will include ECICOG as a loss payee on their hazard insurance policies.

All applicants will have a credit turn down letter from an accredited lender, proof of equity provided by the owner or other entities that contribute to the funding of the project.

Environmental Reviews:

All applicants approved for funding will sign an Environmental Assurance and Compliance Commitment form as part of closing. Any real estate purchased will require an environmental review/assessment and/or section 106 review by the SHPO office. **The environmental review/assessment and/or section 106 will have to be submitted with any application submitted for purchase of real estate and will be the responsibility of the applicant.**

Loan Write-Up: Every project recommended by the RLF Loan Committee will have a loan write up provided by the Administrator to the ECICOG Board of Directors. It will consist of the terms the applicant has asked for, the overall project scope, the RLF Committee's recommendation with changes in terms if necessary and the risk matrix information.

Procedures for Loan Approvals: The RLF Loan Committee makes a recommendation to the ECICOG Board of Directors based on one of the risk matrices. This risk matrix determines fundability of the project and the interest rate that will be offered. The Administrator then prepares a loan write up for the Board of Directors that summarizes the terms and conditions of the loan and the results of the risk matrix. The ECICOG Board of Directors discusses the applications once a month at their board meeting and with the RLF Administrator in attendance to answer questions and to ensure the board that the loan is following the Administrative Plan. A quorum is twelve people, and a majority vote is needed for approval or seven votes in favor will approve the project. The RLF Committee minutes and the ECICOG Board of Directors meeting minutes are both included in the loan folders for auditing purposes.

LOAN CLOSING AND DISBURSEMENT PROCEDURES

Loan Closing Documents:

- Loan application
- Loan agreement
- Record of decision, e.g., ECICOG meeting minutes
- Promissory note
- Security agreement(s)
- Personal guaranty agreement (if applicable)
- Deed of trust or mortgage (as applicable)
- Notice to, and consent of prior lien holder (as applicable)
- Proof of hazard and liability insurance with ECICOG named as a loss payee.
- Signed bank turn-down letter demonstrating appropriate credit not otherwise available, or other documentation demonstrating credit not available at terms and conditions that permit the completion or successful operation of the activity to be financed.
- An environmental assessment (if applicable)
- RLF loan check copy
- ACH Form
- Amortization schedule
- Environmental checklist
- UCC Lien (if applicable)
- Loan write-up
- Landlord lien release as applicable

Loan Agreement Provisions: The borrower will certify in the loan agreement that the funds are to be used for the purposes intended as specified in the loan application (ECICOG Loan Agreement, pages 3 and 6).

Any documents prepared will hold the Federal government harmless from and against all liabilities in site preparation or construction or repair/renovation of any facility.

Federal Statutory and Regulatory requirements will be included in all documents given to third parties and issues of non-compliance are in ECICOG RLF Loan agreement (page 10).

Loan Disbursement: The disbursement of the loan can be either in one lump sum or in different tranches. The terms of each tranche will be the same. The method of disbursement is by check made out to the name of the business included on the application at time of submittal.

LOAN SERVICING PROCEDURES

Repayment: All ECICOG RLF repayments are to be made via ACH payments initiated by ECICOG on the 15th of each month. If the last payment is a different amount, ECICOG will email the business owner and have written email proof to withdraw the final payment.

Monitoring: Job Creation reports will be collected annually(June). Financial reports may also be included as requested by the RLF Loan Committee.

Loan Files: Loan files include all loan application material already previously listed; all closing documents already previously listed, liability insurance with ECICOG as loss payee; UCC lien with ECICOG as secured party; copy of checks; copies of financial statements; job creation reports; ACH payments made; ACH payments not made; correspondence for missed payments; attorney information for non-payment; risk matrix; and other correspondence as deemed relevant. All loan files are kept on ECICOG premises in a locked, fireproof file cabinet.

Job Creation: Job creation is initially reviewed via ECICOG RLF application based on applicant's input. After closing, every six months, ECICOG emails a job creation report to track jobs created in that six-month period, along with a payroll report.

Defaulted Loans

Late Payment Follow-up Procedures

Loan payments are due on the fifteenth day of each month to ECICOG by ACH. Loan recipients are informed of the procedures used for delinquent payments at the time of closing. The information is also included in the contract and note, which the loan recipient receives. The Loan Review Committee is kept informed of any loan recipient that is delinquent on loan repayments. The following are the procedures for the RLF Program:

- Upon being advised that a payment was not satisfied through ACH by the Administrative Assistant, RLF staff will contact the borrower promptly to determine the problem, if any exists.
- After a delinquency of ten days after due date, ECICOG contacts the borrower by email with a formal letter or phone call with notification of non- payment and late penalty.
- After thirty days, ECICOG will notify the borrower in writing again with a formal notice and of any additional non-payments.
- After sixty days, ECICOG will provide a third written notice of non-payment and late penalty.
- After ninety days, ECICOG will provide a final written notice of non-payment and late penalty along with notification that if arrangements are not made to make some payment, the loan file will be sent on to an attorney for default and recovery services.
- ECICOG will make every effort to assist the loan recipient that is delinquent with their loan payments. If no resolution is made, a Loan Review Committee meeting will be called with staff recommendation(s) for action. The Loan Review Committee may approve the restructuring of the loan or suspension of principal payments, with interest only payments, for a specified time period not to exceed one year and at terms consistent with previously stated financing policies.

Write-Offs

Loan recipients that continue to be delinquent on loan payments, even following assistance from the Loan Review Committee and staff, shall be considered in default of the terms of the loan. The Executive Director will approve the initiation of default proceedings against the loan recipient. ECICOG's attorney will process the necessary documents and initiate the process. The loan recipient is also responsible to pay for ECICOG's attorney's fees and expenses to enforce collection. In all cases, ECICOG retains the right to initiate civil litigation collection proceedings to obtain a judgment against a borrower and/or initiate foreclosure proceedings in accordance with applicable state laws. If a loan is in default and proper legal efforts have been taken to collect but are unsuccessful, the Loan Review Committee can recommend to write-off the loan. The Board of Directors must vote to write off the loan. The loan will become a bad debt expense in the year ECICOG acts on writing off the loan.

If fixtures and equipment or real estate is collateralized, ECICOG's attorney will make necessary arrangements for the sale of said collateral and the payment of this sale to ECICOG.

If a loan recipient should start repaying the loan or make a payment on the 90-day notice, the loan recipient will be considered delinquent instead of in default. If the loan recipient makes payment to become current along with attorney's fee, ECICOG will withdraw any judgment against the loan recipient, and they will be considered in good standing with ECICOG.

ADMINISTRATIVE PROCEDURES

Accounting: ECICOG has established a separate interest-bearing account for the RLF funds so that they are clearly separated from other ECICOG funding and auditable. The RLF is operating in accordance with Generally Accepted Accounting Principles (GAAP) and is annually audited by a certified CPA firm.

Administrative Costs: ECICOG will be reimbursed for administration of the RLF program. In addition, up to 100% of the interest earned on loans in a six-month (6) reporting period will be used to cover actual administrative costs. Further, each RLF borrower will reimburse ECICOG for all legal expenses possibly incurred in the closing of each RLF loan and/or default of loan.

RLF costs include staff salary, staff travel and training, RLF legal expenses, RLF supplies, marketing, and other program specific expenses. Any cost not covered by the RLF income, will be covered by ECICOG's other RLF program income.

ECICOG tracks administrative costs through time sheets, invoices, and the agency's accounting system that has a separate account for the RLF program.

Capital Utilization & Sequestration: *n/a*

Audits: ECICOG's RLF program will be subjected to an annual audit and in accordance with the provision outlined in OMB circular A-133.

OTHER REQUIREMENTS

Civil Rights

ECICOG and other parties benefiting from the RLF program and creating fifteen or more permanent jobs will provide assurances of compliance with the US Department of Commerce and EDA regulations (13 CFR. § 302.20) under Section 601 of Title VI of the Civil Rights Act of 1964, Section 112 of Public Law 92-65, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and any other applicable non-discrimination law(s), all as amended.

Environmental

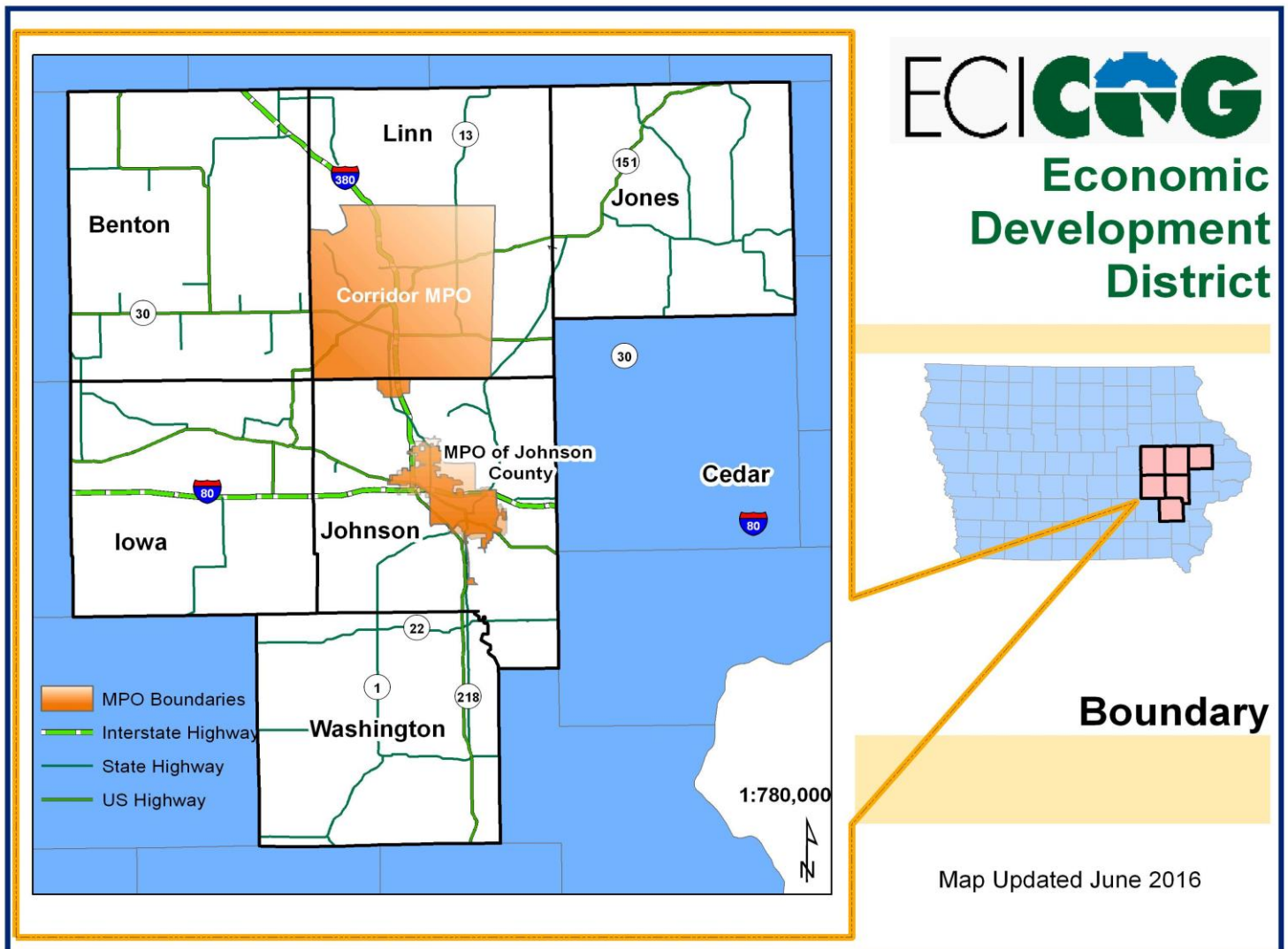
The Loan Review Committee will be apprised of the state and federal statutes concerning environmental impact of proposed projects.

Other parties benefiting from the RLF program will provide assurances of compliance with the National Environmental Policy Act of 1969; Floodplain Management, EO 11988; Protection of Wetlands, EO 11990, May 24, 1977; Clean Air Act, Clean Water Act, and EO 11738; the Flood Disaster Protection Act of 1973; and all other applicable environmental requirements as provided in the prevailing *Department of Commerce Financial Assistance Standard and/or Special Terms and Conditions*.

All Other Federal Requirements

ECICOG will ensure that other parties benefiting from the RLF are aware of all other federal statutory and regulatory requirements, and Executive Orders, including Davis-Bacon wage rates pertaining to construction projects.

Exhibit A



LOAN RISK RATING SYSTEM

RATING	Substandard (1 point)	Sound (2 points)	Strong (3 points)	Points
1. CASHFLOW (DEBT/INCOME)	>50%	>30-49%	<<30%	
2. EQUITY	<20%	21-40%	>41%	
3. CREDIT SCORE	<559	560-650	>651	
4. COLLATERAL	NONE	Some but less than value of loan	solid, identifiable items with reasonable resale value	
5. CHARACTER/CAPABILITY/COMMITMENT	No management experience, weak business plan	some management experience; adequate business plan	existing business; strong business plan	
6. Non Metro area business	1 additional point			
7. TSB Certified (Targeted Small Business)		2 additional points if certified		
8. Underserved/Distressed area (FFIEC map)		2 additional points		

Interest Rate Table	
Not recommended for funding	0-5 points
*Recommended funding at 1-2% above prime rate	6-10 points
Recommended at .5% below prime rate	>11 points

*RLF committee recommends specific rate from range

5. Action Items	
b. Amend RLF 2 CARES Revolving Loan Fund (RLF) Administrative Plan	
Staff Lead: Robyn Jacobson	Attachments: None
Sample Motion: <i>"I move to approve the amended RLF Administrative Plan for the CARES Revolving Loan Fund"</i>	

Description:

The ECICOG RLF2 was created out of the Economic Development Administration's disaster recovery grants for COVID-19 relief in 2020. As that grant was expended, the revolving portion of the program has now come to fruition and becomes part of ECICOG's overall loan infrastructure. This fund source is required by EDA to have an administrative plan to govern the loan program and needs to be amended to include the newly adopted Comprehensive Economic Development Strategy (CEDS: Envision East Central Iowa (EECI)). Below are the major amendments to the current administrative plan:

Part I:

- Remove all language referring to the Regional Vision Strategy (RVS) as it is the old CEDS material. (throughout document; crossed out; pages 1-4; 5);
- Include new CEDS material from EECI as shown in red (pages 4-6) specifically referring to the pillars relating to the RLF such as Embracing an Innovation Focus to Build Regional Competitiveness, Fostering an Entrepreneurial approach to create and capture new opportunities, and Growing a Thriving and Diverse Regional Workforce;
- Page 12: Other RLF language and addition of GCRCF/ECICOG micro loan program;
- Page 16: Inclusion of TSB certification, Non metro area, and Underserved/Distressed areas as additional loan criteria;

Part II:

- Page 19: Including additional information for Loan application material including the above criteria);
- Updating the loan risk rating system matrix to include non-metro, TSB certification, and underserved/distressed areas for additional points.

Financial Impact: None



~~Approved June 30, 2022~~
Amended May 2023

05-79-06003

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The East Central Iowa Council of Governments (ECICOG) Business Assistance Revolving Loan Fund is the result of an Economic Adjustment Award of \$4.25 million from the Department of Commerce Economic Development Administration.

Part I: The Revolving Loan Fund Strategy

Introduction

The East Central Iowa Council of Governments (ECICOG) is a regional planning agency that provides planning and technical assistance to local governments in Benton, Iowa, Johnson, Jones, Linn, and Washington Counties. ECICOG was established in 1973 under Chapter 28E and is designated as the planning agency for the six-county region under Chapter 28H of the Code of Iowa. The agency is governed by a board of directors composed of elected officials and private citizens. In 2007, ECICOG was also designated as a federal Economic Development District (EDD) by the Department of Commerce Economic Development Administration.

Introduction

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RLF CARES Act Program Established

With the passage of the CARES ACT of 2020, the Federal Economic Development Administration (EDA) approved Grant Number 05-79-06003 established a second Business Assistance Revolving Loan fund (RLF). This second fund establishes a \$4.25 million dollar pool of money to prevent, prepare for, and respond to the impacts of Covid-19. The RLF is used to make loans consistent with the region's Comprehensive Development Strategy, known as the ~~Regional Vision Strategy (EECI) completed in 2019.~~ **Envision East Central Iowa (EECI).**

This plan outlines how ECICOG operates the RLF consistent with the grant terms and conditions, applicable federal laws, and regulations, and the EECI. The plan will be updated as needed to reflect changes in EDA policy, Federal regulations, or ECICOG goals/initiatives. In addition, an updated plan shall be submitted every five years to EDA, pursuant to 13 C.F.R. 307.9(c)(1).

ECICOG's RLF as approved in this plan shall be used to provide target industry businesses in the region with fixed asset financing, inventory, working capital loans and real estate purchases.

ECICOG's region consists of Benton, Iowa, Johnson, Jones, Linn, and Washington Counties. These counties also make up the area's EDD.

ECICOG is responsible for the operation of the RLF consistent with this plan.

This plan is structured according to 13 C.F.R. 307 and consists of two parts.

Part I is a summary of the recovery efforts and the EECI for the six-county region that comprises the EDD and provides the rationale for the RLFs.

Part II serves as the operational manual for ECICOG to administer the RLF consistent with Prudent Lending Practices.

Regional Vision Strategy (EECI)

In 2011, ECICOG completed an initial joint planning document, known as the Comprehensive Regional Development Strategy (CRDS) to link economic and transportation initiatives into an overall regional strategy. Partnering with the Region 10 Regional Planning Affiliation, Corridor Business Alliance, and Comprehensive Economic Development Strategy Committee, ECICOG prepared the CRDS to guide the economic development, and transportation planning process for the Region 10 area.

The EECI, which serves as an update to the CRDS, once again serves as a joint document and overall regional strategy and was also combined with a local strategic planning effort known as *Regional Vision Rising*. Where possible, public input from the *Regional Vision Rising* process was incorporated into the update, including regional assessment information developed by Market Street Consultants.

To develop the regional assessment and EECI, a series of focus groups and interviews with individuals from the region's public, private, and non-profit sectors was conducted in February 2016. In addition, an online survey was open to the public for three weeks in February 2016. While the results of the survey are not considered a scientific sample, Market Street was confident that the perspectives not captured by the survey were informed by the one-on-one interviews. Market Street also cited a variety of public and private sources to develop the regional assessment. A great deal of information is drawn from the Census Bureau. Other public data sources include the Bureau of Labor Statistics (BLS), the Bureau of Economic Analysis (BEA), the National Center for Education Statistics (NCES), the Iowa Department of Education (IDOE), Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS). Proprietary data covering economic composition (employment, wages, exports, etc.) are provided by Economic Modeling Specialists, Inc. (EMSI). These focus group meetings, interviews, surveys, and data analysis allowed Market Street to complete a thorough assessment of the region's strengths, weaknesses, opportunities, and challenges described in this chapter. Additional workgroups, organized under the broad categories of Business Development, Workforce Development and Community Development, developed regional strategies based on the assessment.

As noted in the EECI, the region is comprised of the counties of Benton, Iowa, Johnson, Jones, Linn, and Washington. Located in east central Iowa, the area encompasses about 4,400 square miles and is home to over 445,000 residents which is about 14.6% of the State of Iowa's total population. The ECICOG region is characterized by two urban areas with numerous small towns and rural countryside. In addition to the member counties, the region includes 66 municipalities and 28 public school districts. The region's largest municipalities are Cedar Rapids and Iowa City, located in central Linn County and Johnson County, respectively.

The established Business Development workgroups addressed four issue areas: Fostering Entrepreneurship, Business Retention, Business Attraction and Regional Brand. The work of the regional brand workgroup was completed independently, by ICR Iowa. Strategies developed by the remaining workgroups will influence the direction of the RLF. Their work, including goals, action items and the role of the RLF are noted below.

Although the EECI is an important aspect to the planning portion of the RLF, the immediate need for recovery efforts supersedes the EECI in this document. Job Creation and job maintenance will be emphasized for certain areas of industry, which includes but not limited to agriculture, logistics, restaurants/entertainment establishments (tech advances to help pivot to take out, online ordering, etc.), broad band for rural areas, and small business/entrepreneurs that are looking to start up or expand. This fund will also assist businesses to respond to economic conditions and aid in the region's economic resilience.

Fostering Entrepreneurship

Goal: Strengthen the entrepreneurial ecosystem to encourage new enterprise.

Action 1: Develop a stronger network of support, mentoring, training, and guidance that aligns with the stage, potential and personality of the startup and emerging companies in our region.

Action 2: Develop more robust capitalization options for companies at all stages of growth.

Action 3: Develop programs to fill the specific talent needs of the startup community, specifically executive talent, and software development.

Action 4: Develop innovative ways to connect our startup ecosystem to other tech hubs around the globe. Start to think beyond our geographic borders to find ways to grow jobs and wealth locally.

-

Role for the RLF: Action Items 1 and 2——

Business Retention

Goal: We will support a diverse economy by assisting the growth of existing employers.

Action 1: Continue developing specialized industry clusters that are actionable in expanding networks, aligning talent pipeline needs and create innovative means to solve problems and make the entire network stronger.

Action 2: Develop more support for companies to expand their international trade and export.

~~Action 3: The Eastern Iowa Airport (CID) is a vital regional asset that is essential in strengthening and sustaining regional economic development efforts. Collectively, we will leverage individual business travel and vendors/suppliers spending through CID to retain existing service and foster new service opportunities.~~

~~-~~

~~Role for RLF: Coordination with partner organizations~~

Business Attraction

~~Goal: Seek new investment to build on existing capacity and develop industry sectors where the region has a distinctive advantage and can experience dramatic growth.~~

~~Action 1: Research and confirm industry clusters.~~

~~Action 2: Establish industry cluster Business Intelligence Councils with CEOs who can provide industry-specific information to drive business attraction strategy.~~

~~Action 3: Develop and implement marketing and sales strategies for each industry cluster.~~

~~Action 4: Develop and implement projects that will continue to strengthen the region for targeted industry clusters.~~

~~Role for RLF: Coordination with partner organizations~~

ECONOMIC ADJUSTMENT OVERVIEW

Envision East Central Iowa and its Relationship to the RLF

In 2022, ECICOG worked with a cross section of regional stakeholders to explore the region's economic development ecosystem and economic strategies for the future. The 8-month long visioning and strategic planning process began in July 2021 and ended with the approval of EECI by the ECICOG Board of Directors in August of 2022. Rooted in a scenario planning process, the preferred future or vision for the region is described as "Thriving in East Central Iowa." This vision adopts "an innovation approach to economic and infrastructure development, as well as a more holistic, equitable, and inclusive approach to workforce and workplace transportation". EECI identified seven strategic pillars that support the vision for the region.

These pillars include:

- Embracing an innovation focus to build regional competitiveness,
- Fostering an entrepreneurial approach to create and capture new opportunities,
- Protecting and sustaining our unique natural resources,
- Reimagining the built environment,
- Creating more vibrant communities,
- Purposefully growing a thriving and diverse regional workforce, and
- Creating and expanding pathways for shared prosperity.

The three strategic pillars most applicable to the RLF program include: embracing an innovation focus to build regional competitiveness, fostering an entrepreneurial approach to create and capture new opportunities, and growing a thriving and diverse regional workforce. Each of these strategies and their relationship to the RLF are outlined in detail below.

Embracing an Innovation Focus to Build Regional Competitiveness

The East Central Iowa region has a foundation of strong, long-established industries, many with reputations as great innovators. It has core strength in manufacturing, food and bioprocessing, transportation, and education. However, it was determined that the region was not well prepared for the future challenges and opportunities associated with this core. Underlying important trends include a shift to renewable energies, the reshoring of manufacturing supply chains, and growing importance of the region's bioeconomy. The preferred future 'Thriving in East Central Iowa' identifies a future where the region is applying a strong innovation focus to the development approach, including building on existing industries.

Implications for the RLF - The region has a strong innovation culture and outperforms many comparable regions on the national Innovation Index. Leveraging this innovation capacity can help identify and build new opportunities, in both existing and emerging industry sectors. The RLF program can provide loans to support existing business expansions or new businesses to the region.

Fostering an entrepreneurial approach to create and capture new opportunities

The preferred future for the East Central Iowa region is predicated on a strong innovation focus that invests in existing industries in creative ways, and invests in emerging economies such as biosciences, technology, and renewable energy. This innovation will come from existing industry participants and will also be driven by entrepreneurs and an entrepreneurial approach. The region has a strong talent pipeline coming from the educational institutions, which can be converted into entrepreneurial applications. Building a strong entrepreneurial support ecosystem will help innovators gain traction in the region. This will help build future economic activity and deepen the region's economy, adding to the long-term resilience.

Implications for the RLF - The RLF has been and will continue to be a financial resource for start-up businesses. Working in coordination with local innovation spaces, banks, incubation labs, and other entrepreneurial resources, the RLF will continue to assist in the creation of new businesses throughout our region.

Growing a Thriving and Diverse Regional Workforce

Like everywhere in the United States, attracting and retaining workers to a community is becoming increasingly important. As the country emerges from the pandemic, the deep workplace and workforce impacts of the demographic shifts are becoming more apparent. EECI

identified workforce and workforce transportation as both the number one opportunity and number one threat to the region. In order to grow the strength and diversity of the economic opportunities in East Central Iowa, the region must attract people outside of the area to move here and must offer something that encourages the local talent we have to stay.

Implications for the RLF – The RLF has historically prioritized loan applications that created or expanded regional jobs. RLF loans will continue to assist businesses that enhance the regional workforce through job creation or retention.

EECI and the Region

The EECI reflects the priorities of the participating jurisdictions including Benton, Iowa, Johnson, Jones, Linn, and Washington Counties. These entities have the direct responsibility for implementing their economic development goals. Within their individual goals, the region's various agencies work together to build more resilient economies and communities by focusing and targeting regional strategies on the existing and potential competitive advantages of each agency. The partners also work together to foster a regional collaborative framework to strategically align public sector investments from federal state and local resources, as well as private, nonprofit, and philanthropic partners. The region is also focused on transforming the EECI process into a more strategy-driven planning process focused on regional visioning, priorities setting, and performance outcomes to avoid having a region with a laundry list of random projects and programs. ECICOG staff is also working to renew attitudes tied to increasing collaboration across EDD boundaries, enhancing organizational resources, and positioning our regional as a more effective building block for local and statewide strategies. With the local EECI and RLF in mind, many, if not all the partner agencies consider the regional efforts and funding mechanisms available when working with private partnerships in recruitment, retention, and expansion efforts within the region. This is evident, in part, because ECICOG staff is invited to attend numerous employment, entrepreneurial, and workforce events hosted by area partners.

Regional Economic Adjustment Problems and Economic Resilience

The Covid 19 pandemic caused considerable economic hardships and job losses that have not been seen since the Depression Era. This creates a unique crisis that remains even after businesses have reopened. Traditional financing has limited resources for providing no or low interest loans to businesses in need. For a limited period, the RLF can provide a safety net to those businesses that need immediate working capital or have seen an opportunity to expand. Discussions with local economic developers indicate the need to focus on agricultural industries and several industries that are at short- and long-term risk from Covid 19 stress.

The RLF will provide an infusion of funds for working capital, equipment, and real property. Additionally, ECICOG and local jurisdiction staff provides resources for assistance with financial counseling to loan applicants and assists them in preparing a business plan and financial documents that address the concerns of underwriting these loans.

Plan to Deal with the Region's Economic Adjustment Problems and Distress

RLF as Gap Financing to Create and Retain Jobs Locally: The intended purpose of the RLF is to assist in creating new and retaining existing jobs. Established, proven, quality businesses will be most successful at creating and keeping jobs in the six-county area. A job can be considered “retained” only when it can be clearly and objectively demonstrated that without EDA assistance the job would be lost. Examples of clear and objective evidence include, but are not limited to:

- Notice issued by the business to affected employees,
- A public announcement by the business, and/or
- Financial records provided by the business that clearly indicate the need for closing or moving all or portions of the business out of the area.

ECICOG and RLF as a Community Partner: ECICOG staff continuously work to establish, maintain, and grow relationships with public and private partners to ensure that the ECICOG and RLF programs are always considered when financing is needed for projects. This is done through continuously being a part of all planning projects with as many community partners as possible. ECICOG staff also recruit a variety of public and private sector citizens to be involved with the loan review committee, many different from the ECICOG Board Members. With the variety of people involved, we are staying in front of a large network within the community.

The availability of the program funds is made known through various channels to ensure that all potential borrowers are aware of the program. The loan fund availability is publicized in the area's newspapers and other available media; one on one meetings with local lenders; ECICOG presentations and outreach efforts through regional, local, and statewide events; and through partnerships with other agencies such as chambers of commerce and cities with outreach to lenders and private investors. In the past year, ECICOG has also revised our marketing materials to make them more user friendly and appealing to the general public.

Other RLF Programs Available as Boost for Startup or New Businesses: Smaller dollar loans may be made for new or start-up businesses. New or start-up businesses will be required to submit a business plan showing feasibility and marketability of their product. ECICOG also administers various microloan/smaller RLF funds (not EDA RLF related) that will help with the startup of new businesses within the regions that range from \$500 to \$50,000. These include the City of Cedar Rapids RLF and MICRO Loan program, City of Marion RLF, Czech Village/New Bo Main Street District RLF, and the Marion Economic Development Corporations RLF.

RLF: A Support Mechanism to the Regional EECI's Economic Adjustment Activities/Strategies

ECICOG staff ensures that the RLF is used to support specific economic adjustment activities identified in the EECI by continuously ensuring that the lending that we support are in line with the regional efforts and strategies of the region. To make sure that the RLF is a considered option as often as possible, ECICOG staff works to maintain and grow relationships throughout the

region. This way, ECICOG staff is repeatedly invited to the table during the planning process or when financing is needed for potential projects throughout the community. The RLF needs to stay in front of as many public and private entities regularly to ensure that it is considered as a viable financing option.

BUSINESS DEVELOPMENT STRATEGY

Objectives

The purpose of the business development strategy is to increase the capacity of the local economy by providing local businesses and private entities a financing source to grow, maintain and/or sustain their operations locally that will add value to the overall region, and to assist local businesses as they respond to economic fluctuation and ensure their resiliency.

Specific objectives include:

- To expand business employment and ownership opportunities for regional residents through economic development that is compatible with and will enhance the area's existing regional strategies and physical and social environment.
- To promote the economic well-being of the region by helping to finance projects which maximize private sector investment, offer benefit to low- and moderate-income people, and continually add value to the economic base of the region.
- To work with the commercial lenders in the region to ensure that there are alternatives and support if small businesses are not qualified for lending programs.

Targeted Businesses

The RLF is targeted to those geographic areas in Benton, Iowa, Johnson, Jones, Linn, and Washington Counties. These funds are open to any potential start-up or business expansion that submits a solid plan for creating/retaining jobs within our regional boundaries. As expected, a majority of these loans are and will continue to be in the metropolitan areas. The RLF continues to target loans to minority and women owned businesses. The RLF tries to target areas outside the metropolitan areas to expand rural business growth. To this end, ECICOG continues to market the RLF throughout our six-county region.

Business Needs

The business needs mentioned below were identified from discussions with local economic development commissions, meetings with potential clients, and conversations with local small business lenders.

The types of assistance needed by targeted businesses for our area typically are:

- Access to knowledge/services available through other community members (mentorship, technical assistance, legal help, accounting/bookkeeping help, patent services, etc.)
- Access to potential partners for their projects

- Access to a variety of financing (startup financing, inventory, working capital, equipment, real estate, construction, community/local match, etc.)
- Access to affordable real estate in ideal locations to benefit their target markets.

Other Programs and Activities

A variety of programs and activities are being undertaken by the public and private sector and/or economic development organizations to address the needs of targeted businesses. ECICOG staff works with many of these organizations regularly to identify potential clients as well as support the other organizations in providing services needed by these businesses. Several sources described below are also very active in directing potential applicants to the revolving loan fund program.

Economic Development Staff of Public Agencies: ECICOG staff meets and works with various economic development staff at the public agencies throughout the region. Collaboration efforts to address the needs of businesses occur between staff from the cities, counties regularly. Each participating public agency has identified its target area's preference for business development. To reach the target area goals, a strong relationship between ECICOG and agency staff is maintained. Potential applicants will be provided with a summary of the loan standards. A non-inclusive list of public agencies include:

- Benton Development Group
- Iowa County Economic Development Commission
- Iowa City Area Development
- Jones County Economic Commission
- Metro Economic Alliance
- Corridor Business Alliance
- Cedar Rapids Economic Development Department
- Washington Economic Development Group

Many of the region's efforts are described in more detail in the EECI (available upon request or on the www.ecicog.org website).

Small Business Development Center (SBDC): ECICOG staff work hand in hand with the SBDC. Many of our potential and existing clients meet with the SBDC representative, when working on their business plans, going over their various financial statements, deciding whether to expand their operations or to add a service/product, or even when a business is looking to improve their business operations (financially and operationally).

SCORE: SCORE provides small business mentoring and workshops to more than 375,000 new and growing small businesses. More than 11,000 business experts volunteer as mentors in 320 chapters serving local communities with entrepreneur education to help grow one million small businesses annually. The local office works tirelessly to cover most of eastern Iowa.

Entrepreneurial Development Center (EDC): EDC's primary function is to connect entrepreneurial needs with qualified community and state resources and to provide hands-on professional business direction. While working with both emerging and existing Iowa-based businesses, EDC supports the development and commercialization of new products, services, and technologies.

Local Chambers of Commerce: Through events, booth sponsorships, being guest speakers on panels or luncheons to collaborating on outreach events, ECICOG works with many of the local chambers of commerce to reach out to businesses. Through their membership opportunities, these chambers promote growth and economic vitality for its members through collaboration, business to business interactions, and community and statewide marketing.

Educational Institutions:

Kirkwood Community College (KCC) - KCC is a comprehensive community college that offers coursework for university transfer, professional and technical career development, and basic skills education. KCC continues to change to reflect the expanding community's needs for a diversified economy. The college continues to be proactively responsive to the community's needs for increased opportunity through expanded access to higher education.

University of Iowa and Tippie Business Center - The University of Iowa is the only public four-year university in eastern Iowa. With just over 31,000 students, the University of Iowa is one of the nation's top public research universities, a member of the Big Ten conference since 1899, and an Association of American Universities member since 1909. Iowa is known around the world for its balanced commitment to the arts, sciences, and humanities. It is home to one of the nation's largest academic medical centers, the pioneering Iowa Writers' Workshop, and hundreds of options for affordable, accessible education. The Tippie College of Business, better known as "Tippie", is the business school located at the University of Iowa. Established as the College of Commerce in 1921, Tippie is one of the oldest and top ranked business schools in the United States.

FINANCING STRATEGY

ECICOG's financing strategy for the RLF program is based on the sources of financing (both public and private) available to support the business development objectives discussed earlier in this plan and the differing needs of the types of business targeted for investment.

Financing Needs

The type of financing needs and opportunities for target businesses identified in the business development strategy include:

- Access to knowledge/services available through other community members regarding financing options.
- Access to potential financial partners for their projects.

- Access to a variety of financing types (startup financing, inventory, working capital, equipment, real estate, construction, community/local match, etc.).
- Access to reasonable real estate/development financing for real estate.

Local Capital Market

Supply chain problems have significantly impacted the construction industry. Construction contracts have slowed, and the related shutdowns have resulted in supply chain issues including the availability of wood products. Construction growth will be impacted by these supply chain issues well into 2024.

Manufacturing in the rural regions have not all been negatively impacted. Many manufacturers that cater to medical supply needs or Amazon sales have seen a lot of growth, but many have financial needs to help expand their current base. However, other manufacturers have been hampered by the pandemic and may need to pivot into other industries. The RLF may be able to assist with these types of businesses and provide much needed financial help to grow in other directions.

The service industry is one of the hardest hit economic problems. Many restaurants and bars have closed since the pandemic but several have been either reopened or are newly opened to help replace these establishments. The RLF could help these businesses develop better resiliency or other technological advances that would keep them in business. Bars have also gone to take out and could also benefit from technological advances.

The ECICOG RLF program will continue to partner with local banks and credit unions. These collaborative efforts and will benefit the community by creating new permanent jobs, or retaining existing jobs, expanding the tax base, and stimulating the increased economic activities and resiliency within the community.

Public Financing Available Other than the RLF

The six-county area has other avenues of financing available geared towards different audiences.

United States Department of Agriculture (USDA): The USDA's main goal through their business loan program is to promote a dynamic business environment for rural Iowa. USDA Rural Development works in partnership with the private sector and the community-based organizations to help fund businesses that create or preserve quality jobs and/or promote a clean rural environment. The financial resources of USDA Rural Development are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas. Recipients of these programs may include individuals, corporations, partnerships, cooperatives, public bodies, nonprofit corporations, Indian tribes, and private companies.

Small Business Administration (SBA): The SBA has been instrumental in the initial disaster aid made available by the CARES ACT. The SBA offers two types of loans in our region that are more commonly recognized by small businesses, the 7(a) Loan Program and 504 Loan Program.

The 7(a) Loan Program, SBA's most common loan program, includes financial help for businesses with special requirements. Basic uses for 7(a) loan proceeds include to provide long-term working capital to use to pay operational expenses, accounts payable and/or to purchase inventory; short-term working capital needs, including seasonal financing, contract performance, construction financing and exporting; revolving funds based on the value of existing inventory and receivables, under special conditions; to purchase equipment, machinery, furniture, fixtures, supplies, or materials; to purchase real estate, including land and buildings; to construct a new building or renovate an existing building; to establish a new business or assist in the acquisition, operation, or expansion of an existing business; and to refinance existing business debt, under certain conditions.

A 504 loan can be used for the purchase of land, including existing buildings; the purchase of improvements, including grading, street improvements, utilities, parking lots, and landscaping; the construction of new facilities or modernizing, renovating, or converting existing facilities; and the purchase of long-term machinery and equipment. A 504 loan cannot be used for working capital or inventory, consolidating, repaying, or refinancing debt and speculation or investment in rental real estate. A 504-loan amount can go as high as \$5 million.

Other RLF's/microloans: ECICOG administers a variety of loan programs which are all viable options to be used separately or packaged with the EDA RLF to fill the gap financing need of any business looking for alternative financial tools. The loans ECICOG administers include:

- City of Cedar Rapids RLF
- **City of Cedar Rapids** MICRO Loan program
- City of Marion RLF
- Czech Village/New Bo Main Street District RLF
- Med Quarter RLF
- City of Swisher RLF
- **GCRCF/ECICOG micro loan program**

RLF Financing Niche

This RLF allows start-ups or business expansions to participate. With limited funding, the target market is small to medium businesses. The terms range from one to ten years depending on the type of loan needed. Real estate is allowed a ten-year term, while working capital is one to five years, and machinery/equipment/fixed asset is three to seven years. Interest rates vary based on our risk matrix discussed later in this document.. Collateral normally requires a personal guaranty unless exceptional fixed assets can be obtained instead. If needed, ECICOG takes a subordinate position to private lenders. If applicable and possible, ECICOG takes first position of hard assets and files a Uniformed Commercial Code (UCC) Lien after closing. In case of real estate, a mortgage lien is filed with the local county government.

FINANCING POLICIES

The following financing policies and techniques will be used to achieve the goals of the RLF:

Eligible Lending Area: The eligible lending area is Benton, Iowa, Johnson, Jones, Linn, and Washington Counties.

Allowable Borrowers: Borrowers include for profit, non-profits, start-up businesses, and expansion businesses. Business sectors allowed are retail, commercial, service, industrial, and manufacturing. This includes agriculture, logistics (supply chain), and all service-related businesses such as restaurants, retailers, and entertainment venues. Applicants/Borrowers must be authorized to work in the United States to be eligible for this program.

Allowable Lending Activities: RLF funds may be used for working capital and Furniture, Fixtures, and Equipment, and purchase of property. Prohibited uses of the funds include:

- Acquire an equity position in a private business.
- Subsidize interest payments on an existing RLF loan.
- Provide for borrowers' required equity contributions under other Federal Agencies' loan programs.
- Enable borrowers to acquire an interest in a business either through the purchase of stock or through the acquisition of assets unless sufficient justification is provided in the loan documentation. Sufficient justification may include acquiring a business to save it from imminent closure or to acquire a business to facilitate a significant expansion or increase in investment with a significant increase in jobs. The potential economic benefits must be clearly consistent with the strategic objectives of the RLF.
- Provide RLF loans to a borrower for the purpose of investing in interest-bearing accounts, certificates of deposit, or any investment unrelated to the RLF; or
- Refinance existing debt, unless:
 - The RLF Recipient sufficiently demonstrates in the loan documentation a “sound economic justification” for the refinancing (e.g., the refinancing will support additional capital investment intended to increase business activities). For this purpose, reducing the risk of loss to an existing lender(s) or lowering the cost of financing to a borrower shall not, without other indicia, constitute a sound economic justification; or
 - RLF capital will finance the purchase of the rights of a prior lien holder during a foreclosure action which is necessary to preclude a significant loss on an RLF loan. RLF capital may be used for this purpose only if there is a high probability of receiving compensation from the sale of assets sufficient to cover an RLF's costs plus a reasonable portion of the outstanding RLF loan within eighteen (18) months following the date of refinancing.

Loan Size: ECICOG intends the average size of a loan from the RLF will be \$150,000. A minimum loan size will be \$25,000 and a maximum loan size will be \$500,000 or adjusted to be within the required threshold of 25% of the RLF capital base. Multiple loans to one borrower will be at the discretion of the RLF committee and ECICOG Board of Directors.

Interest Rates - The minimum interest rate a RLF recipient shall be charged is 0.5% below the current prime interest rate quoted by the Wall Street Journal. In no event shall the interest rate be less than 75 percent of the prime interest rate listed in the Wall Street Journal. The RLF loan committee will have the discretion of setting a maximum interest rate of 1-2% above the prime rate; however the maximum interest rate shall not exceed 10%.

Terms: Loan terms may vary based on the intended purposes of the loan and at the discretion of the RLF Loan Review Committee, but in no event will exceed ten years. Typically, standard real estate loans can be loaned for up to ten years. Fixed assets tend to be anywhere from three to seven years based on loan amount. Working capital can vary from three to seven years based on amount and collateral.

Fees: The sources of funds for these reimbursements will be a single loan processing fee paid by the RLF borrower equal to 2% of the RLF loan upon approval. By federal regulations, these fees cannot be rolled into the loan.

ECICOG will be reimbursed for administration of the RLF program in addition, up to 100% of the interest earned on loans in a six-month reporting period will be used to cover actual administrative costs. Further, each RLF borrower will reimburse ECICOG for any legal expenses incurred in the closing/servicing of each RLF loan.

Equity & Collateral-ECICOG will require the following equity requirement: The RLF will maintain an overall funding ratio of two private dollars invested for each RLF dollar invested (2:1). This ratio will be determined by considering the entire RLF portfolio, allowing for deviation from the ratio on a project-by-project basis.

In the determination of collateral requirements, the RLF Loan Review Committee may consider the merits and potential economic benefits of each request. When appropriate and practical, RLF financing may be secured by liens or assignment of rights in assets of assisted firms as follows.

- To encourage financial participation in a direct or fixed asset loan project by other lenders and investors, the lien position of the RLF may be subordinate and made inferior to lien or liens securing other loans made in connection with the project.
- In projects involving direct working capital loans, the RLF will normally obtain collateral such as liens on inventories, receivables, fixed assets and/or other available assets or borrowers. Such liens may be subordinate only to existing liens of record and other loans involved in the project.
- In projects involving guaranteed loans in the revolving phase (pending EDA approval), the lending institution ordinarily will be required to maintain a collateral position, to

which the RLF is subordinate, in the assets of the borrower, such as by taking liens on inventories, receivables, fixed assets, and/or other available assets of borrowers.

- In addition to the above types of security, the RLF may also require security in the form of assignment of patents and licenses.
- RLF loan requests submitted by closely held corporations, partnerships, or proprietorships dependent for their continuing success on certain individuals will ordinarily be expected to provide and assign to the RLF life insurance on these key persons. Personal guarantees will be required from principal owners, and or co-signers as appropriate.

Principal Moratoria: The RLF Loan Review Committee has the authority to negotiate special financing, such as approval of a temporary moratorium on principal payments because of temporary difficulty or extenuating circumstances, which a deserving funded project may be experiencing. The moratorium on principal payments shall not exceed one year. For a borrower to be granted this moratorium, they must submit a written request to ECICOG stating the reason and length of time needed for this moratorium. The RLF Loan committee will approve these written requests only if the request exceeds 6-month time period; otherwise RLF administrative staff will be allowed to evaluate and approve each request if deemed necessary.

Interest Moratoria: This can only be enacted if given explicit approval by EDA. The RLF Loan Review Committee has the authority to negotiate special financing, such as approval of a temporary moratorium on interest payments because of extraordinary extenuating circumstances, which a deserving funded project may be experiencing. The moratorium on interest payments shall not exceed one year (although interest shall keep accruing). For a borrower to be granted this moratorium, they must submit a written request to ECICOG stating the reason and length of time needed for this moratorium.

Start-Ups: There will be no difference in policies with regards to start-up businesses. However, they may be granted interest only periods more frequently and their financials will require a pro forma.

Working Capital: The ECICOG RLF will allow for working capital loans at the discretion of the RLF Committee and ECICOG Board of Directors.

Credit not otherwise available - The RLF cannot be used to substitute for available private capital. Borrowers must demonstrate that credit is not otherwise available by providing a bank “turn down” letter or letter indicating they can only fund a portion of the money that the borrower needs, see 13 C.F.R. 307.15 (b) (2)(viii).

PORTFOLIO STANDARDS AND TARGETS

Targeted Percentages: The RLF will not utilize any percentages for targeted businesses.

Private Sector Leverage: As specified in 13 CFR 307.15(d), the ECICOG RLF portfolio will maintain a private ratio of 2:1, or two dollars of private dollars or funds to every one dollar in EDA funding.

Job Cost Ratio: The ECICOG RLF will maintain a \$25,000 cost per job ratio, meaning one job per \$25,000 RLF funds expended over the whole of the portfolio. There will be no applicable job criteria for this RLF.

RLF LOAN SELECTION CRITERIA

Each loan applicant must demonstrate that financing is not otherwise available due to terms and conditions that would permit completion of the project activities to be financed. This would include a bank denial letter. Criteria for selection/risk will be considered as part of the interest rate discussion and that criteria will be based on whether the business is currently established or a start-up. Business criteria are based on the following areas:

- Quality of management team/character/commitment
- Equity
- Collateral position or loan guarantees available.
- Projected cash flow/debt coverage
- Potential FTE job created or retained.
- Loan guarantor's credit score (with further consideration if score is affected by medical or school debt).
- TSB Certified
- Non metro area (outside of MPO boundary)
- Underserved/Distressed area (FFIEC map)

The RLF Loan Committee will make every effort to be consistent with the EECI and give priority to those projects that assist in the economic development and resiliency of Eastern Iowa.

PERFORMANCE ASSESSMENT PROCESS

The portfolio will be monitored semi-annually in conjunction with the required EDA reporting ending June 30 and December 31. As part of these reports, ECICOG gathers job creation information directly from borrowers to support the jobs created information on these reports. As part of the application process, the private investment information is included in the overall budget required with our application that allows for the job created/RLF money ratio. Thus, the metrics set forth in these reports will monitor our job/cost ratio and private investment/RLF money ratio along with the amounts lent to new/existing businesses, types of businesses, and loan purposes. The RLF Loan Committee will initially review these reports to determine if the

RLF is trending in the correct direction and report to the full ECICOG Board of Directors if modifications are needed.

Changes will be made to the plan as deemed appropriate to stay consistent with the EECI and to ensure that the RLF is operated in accordance with federal regulations and within the parameters of this document. Changes will result in amendments recommended by the RLF Loan Committee and approved by the ECICOG Board of Directors. All amendments must have approval by the EDA. The entirety of this document is required to be reviewed and revised every five years.

Part II: Revolving Loan Fund Operational Procedures

ORGANIZATION STRUCTURE

Critical Operational Functions: The East Central Iowa Council of Governments is responsible for the implementation and administration of the RLF. An Administrator, under the general direction of the Executive Director, is responsible for developing, completing, coordinating, and overseeing the servicing of the loans generated by the RLF. This includes but is not limited to developing the application, intake of application, initial review of application, Portfolio input, sending application to review committee, maintaining review committee, marketing RLF, environmental review (if necessary), loan processing, loan closings, loan servicing, and organizational administration. ECICOG does not contract any loan servicing aspects to a third party. An Administrative Assistant, under the direction of the Executive Director and with the input from the administrator conducts Automated Clearing House (ACH) withdrawals once a month and applies payments to the borrowers' accounts within ECICOG's overall bookkeeping functions.

Once a year, ECICOG is audited by an accredited Certified Public Accountant (CPA) firm to conduct the required federal audits for all our federally funded programs including but not limited to EDA's funding.

Marketing of the RLF is another function held by multiple people within ECICOG. Between the Administrator and the Public Information Specialist, the goal is to identify eligible applicants within our region. This includes but is not limited to:

- Networking with local lenders to let them know about the RLF program.
- Publish articles about the program periodically with an audience of business and financial specialists.

- Market the RLF through direct marketing and through business associations, e.g., job fairs.
- Post RLF on ECICOG website and other economic development websites.
- Network with economic development organizations in the region to educate them about the program.

Loan Administration Board: The RLF will be administered by ECICOG, a public planning agency originally formed under Chapter 28E, Code of Iowa, and provided for under Chapter 28H, Code of Iowa. ECICOG is governed by a 21-member board of directors representing both the public and private sectors. The board consists of three representatives from our rural counties (Benton, Iowa Jones, and Washington), five from Linn County, and four from Johnson County. The rural counties have two elected officials and one citizen representative. Linn and Johnson County have a combination of elected officials, citizen representatives, and those responsible to an elected official.

Members are appointed by the Supervisors of each County for three-year terms at the beginning of each calendar year. There are no experience or occupational requirements per se other than some must be elected officials, and all have to be appointed by their respective Boards of Supervisors. Our quorum requirement is that of having 12 members present to call a meeting to order. This board has final authority over committing loan funds to a project, modifications to a previous agreed to loan, writing off any loans, and amending/overhauling of the RLF Administrative Plan.

ECICOG also has an Underwriting Committee that makes recommendations to the Loan Administration Board. This group consists of nine people, including bankers and economic development leaders, that will review each loan application on its merit. Each county will have one representative (6 total) and 3 at large representatives. The six county representatives will have to be approved by their respective Boards of Supervisors and the three at large candidates will be approved by the ECICOG Board of Directors each January. Members have a one-year, renewable term. A quorum will consist of five members. Each County and the ECICOG Board are encouraged to consider regional demographics when making appointments so that Underwriting Committee's membership reflects the diversity of the region. This will include making concerted efforts to appoint members of disadvantaged groups (e.g.: minorities, women, immigrants, etc.).

Timely consideration of applications is necessary to effectively implement the RLF. If necessary, due to time constraints and/or committee availability issues, voting by email may be allowed. If voting by email, all motions and votes are printed and included in the RLF loan folder for each applicant. Roberts Rules of order will still be applicable.

The RLF Loan committee will meet via zoom once a month. If necessary, in person meetings will take place at an agreed upon location if technology is available for those who attend remotely.

Conflict of Interest: For purposes of the RLF program, the conflict-of-interest policy shall include that:

- An interested party of ECICOG may not receive, directly or indirectly, any personal or financial benefits from disbursement of RLF loans.
 - An interested party includes any officer; employee; member of the ECICOG board; those who advise ECICOG on business decisions such as consultants, attorneys, or accountants; or the immediate family, significant other, or domestic partner of an interested party.
- ECICOG shall not lend RLF funds to a former ECICOG board member or his/her immediate family for a period of at least two (2) years since the board member last served on the ECICOG board of directors.

LOAN PROCESSING PROCEDURES

Standard Loan Application Requirements:

- Application fully filled out and signed (may be submitted by email, if necessary technology is not available to the applicant.)
- Business plan
- Credit not otherwise available (bank letter)
- Balance sheet and income statement (most recent 3 years), if existing business
- Current balance sheet (not over 90 days old)
- Three-year Projected Profit & Loss (P&L's) (5 year pro forma if new business and may require three years of personal tax returns)
- Personal financial statement
- List of equipment or machinery to purchase.
- Collateral to offer.
- Cash flow and debt projection
- Any additional supporting documents
- **TSB Certification if using for extra points in risk matrix**
- **FFIEC showing business in distressed/underserved area**

Credit and Financial Analysis: A business owner credit report will be run through Equifax to determine a credit score.

Standard collateral will be a personal guaranty unless other collateral can be sufficiently secured in lieu of this. UCC liens will be instituted on all borrowers in a blanket lien unless otherwise identified. If liens are placed on real property, the borrower is required to pay the recording fee. If an appraisal is required, it is at the cost of the borrower.

All applicants will include ECICOG as a loss payee on their hazard insurance policies.

All applicants will have a credit turn down letter from an accredited lender.

Environmental Reviews:

All applicants approved for funding will sign an Environmental Assurance and Compliance Commitment form as part of closing. Any real estate purchased will require an environmental review/assessment and/or section 106 review by the SHPO office. **The environmental review/assessment and/or section 106 will have to be submitted with any application submitted for purchase of real estate and will be the responsibility of the applicant.**

Loan Write-Up: Every project recommended by the RLF Loan Committee will have a loan write up provided by the Administrator to the ECICOG Board of Directors. It will consist of the terms the applicant has asked for, the overall project scope, the RLF Committee's recommendation with changes in terms if necessary and the risk matrix information.

Procedures for Loan Approvals: The RLF Loan Committee makes a recommendation to the ECICOG Board of Directors based on the risk matrix. This risk matrix determines fundability of the project and the interest rate that will be offered. The Administrator then prepares a loan write up for the Board of Directors that summarizes the terms and conditions of the loan and the results of the risk matrix. The ECICOG Board of Directors discusses the applications once a month at their board meeting and with the RLF Administrator in attendance to answer questions and to ensure the board that the loan is following the Administrative Plan. A quorum is twelve people, and a majority vote is needed for approval or seven votes in favor will approve the project. The RLF Committee minutes and the ECICOG Board of Directors meeting minutes are both included in the loan folders for auditing purposes.

LOAN CLOSING AND DISBURSEMENT PROCEDURES

Loan Closing Documents:

- Loan application
- Loan agreement
- Record of decision, e.g., ECICOG meeting minutes
- Promissory note
- Security agreement(s)
- Personal guaranty agreement (if applicable)
- Deed of trust or mortgage (as applicable)
- Notice to, and consent of prior lien holder (as applicable)
- Proof of hazard and liability insurance with ECICOG named as a loss payee.

- Signed bank turn-down letter demonstrating appropriate credit not otherwise available, or other documentation demonstrating credit not available at terms and conditions that permit the completion or successful operation of the activity to be financed
- An environmental assessment (if applicable)
- RLF loan check copy
- ACH Form
- Amortization schedule
- Environmental checklist
- UCC Lien (if applicable)
- Loan write-up
- Landlord lien release as applicable

Loan Agreement Provisions: The borrower will certify in the loan agreement that the funds are to be used for the purposes intended as specified in the loan application (ECICOG Loan Agreement, pages 3 and 6).

Any documents prepared will hold the Federal government harmless from and against all liabilities in site preparation or construction or repair/renovation of any facility.

Federal Statutory and Regulatory requirements will be included in all documents given to third parties and issues of non-compliance are in ECICOG RLF Loan agreement (page 10).

Loan Disbursement: The disbursement of the loan can be either in one lump sum or in different tranches. The terms of each tranche will be the same. The method of disbursement is by check made out to the name of the business included on the application at time of submittal.

LOAN SERVICING PROCEDURES

Repayment: All ECICOG RLF repayments are to be made via ACH payments initiated by ECICOG on the 15th of each month. If the last payment is a different amount, ECICOG will email the business owner and have written email proof to withdraw the final payment.

Monitoring: Every six months (in June and December), ECICOG will email a job creation report to each borrower. It will ask each borrower how many jobs were created in the six-month time frame to help track the job creation for the RLF program. A supplemental payroll sheet should be included to convert part-time positions. Additionally, ECICOG will ask for updated balance sheets and P&L's every year, along with updated personal financial statements annually. The RLF Administrator will ask for updated insurance renewals, if necessary, and conduct on site visits at least once. After closing, UCC liens are immediately filed and renewals of these will be tracked by Portfol and the Administrator.

Loan Files: Loan files include all loan application material already previously listed; all closing documents already previously listed, liability insurance with ECICOG as loss payee; UCC lien with ECICOG as secured party; copy of checks; copies of financial statements; job creation reports; ACH payments made; ACH payments not made; correspondence for missed payments; attorney information for non-payment; risk matrix; and other correspondence as deemed relevant. All loan files are kept on ECICOG premises in a locked, fireproof file cabinet.

Job Creation: Job creation is initially reviewed via ECICOG RLF application based on applicant's input. After closing, every six months, ECICOG emails a job creation report to track jobs created in that six-month period, along with a payroll report.

Defaulted Loans

Late Payment Follow-up Procedures

Loan payments are due on the fifteenth day of each month to ECICOG by ACH. Loan recipients are informed of the procedures used for delinquent payments at the time of closing. The information is also included in the contract and note, which the loan recipient receives. The Loan Review Committee is kept informed of any loan recipient that is delinquent on loan repayments. The following are the procedures for the RLF Program:

- Upon being advised that a payment was not satisfied through ACH by the Administrative Assistant, RLF staff will contact the borrower promptly to determine the problem, if any exists.
- After a delinquency of ten days after due date, ECICOG contacts the borrower by email with a formal letter or phone call with notification of non-payment and late penalty.
- After thirty days, ECICOG will notify the borrower in writing again with a formal notice and of any additional non-payments.
- After sixty days, ECICOG will provide a third written notice of non-payment and late penalty.
- After ninety days, ECICOG will provide a final written notice of non-payment and late penalty along with notification that if arrangements are not made to make some payment, the loan file will be sent on to an attorney for default and recovery services.
- ECICOG will make every effort to assist the loan recipient that is delinquent with their loan payments. If no resolution is made, a Loan Review Committee meeting will be called with staff recommendation(s) for action. The Loan Review Committee may approve the restructuring of the loan or suspension of principal payments, with interest only payments, for a specified time period not to exceed one year and at terms consistent with previously stated financing policies.

Write-Offs

Loan recipients that continue to be delinquent on loan payments, even following assistance from the Loan Review Committee and staff, shall be considered in default of the terms of the loan. The Executive Director will approve the initiation of default proceedings against the loan recipient. ECICOG's attorney will process the necessary documents and initiate the process. The

loan recipient is also responsible to pay for ECICOG's attorney's fees and expenses to enforce collection. In all cases, ECICOG retains the right to initiate civil litigation collection proceedings to obtain a judgment against a borrower and/or initiate foreclosure proceedings in accordance with applicable state laws. If a loan is in default and proper legal efforts have been taken to collect but are unsuccessful, the Loan Review Committee can recommend to write-off the loan. The Board of Directors must vote to write off the loan. The loan will become a bad debt expense in the year ECICOG acts on writing off the loan.

If fixtures and equipment or real estate is collateralized, ECICOG's attorney will make necessary arrangements for the sale of said collateral and the payment of this sale to ECICOG.

If a loan recipient should start repaying the loan or make a payment on the 90-day notice, the loan recipient will be considered delinquent instead of in default. If the loan recipient makes payment to become current along with attorney's fee, ECICOG will withdraw any judgment against the loan recipient, and they will be considered in good standing with ECICOG.

ADMINISTRATIVE PROCEDURES

Accounting: ECICOG has established a separate interest-bearing account for the RLF funds so that they are clearly separated from other ECICOG funding and auditable. The RLF is operating in accordance with Generally Accepted Accounting Principles (GAAP) and is annually audited by a certified CPA firm.

Administrative Costs: ECICOG will be reimbursed for administration of the RLF program. In addition, up to 100% of the interest earned on loans in a six-month (6) reporting period will be used to cover actual administrative costs. Further, each RLF borrower will reimburse ECICOG for all legal expenses possibly incurred in the closing of each RLF loan and/or default of loan.

RLF costs include staff salary, staff travel and training, RLF legal expenses, RLF supplies, marketing, and other program specific expenses. Any cost not covered by the RLF income, will be covered by ECICOG's other RLF program income.

ECICOG tracks administrative costs through time sheets, invoices, and the agency's accounting system that has a separate account for the RLF program.

Capital Utilization & Sequestration: ECICOG must provide that at all times that at least seventy-five percent of the RLF capital base is loaned or committed. When the percentage falls below this rate, the dollar amount of the RLF funds equivalent to the difference between the actual percentage of RLF capital loaned and the applicable capital utilization percentage is referred to as excessive funds. These funds must be sequestered in a separate interest-bearing account. Every six months, the federal portion must be remitted back to the US Treasury and the

local portion paid to ECICOG's non RLF account. If persistent non-compliance continues, the sequestered portion will be disallowed, and ECICOG would have to remit that amount to EDA.

EDA Reporting: EDA requires ECICOG to submit a Semi-Annual report after December 31 and June 30.

Audits: ECICOG's RLF program will be subjected to an annual audit and in accordance with the provision outlined in OMB circular A-133.

OTHER REQUIREMENTS

Civil Rights

ECICOG and other parties benefiting from the RLF program and creating fifteen or more permanent jobs will provide assurances of compliance with the US Department of Commerce and EDA regulations (13 CFR. § 302.20) under Section 601 of Title VI of the Civil Rights Act of 1964, Section 112 of Public Law 92-65, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and any other applicable non-discrimination law(s), all as amended.

Environmental

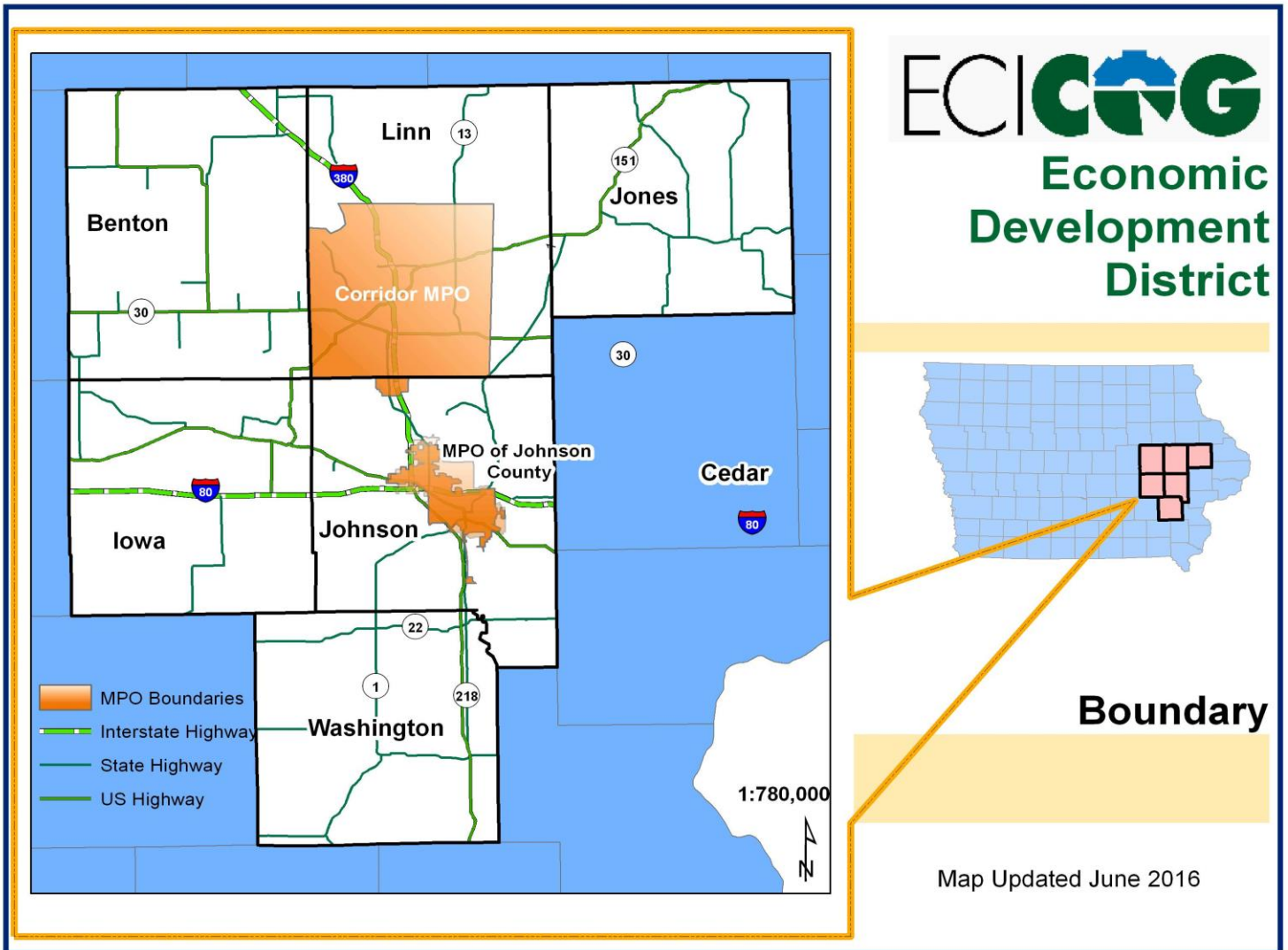
The Loan Review Committee will be apprised of the state and federal statutes concerning environmental impact of proposed projects.

Other parties benefiting from the RLF program will provide assurances of compliance with the National Environmental Policy Act of 1969; Floodplain Management, EO 11988; Protection of Wetlands, EO 11990, May 24, 1977; Clean Air Act, Clean Water Act, and EO 11738; the Flood Disaster Protection Act of 1973; and all other applicable environmental requirements as provided in the prevailing *Department of Commerce Financial Assistance Standard and/or Special Terms and Conditions*.

All Other Federal Requirements

ECICOG will ensure that other parties benefiting from the RLF are aware of all other federal statutory and regulatory requirements, and Executive Orders, including Davis-Bacon wage rates pertaining to construction projects.

Exhibit A



LOAN RISK RATING SYSTEM

Rating	Base (1 point)	Sound (2 Points)	Strong 3 Points)	Points
1. Cashflow (Debt/Income)	>50%	30-49%	<29%	
2. Equity	<20%	21-40%	>41%	
3. Credit Score	<559	560-650	>651	
4. Collateral	None	Some but less than value of loan	Solid, Identifiable items with reasonable resale value	
5. Character/Capability/Commitment	No management experience, weak business plan	Some management experience; adequate business plan	Existing business with strong business plan	
6. Non Metro area business (outside MPO)	1 point			
7. TSB Certified (Targeted Small Bus.)		2 Points		
8. Underserved/Distressed area (FFIEC mapping)		2 Points		
			Total Points	

Not recommended for funding	0-5 Points
Recommended funding 1-2% above prime rate	6-10 Points
Recommended at .5% below prime rate	>11 Points

5. Action Items	
c. Write off uncollectible loans to Progressive Agricultural Services (Pro AG); Fastek, and Zero Energy Systems for accounting purposes	
Staff Lead: Robyn Jacobson	Attachments: None
Motion: Move to approve the write off (removal from ECICOG's assets) of loans to Pro AG, Fastek, and Zero Energy Systems.	

Description: The initial ECICOG Business Assistance Revolving Loan fund (RLF) was established in 2009 to assist businesses that were adversely affected by the 2008 floods of East Central Iowa. The original RLF was funded through an Economic Development Administration (EDA) grant for \$1.5 million dollars along with \$100,000 in local match. The RLF was recapitalized in 2011 with another EDA grant for \$2.9 million dollars plus \$295,380 in local match. The EDA revolving loan fund program is intended to promote economic development by providing gap financing for projects that are unable to secure full financing from the private market. While each loan is vetted, additional risk is present. Sometimes the borrower's default and the loan becomes uncollectible. When this occurs, it is necessary to remove or "write off" these loans from our books for accounting purposes. Below are three long term uncollectible accounts to be removed from ECICOG's assets.

Progressive Agricultural Services: A feed mill located in Lisbon established in 2010. First loan was in 2014 for \$200K (helped purchase feed mill equipment); Second loan was in 2015 for \$250K (helped purchase a boiler system for flaking); Third loan was in 2016 for \$50K (working capital); 3 loans consolidated into 1 loan in March of 2017 for \$462,301. The last payment made toward this loan was July 31, 2018. Total Principal Balance to write off is \$452,788.06. We were 2nd in line but the company who sold them the initial equipment and the building mortgagor were first in line with UCC liens and mortgage liens. All personal guarantors filed bankruptcy. The RLF Loan Committee recommends writing off this debt along with ECICOG's lawyer.

Fastek International : An electrical power management company (computer related) that was established in 1997. A loan for \$150K was completed in 2011. Last payment made was in 2019. ECICOG received \$4,626 in offset money from the State of Iowa for the owner of the company. The owner filed bankruptcy, so all legal avenues have been expended. Principal Balance to write off is \$29,804.66. No assets available. The RLF Loan Committee recommends writing off this debt along with ECICOG's lawyer.

Zero Energy Systems: This company was established in 2009 in Coralville and built insulated walls. A loan of \$250K was completed in 2016 to purchase a piece of equipment (another agency put the majority down on this equipment). The last payment made was in February of 2018. The total principal balance to write off is \$202,184.21. We had second position on this equipment but when the business defaulted, the first position lender had rights for resale, and we received nothing. Both owners have filed bankruptcy. The RLF Loan Committee recommends writing off this debt along with ECICOG's lawyer.

Total to be written off: \$684,776.93

Financial Impact: Writing off these loans will have minimal direct impact to ECICOG; however, we have less funding available to loan out to future applicants. These loans are included in the RLF1 and therefore not reportable to EDA because of defederalization.

5. Action Items	
d. Approve adjustment FY24 Employee Compensation	
Staff Lead: Karen Kurt	Attachments: Current and Proposed FY23 Compensation
Sample Motion: <i>"I move to adjust the amount allocated in the budget for base salary adjustments be increased from 2% to 3% with the merit pool remaining the same (2%). This includes the position of Executive Director."</i>	

Description:

In January, the Board approved the budget for FY24. Our approved budget included a 2% base increase and 2% merit pool for an overall compensation increase "pool" of 4%. During the budgeting process, I indicated that we may need to reconsider that number as the end of the fiscal year approached. Based on continuing recruitment challenges and inflationary pressure, we recommend increasing the base amount from 2% to 3% for a total compensation increase of 5% with merit. The additional 1% would add approximately \$11,645 to our FY24 budgeted expenses. We are projected to have sufficient revenues to cover the additional expense.

The Personnel Committee unanimously recommended approval of the proposal during their meeting on May 15. When a similar action was taken last year, it was unclear whether the increase would apply to the position of Executive Director. The Personnel Committee also recommended that the base increase apply to the position of Executive Director.

Minutes from the Personnel Committee meeting are included in the board packet.

Financial Impact: While overall compensation costs would increase by approximately \$11,645, the organization is projected to have sufficient revenue to cover the costs.

6. Reports	
a. Director's Report	Karen Kurt
b. Community and Economic Development Report	Karen Kurt
c. Housing Report	Tracey Achenbach
d. Transportation and Transit Report	Mary Rump
e. Environmental Services Report	Jennifer FencI



EAST CENTRAL IOWA
COUNCIL OF GOVERNMENTS
YOUR REGIONAL PLANNING AGENCY

Executive Director's Report – May 2023

Safe Streets and Roads for All (SS4A) Program The Bipartisan Infrastructure Law (BIL) established the new Safe Streets and Roads for All (SS4A) discretionary program to fund initiatives to prevent roadway deaths and serious injuries. The program supports the development of a comprehensive safety action plan (Action Plan) that identifies the most significant roadway safety concerns in a community and the implementation of projects and strategies to address roadway safety issues. Completing an Action Plan will ensure eligibility for implementation applications.

First-round SS4A funds were awarded to complete an Action Plan for the region's secondary road system through a collaborative effort of county engineers in Iowa. The ECICOG staff is partnering with two other COGs to submit a second-round application for funding to complete an Action Plan for cities within our region. These applications are due July 10, 2023, and ECICOG has been asked to take the lead on the application. As the lead organization, the Board will be asked to authorize the application at the June meeting.

CDBG – Disaster Recovery (DR) Grants Over the course of the last several months, we have discussed the special CDBG – DR opportunities available for Linn and Benton counties in response to the 2020 derecho. ECICOG has already applied for 11 and received 8 grants on behalf of local communities for new housing projects. Environmental Director Jennifer Fencil has been leading our response to the second portion of the CDBG-DR opportunity, which is related to generators and tree recovery. This week she submitted applications for tree grants on behalf of Linn County Conservation, Benton County Conservation and the City of Belle Plaine. She also submitted generator applications for Linn County and the cities of Norway, Belle Plaine, Alburnett, Mount Vernon, Central City, Hiawatha, Marion and Ely. In total, 15 applications were submitted to help with recovery and future readiness!

ICOG Staff Retreat Housing Specialist Mark Culver, Planning Fellow Justice Inkoom and I attended the state-wide retreat for COG staff members on May 4 and 5. Mark delivered a presentation on our nuisance enforcement program and I facilitated a brainstorming session on staff retention, in addition to serving on the planning committee. The staff retreat was the first one held since COVID and a great opportunity to network, build skills and get ideas for new services. One idea we will be looking at for the future is a rental inspection program.

Active Transportation Plan Transportation Director Mary Rump and Planning Fellow Justice Inkoom have been working on an active transportation plan for the rural portion of our region. We encourage you to take and share the plan survey: [RPA 10 Active Transportation Plan | East Central Iowa Council of Governments \(ecicog.org\)](#). In addition to identifying potential bike trail locations, Mary and Justice are driving individual communities to determine where critical sidewalk connections may be missing. For example, a sidewalk connection between a school and park. We are hoping this will be useful to communities as they consider improvements to their sidewalk networks.

EDA Tech Hubs Program We are having conversations with some of our area economic development partners about whether to submit an application for EDA’s new Tech Hubs program. This is another “mega-grant” program similar to the Build Back Better and Good Job Challenge grants. If an area is identified as a Tech Hub, it opens the door to several million dollars in grant funding. This program is likely to be quite competitive, but there are specific carve outs that may advance an application from Iowa.

Watershed Brochure Award ECICOG, along with Benson & Hepker Design of Iowa City, The University of Iowa, The City of Cedar Rapids, and Tru Art Color Graphics, recently won a 2023 Award of Excellence from The Communicator Awards. The *Middle Cedar Watershed Conservation Impacts* brochure won in the category of Print Content – Government. With around 3,000 entries received from across the US and around the world, the Communicator Awards is the largest and most competitive awards program honoring creative excellence for communications professionals.

PATCH Award The PATCH program won a Connect for a Cause Award from the Corridor Business Journal as the 2023 Non-Profit Collaboration of the Year. PATCH was funded by United Way, Cedar Rapids Community Foundation, City of Cedar Rapids and Linn County to address housing repairs following the 2020 derecho. Many non-profits, including ECICOG, played a role in running the program.

Staffing In light of the large amount of environmental work in the pipeline, including the two Climate Pollution Reduction grants, we are actively recruiting an Environmental Planner. This position will report to Environmental Services Director Jennifer Fencil and be responsible for the Iowa Waste Exchange Program as well as assisting with CDBG grants and hazard mitigation planning. Adding this position will allow Jennifer and Environmental Specialist Alicia Presto to focus their time on some of the newer projects.

Goals for Next Month+

- Post new environmental planning position.
- Finalize office remodel plans and cost estimates for Board review.
- Confirm funding match for a potential EDA Technical Assistance grant for an “Activation Coordinator”. Begin work on grant if funding is confirmed.
- Evaluate potential for EDA Tech Hub grant.
- Complete EDA grant for Newbo Market remodel.
- Assist with Swisher and Oxford comprehensive planning.
- Begin work on possible grant for University of Iowa Wet Lab.
- Coordinate 2023 community outreach and education strategy.



EAST CENTRAL IOWA
COUNCIL OF GOVERNMENTS
YOUR REGIONAL PLANNING AGENCY

May 2023 Department Report – Community and Economic Development

Team: Executive Director Karen Kurt, RLF Loan Specialist Robyn Jacobson, Planner/Community Development Specialist Tom Gruis, and Community Development Specialist Jessica Johnson.

Community and Economic Development- Budgeted Revenue \$100,000; Break Even \$119,685			
Known/Contracted Revenue		Potential FY24 Revenue	
State COG Assistance	\$14,705	Tech Service – Springville Comp Plan	\$14,000
EDA – CARES Act (final draw) - COMPLETED	\$50,000	Tech Service – Lone Tree Comp Plan	\$14,000
EDA-Ed Tech Grant	\$7,000	Tech Service – Linn County Fringe Area Plans	\$8,000
EDA-Rural Ideas	\$6,000	Tech Service – Betram Land Use Regulations	\$7,950
EDA-Kirkwood Airport Hanger Renovation	\$4,000	Tech Service – Martelle Code Update	\$3,500
CDBG-Brighton Wastewater - COMPLETED	\$5,000	Tech Service – Urbana Zoning Update	\$4,500
CDBG-CV Coralville Food Pantry	\$1,847		
CDBG- CV Ainsworth Playground	\$3,988		
IDPH -5210 Jones County	\$6,000		
Tech Service- Iowa City Strategic Plan- COMPLETED	\$8,000	FY2024 Known Revenue	
Tech Service – Atkins Fire Station	\$8,000	IDPH-5210 Jones County	\$2,000
Tech Service – Walker Goal Setting/CIP - COMPLETED	\$2,000	Tech Service -Anamosa Comp Plan	\$24,000
Tech Service – Van Horne Nuisance Ordinances - COMPLETED	\$750	Tech Service – Swisher Comp Plan	\$1,000
Tech Service – Hometown Pride Program	\$30,000	Tech Service – Oxford Comp Plan	\$2,000
Tech Service – Swisher Comp Plan	\$11,000	EDA – Rural Ideas	8,000
Tech Service – University Heights ARPA Grants	\$4,000	EDA – Kirkwood Airport Hanger	\$12,000

Tech Service – Oxford Comp Plan	\$7,000	Tech Service – Hometown Pride	\$40,000
CDBG DTR - Anamosa	\$10,000	CDBG-DTR Anamosa	\$12,000
Total	\$179,290		

*Some positions are partially funded through EDA; Community Development Specialist position was vacant for two months.

Revolving Loan Funds			
Budgeted Closing Revenue \$30,000		Budget Interest Income \$62,341	
FY23 YTD	\$36,680	FY 23 YTD	\$44,405.67

Accomplishments Since Last Report:

- Submitted final draw for Ainsworth’s playground equipment for the CDBG-CV project.
- Conducted labor interview for the Coralville Food Pantry’s CDBG-CV kitchen remodel.
- Received Release of Funds for the City of Anamosa’s round II CDBG DTR (Downtown Revitalization) project.
- Met with City of Riverside’s new City Administrator regarding ECICOG services and potential CDBG-DTR project
- Held Visioning Workshop for City of Oxford comprehensive plan.
- Submitted proposals to Linn County for updating fringe area plans and agreements, the City of Martelle for codification, and the City of Urbana for updating the zoning code.
- Attended Martelle Council meeting to review ECICOG services.
- Updated RLF 1 administrative plan.
- City of Hills was awarded a grant through the Aureon Charity Grant Program for the Hometown Pride bike racks and service stations project. Sharon Telephone and the City of Hills will match the grant to fund the project.
- Coordinated a Springville Hometown Pride donation drive for Oriole Pride Week’s “Effect of Beauty” landscaping project to beautify the front of Springville High School.
- Held 5-2-1-0 community garden project with Jones County Young Professionals on May 10th
- Prepared and submitted two reimbursement reports for the University Heights ARPA Businesses Assistance Program.
- Closed on one RLF1 loan in Center Point, Iowa.

Goals for Upcoming Month:

- Continue working with Hometown Pride communities on project planning and implementation.
- Complete construction of Coralville Community Food Pantry’s kitchen remodel.
- Provide City of Riverside with RFQ for project architect and begin slum and blight survey.

- Complete drafts for 3–5 comprehensive plan chapters for Swisher.
- Tabulate City of Oxford resident surveys. Begin drafting plan chapters.
- Coordinate Envision East Central Iowa Strategy Committee meeting and evaluate potential for EDA Technical Assistance Grant.
- Work on potential EDA grants for Newbo Market and University of Iowa wet lab. Evaluate potential for Tech Hub grant.
- 5-2-1-0 Community Garden build event as part of United Way (Jones County) Day of Caring for May 19th, rescheduled from original date of May 12th due to weather.
- Assist one remaining University Heights business with administration of ARPA grant funding reimbursements.

ECICOG ECONOMIC DEVELOPMENT
Business Assistance Revolving Loan Fund

Total Loans Made since 2009	95
Total RLF Funds Loaned to date:	\$ 12,659,433
% Of Loans Paid Off	52%
% of Loans Defaulted (money)	8%
% of Loans Written Off (actual money)	8%
Jobs Created/Retained All loans totaled	1,040
Private Non-RLF Money Leveraged	\$ 68,095,791

	Borrower	Date of Loan	County	Original Loan Amount	Balance	Total Interest Paid	Status	Amount Defaulted/ Written Off	Business Description	Use of Funds
1	Ovation Networks, Inc.	7/17/2009	Linn	\$ 150,000		\$ 22,226.90	PAID IN FULL		IT wireless connection provider	working capital
2	SoyaWax International *	7/17/2009	Linn	\$ 50,000			WRITTEN OFF	\$ 29,965.08	soy wax	working capital
3	AlphaGen Materials Technology*	8/4/2009	Benton	\$ 60,000		\$ 9,492.52	PAID IN FULL		polymer ceramic material	working capital
4	Bochner Confections, Inc. *	9/15/2009	Johnson	\$ 189,912			WRITTEN OFF	\$ 159,772.56		machinery
5	Cedar Crest Manufacturing, Inc.	11/10/2009	Linn	\$ 180,000		\$ 26,672.56	PAID IN FULL		promotional material ie: pens	working capital
6	HH Ventures, LLC	11/10/2009	Linn	\$ 150,000		\$ 22,215.84	PAID IN FULL		wireless phones	working capital
7	Mobile Demand LLC	3/15/2010	Linn	\$ 150,000		\$ 21,771.94	PAID IN FULL		rugged tablets	working capital
8	Geonetric	3/19/2010	Linn	\$ 150,000		\$ 22,817.44	PAID IN FULL		IT healthcare solutions	working capital
9	Cedar Ridge Vineyards, LLC	5/12/2010	Johnson	\$ 150,000		\$ 21,761.67	PAID IN FULL		wine and spirits	machinery/equipment
10	Inteconnect, Inc.	9/7/2010	Linn	\$ 55,000		\$ 8,222.28	PAID IN FULL		security systems	working capital
11	AlphaGen Materials Technology* 2	11/12/2010	Benton	\$ 60,000		\$ 17,317.52	PAID IN FULL	\$ 7,489.46	** attorney fees **	working capital
12	Sign Productions, Inc. *	11/19/2010	Linn	\$ 150,000			WRITTEN OFF	\$ 89,146.97		working capital
13	Sign Productions, Inc. * 2	11/19/2010	Linn	\$ 100,000			WRITTEN OFF	\$ 294.20		working capital
14	Fastek International, LTD	2/1/2011	Linn	\$ 150,000			DEFAULT	\$ 29,804.66	electric input power for IT	equipment
15	Involta, LLC	6/21/2011	Linn	\$ 87,000		\$ 8,480.69	PAID IN FULL			FF&E/machinery
16	Happles Gourmet Foods, LLC	11/2/2011	Iowa	\$ 150,000			IN DEFAULT	\$ 96,020.22	organic pies	working capital
17	Brewhemia	1/17/2012	Linn	\$ 72,000		\$ 9,952.80	PAID IN FULL		coffee shop	buyout/working capital
18	Little Cupcakes Child Care	6/11/2012	Linn	\$ 50,000		\$ 5,769.23	PAID IN FULL		daycare	inventory/working cap.
19	Kor, LLC	7/3/2012	Linn	\$ 50,000		\$ 5,333.29	PAID IN FULL		interior design	working capital
20	Kids, Inc.	8/13/2012	Johnson	\$ 150,000		\$ 18,841.16	PAID IN FULL		daycare	equipment/working cap.
21	Kalona Brewery Company	1/13/2013	Wash	\$ 133,333		\$ 16,884.90	PAID IN FULL		restaurant & brewpub	equipment/machinery
22	Radiology Protocols	2/28/2013	Johnson	\$ 160,000			WRITTEN OFF	\$ 76,395.39	IT for radiology depts.	FF&E, working capital
23	CQM Systems**	3/11/2013	Johnson	\$ 100,000			WRITTEN OFF	\$ 81,635.71		working capital
24	Mobile Demand, LLC 1	4/5/2013	Linn	\$ 250,000		\$ 26,612.61	PAID IN FULL		rugged tablets	working capital
25	Dibzees LLC	4/29/2013	Johnson	\$ 125,000			WRITTEN OFF	\$ 108,042.54		working capital
26	Dibzees LLC 2	8/29/2013	Johnson	\$ 125,000			WRITTEN OFF	\$ 111,657.34		working capital
27	Press Café	8/30/2013	Linn	\$ 78,000			WRITTEN OFF	\$ 70,339.78		working capital
28	Kamath Bioscience	1/10/2014	Johnson	\$ 56,250		\$ 4,695.03	PAID IN FULL		cardiostrong sport drink	FF&E, working capital
29	Green Team Technologies	1/10/2014	Johnson	\$ 250,000		\$ 17,465.57	PAID IN FULL			working capital
30	Anna's Allergen Free	3/17/2014	Johnson	\$ 250,000			WRITTEN OFF	\$ 235,000.55	organic, gluten, allergy free foods	working capital
31	Level 10	7/11/2014	Linn	\$ 250,000		\$ 13,700.22	PAID IN FULL		apparel business	inventory/working cap.
32	Brewhemia 2	7/15/2014	Linn	\$ 30,000	\$ -	\$ 3,149.68	PAID IN FULL		coffee shop	working capital
33	Pro Ag Services	9/19/2014	Linn	\$ 200,000	\$ -	-	PAID IN FULL		feed mill	equipment
34	iConnect IT	10/3/2014	Linn	\$ 250,000			default	\$ 72,275.26	interpreting service	working capital
35	Sauce Bar and Bistro	10/22/2014	Linn	\$ 27,000			WRITTEN OFF	\$ 20,562.18	restaurant	FF&E
36	Zins Restaurant	10/22/2014	Linn	\$ 55,000			WRITTEN OFF	\$ 42,729.26	restaurant	working capital
37	Lionne's Designs	5/4/2015	Johnson	\$ 80,000	\$ 3,378.76				Jewelry	working capital
38	Pub 217	9/30/2015	Linn	\$ 30,000		\$ 3,065.10	PAID IN FULL		bar/restaurant	equipment
39	Pro Ag Services 2	9/30/2015	Linn	\$ 250,000		-	PAID IN FULL		feed mill	equipment
40	Revolution Realty	11/2/2015	Linn	\$ 30,000		\$ 698.37	PAID IN FULL		real estate office	working capital
41	Revolution Realty 2	11/2/2015	Linn	\$ 140,000	\$ 9,527.85				real estate office	working capital
42	Big Discount Liquor	12/4/2015	Linn	\$ 20,000		\$ 936.55	PAID IN FULL		liquor/food	working capital
43	Haveli Indian Cuisine	12/4/2015	Johnson	\$ 80,000		\$ 9,549.50	PAID IN FULL		restaurant	FF&E

	Borrower	Date of Loan	County	Original Loan Amount	Balance	Total Interest Paid	Status	Amount Defaulted/ Written Off	Business Description	Use of Funds
44	Lost and Found Restaurant	12/22/2015	Linn	\$ 80,000			WRITTEN OFF	\$ 45,073.58	restaurant	FF&E
45	Eco Lips	12/29/2015	Linn	\$ 350,000	\$ -	\$ 40,911.74	PAID IN FULL		organic eco friendly lip balms	equipment
46	Geonetric 2	12/30/2015	Linn	\$ 356,000	\$ -	\$ 31,462.19	PAID IN FULL		IT healthcare solutions	working capital
47	Geonetric 3	12/30/2015	Linn	\$ 144,000	\$ -	\$ 12,725.66	PAID IN FULL		IT healthcare solutions	FF&E
48	Exotic India	12/30/2015	Johnson	\$ 25,000		\$ 692.46	PAID IN FULL		restaurant	FFE, working cap. Sign
49	Uptown Snug	1/4/2016	Linn	\$ 66,700	\$ -	\$ 9,114.60	PAID IN FULL		Bar/pub	FF&E
50	Diamond Leaf Jewelers	3/11/2016	Johnson	\$ 30,000	\$ -	\$ 3,901.60	PAID IN FULL		Jewelry	FF&E
51	Mobile Demand 2	4/8/2016	Linn	\$ 300,000		\$ 13,071.29	PAID IN FULL		rugged tablets	working capital
52	Mobile Demand 3	4/8/2016	Linn	\$ 90,000		\$ 3,921.80	PAID IN FULL		rugged tablets	working capital
53	AES Corporation	5/6/2016	Linn	\$ 225,000		\$ 24,694.57	PAID IN FULL		software engineering services	working capital
54	Zero Energy Systems	5/13/2016	Johnson	\$ 250,000			DEFAULT	\$ 202,184.21	insulated concrete walls	machinery
55	Kahler Golf dba Amana Colonies Golf	6/1/2016	Iowa	\$ 64,000		\$ 7,041.05	PAID IN FULL		golf course & clubhouse	working capital
56	Cellular Engineering Techn.	6/2/2016	Johnson	\$ 50,000	\$ -	\$ 7,090.65	PAID IN FULL		Stem cell manufacturer	working capital
57	J&J Solutions Inc. dba Corvida Chemo Device	7/27/2016	Johnson	\$ 75,000	\$ -	\$ 10,420.52	PAID IN FULL		medical device	equipment
58	Prall Adventures dba Dicks Tap & Shake Room	7/29/2016	Linn	\$ 59,500			default	\$ 8,982.50	bar/coffee/music	equipment
59	Kahler Golf dba Amana Colonies Golf 2	9/1/2016	Iowa	\$ 64,000		\$ 6,847.00	PAID IN FULL		golf course & clubhouse	working capital
60	Cellular Engineering Techn.	9/12/2016	Johnson	\$ 50,000	\$ -	\$ 7,132.54	PAID IN FULL		stem cell manufacturer	working capital
61	J&J Solutions Inc. dba Corvida Chemo Device 2	9/14/2016	Johnson	\$ 75,000	\$ -	\$ 10,596.93	PAID IN FULL		medical device	equipment
62	Pro Ag Services 3	10/7/2016	Linn	\$ 50,000		-	PAID IN FULL		Feed Mill	working capital
63	Inteconnect, Inc.	11/4/2016	Linn	\$ 150,000		\$ 20,351.19	PAID IN FULL		security systems	equipment
64	Brick Alley Pub&Sports Bar	1/13/2017	Linn	\$ 52,000	\$ 5,237.88				bar	equipment
65	Iowa Soul Food Company	2/23/2017	Johnson	\$ 90,000	\$ 19,723.52				restaurant	working capital
66	RRT Custom Homes	3/3/2017	Linn	\$ 150,000	\$ -	\$ 19,754.38	PAID IN FULL		custom home building	machinery
67	Pro Ag Consolidated Loan	3/22/2017	Linn	\$ 462,301			IN DEFAULT	\$ 452,788.06	consolidated loans	equipment/working cap.
68	Beratek Industries	5/15/2017	Linn	\$ 153,522	\$ -	\$ 4,398.87	PAID IN FULL		product designer & manufacturer	equipment
69	The Mobile Pack	9/1/2017	Johnson	\$ 111,250		\$ 6,917.28	PAID IN FULL		dog care	working capital
70	RKKH Enterprises dba All Tune and Lube	9/5/2017	Linn	\$ 50,000		\$ 3,962.30	PAID IN FULL		car maintenance	working capital
71	Ratgal Foodmart LLC, dba Big Discount Liquor	11/3/2017	Linn	\$ 75,000	\$ -	\$ 2,841.94	PAID IN FULL		liquor/food	equipment/inventory
72	J&J Solutions Inc. dba Corvida Medical	11/15/2017	Johnson	\$ 350,000	\$ -	\$ 50,670.69	PAID IN FULL		Chemo medical device	equipment
73	Weather Vane Eatery	11/20/2017	Linn	\$ 40,000			WRITTEN OFF	\$ 34,648.54	restaurant	equipment/WC
74	Cedar Ridge Vineyards, LLC	1/30/2018	Johnson	\$ 150,000		\$ 7,715.13	PAID IN FULL		wine/spirits manuf and distr.	equipment
75	Alternative Sport Ent. DbA Hatchet Jack's	3/13/2018	Johnson	\$ 50,000	\$ 5,623.40				entertainment/hatchet throwing	FFE
76	Kahler Golf dba Amana Golf	4/2/2018	Iowa	\$ 100,000		\$ 6,810.04	Paid in full		golf course/clubhouse/event center	working capital
77	BDC Group	5/28/2019	Linn	\$ 500,000	\$ 146,516.13				broadband installation etc.	vehicles
78	Eastern Iowa Family Counseling	7/24/2019	Linn	\$ 79,000	\$ 44,312.96				Counseling services	building acquisition
79	Stratafolio, Inc.	11/4/2019	Linn	\$ 150,000	\$ 82,781.13				Real estate software	FF&E/WC
80	Elease Daycare, LLC	11/5/2019	linn	\$ 39,571	\$ 17,174.09				daycare	FF&E/WC
81	Kahler Golf dba Amana Golf Colonies	12/18/2019	Iowa	\$ 100,000		\$ 2,137.20	paid in full		Golf Course	WC
82	Wickwire Chiropractic and Wellness Center	2/10/2020	Johnson	\$ 60,000		\$ 1,437.03	PAID IN FULL		Chiropractic clinic	WC
83	The Olympic South Side Theatre LLC	2/27/2020	linn	\$ 166,000	\$ 140,290.09				Theatre/wedding venue	equipment
84	The Olympic South Side Theatre LLC	2/27/2020	Linn	\$ 100,000	\$ 62,095.50				Theatre/wedding venue	WC
85	Alternative Sport Ent. DbA Hatchet Jack's	8/5/2020	Linn	\$ 50,000	\$ -	\$ 1,412.28	paid in full		entertainment/hatchet throwing	FFE
86	Inteconnect, Inc.3	11/9/2020	Linn	\$ 300,000	\$ 150,730.24				security systems	vehicles/wc
87	Spotix	11/10/2020	Johnson	\$ 200,000	\$ 100,486.68				high end grills, firepits, patio	inventory/working cap.
88	Stratafolio, Inc.	12/8/2020	Linn	\$ 150,000	\$ 95,460.54				Real estate software	FF&E/WC
89	Creative Printing Plus LLC	1/22/2021	Johnson	\$ 25,000			DEFAULT	\$ 23,685.86	Printing on blinds, walls, etc	equipment
90	Atlas Truck Bodies	2/9/2021	Jones	\$ 142,500			default	\$ 125,875.00	Custom truck bodies	machinery
91	Bowers Chiropractic	3/8/2021	Linn	\$ 39,593.70	\$ 25,097.66				Chiropractic clinic	Equipment
92	Zapo- Nixon LLC	7/1/2021	Jones	\$ 30,000.00	\$ 20,000.00				Mexican restaurant	FFE/wc
93	Mobile Demand	7/1/2022	Linn	\$ 500,000.00	\$ 416,666.70				rugged tablets	working capital
94	4DMobile	7/1/2022	Linn	\$ 250,000.00	\$ 208,333.30				dimesion measuring	working capital
95	Kraus Plumbing and Heating	7/1/2022	jones	\$ 116,000.00	\$ 102,466.69				plumbing and heating	machinery/equipment
96	Katie's Healing Hands Massage LLC	5/11/2023	Linn	\$ 18,000.00	\$ 18,000.00				Massage and nails salon	equipment/furniture
Total:				\$ 12,677,433	\$ 1,673,903.12	\$ 635,666		\$ 2,124,368.91		

*FF&E= Furniture, Fixture, and Equipment

ECICOG ECONOMIC DEVELOPMENT

RLF 2 Revolving Loan Fund

Total Loans Made since 2020	24
Total RLF Funds Loaned to date:	\$ 4,664,436
% Of Loans Paid Off	0%
% of Loans Defaulted	0%
% of Loans Written Off (actual money)	0%
Jobs Created/Retained All loans totaled	21
Private Non-RLF Money Leveraged	\$ 2,489,900

as calculated by EDA

	Borrower	Date of Loan	County	Original Loan Amount	Balance	Total Interest Paid	Status	Amount Defaulted/ Written Off	Business Description	Use of Funds
1	BDC Group - 2	1/22/2021	Linn	\$ 105,000	\$ 57,885.33		Current		broadband installation/boring	WC
2	Mondo's New Union Brewery	1/29/2021	Johnson	\$ 250,000	\$ 137,821.81		Current		brewery/restaurant	inventory/WC
3	Delhicacy	2/17/2021	Linn	\$ 165,000	\$ 104,691.94		Current		restaurant	equipment
4	MSD Sales	2/19/2021	Linn	\$ 233,700	\$ 147,388.79		Current		automated/rebotic manuf. Equip.	machinery/WC
5	CryptoStopper	3/9/2021	Linn	\$ 500,000	\$ 358,333.39		Current		cyber security firm	WC
6	Delhicacy 2	4/22/2021	Linn	\$ 125,000	\$ 79,166.74		Current		restaurant	w/c, equipment
7	Schoebelen Inc.	4/23/2021	Washington	\$ 107,500	\$ 67,894.68		Current		ag repair/sales small engine work	w/c, equipment
8	4DMobile	5/28/2021	Linn	\$ 250,000	\$ 154,166.59		Current		software	working capital
9	MJ Sports dba BluTrack	6/4/2021	Jones	\$ 500,000	\$ 475,173.61		Current		toy track manufacturer	real estate
10	IBLITZ Boxing and Fitness LLC	9/1/2021	Johnson	\$ 29,500	\$ 19,666.60		Current		Gym	w/c, equipment
11	O's Grill LLC	9/22/2021	Linn	\$ 90,000	\$ 66,000.00		Current		Restaurant	w/c, equipment
12	Haveli Indian Cuisine	9/27/2021	Johnson	\$ 100,636	\$ 68,767.87		Current		Restaurant	equipment
13	Eastern Iowa Health Center	10/29/2021	Linn	\$ 500,000	\$ 458,333.36		Current		Health Center	dentist equip.
14	Air FX	12/13/2021	Linn	\$ 500,000	\$ 460,114.48		Current		climbing gym/trampoline park	climbing equip.
15	Stratafolio 3	4/22/2022	Linn	\$ 25,000	\$ 19,999.96		Current		rental property software	w/c
16	Serenity Salon and Spa	5/27/2022	Linn	\$ 47,100	\$ 43,960		delinquent		salon and spa	w/c, equipment
17	Nourish Med Spa	6/21/2022	Linn	\$ 200,000	\$ 176,666.69		Current		medical spa	equipment/w/c
18	Amelia Jane Salon	6/21/2022	Linn	\$ 41,000	\$ 36,216.69		Current		hair salon	equipment
19	Boxx Scaffolding	7/6/2022	Linn	\$ 200,000	\$ 190,111.11		Current		scaffolding company	equipment/w/c
20	Eco Pallets	7/11/2022	Linn	\$ 100,000	\$ 94,999.99		Current		plastic pallet manufacturer	equipment
21	Stratafolio 4	7/11/2022	Linn	\$ 75,000	\$ 63,750		Current		real estate software	w/c
22	Dascoa Inc.	8/10/2022	Linn	\$ 250,000	\$ 223,214.29		Current		commercial kitchen appliances/repair	vehicles
23	Raining Rose	8/10/2022	Linn	\$ 200,000	\$ 178,571.45		Current		manufacturer	machinery
24	Lisa Nguyen LLC	2/17/2023	Linn	\$ 70,000	\$ 70,000.00		Current		vietnamese restaurant	equipment
Total				\$ 4,664,436	\$ 3,752,895.37					

*FF&E= Furniture, Fixture, and Equipment

*WC=working capital

May Department Report – Housing

Team: Housing Director Tracey Achenbach, Housing Specialist Mark Culver, Planner/Grant Specialist Paula Mitchell, Housing Recovery Coordinator Nicole Beuc, Planner/Housing Specialist Deanna Robinson, Housing Fellow Julie Herny, Housing Rehabilitation Coordinator Steve Van Abemma

Housing – FY23 Budgeted Revenue \$462,862			
Known/Contracted Revenue		Potential FY23/24 Revenue	
CDBG Hiawatha and Lisbon Rehab	1,010		
CDBG Central City Rehab	15,806		
CDBG Coralville Rehab and Down Payment	10,970		
CDBG Washington Rehab	16,110		
CDBG Vinton Down Payment	1,500		
CDBG Washington County Down Payment	4,500		
CDBG Anamosa Rehab	27,828		
CDBG Brighton Rehab	33,274		
CDBG North Liberty Rehab	31,214		
CDBG DR New Construction Projects	75,000		
FHLB Housing Rehab – Linn County HTF	16,200		
FHLB Housing Rehab – East Central Iowa HTF	18,000		
FHLB Housing Rehab – HTF Johnson County	17,500		
Palo Housing Rehab Program	6,000		
Tech Service - Washington Housing Rehab Program	1,800		
Tech Service - HTF Misc. Housing Rehab Programs	3,500		
Tech Service -IFA Home Rehab Block Grant Program – Washington	6,000		

Tech Service - Johnson County Housing Rehab Program	15,000		
Tech Service – Shellsburg Building Inspections	2,500		
Tech Service – Central City Nuisance Enforcement	5,400		
Tech Service – Springville Nuisance Enforcement	5,100		
Tech Service – Oxford Junction Nuisance Enforcement	5,400		
Tech Service – Onslow Nuisance Enforcement	4,500		
Tech Service – Wyoming Nuisance Enforcement	3,600		
Tech Service – Van Horne Nuisance Enforcement	3,600		
Tech Service – Olin Nuisance Enforcement	3,600		
Tech Services – ICOG Foreign Labor Inspections	5,006		
Tech Services – Homes for Iowa Administration	12,500		
Tech Services – East Central Iowa HTF Administration	26,508		
Tech Services – Housing Fund for Linn County Admin	92,616		
Tech Services – PATCH Program Administration	85,584	City of Cedar Rapids CDBG-DR Rehab Program	5,000
Tech Service - Linn County Housing & Equity Needs Study	45,000		
Total Contracted Revenue	\$602,126	Total Potential Revenue	\$5,000

Accomplishments since Last Report:

- Submitted proposal to IFA for Iowa Homeowner Assistance Fund Home Repair Program
- Mark presented on nuisance enforcement at the ICOG staff retreat
- Obligated nearly all of the funds for the Johnson Co Emergency Repair / Rehabilitation Program

Goals for Upcoming Month:

- Begin inspections on Washington owner-occupied rehabilitation pilot program homes
- Complete environmental reviews and 106 clearances for CDBG-DR projects
- Enter into contract with City of Cedar Rapids for CDBG-DR Rehabilitation Program
- Submit Federal Home Loan Bank applications on behalf of the housing trust funds for owner-occupied rehabilitation programs
- Close out 2020 FHLB programs for the three housing trust funds

Other Notes:

- Department is busy initiating new programs while conducting final inspections and requesting reimbursements for 2020/21 grants

May 2023 Department Report – Transportation

Team: Transportation Director Mary Rump, Transit Administrator/Planner Brock Grenis, Communications Specialist Joe Bauer, Planning Fellow Justice Inkoom

Transportation- Budgeted Revenue \$196,993			
Known/Contracted Revenue		Potential FY23 Revenue	
Iowa DOT Planning Contract	\$196,993		
Total	\$196,993		

*Communications Specialist and Planning Fellow are partially funded through Planning Contract.

Transit- Budgeted Revenue \$255,200			
Known/Contracted Revenue		Potential FY23 Revenue	
Operating Assistance	\$187,200		
380 Express Marketing	\$68,000		
Total	\$255,200		

*Communications Specialist partially funded through 380 Express Marketing.

Accomplishments for Last Month:

- Submitted FY 2024 Consolidated Transit Application to Iowa DOT
- Submitted FY 2024 Transportation Planning Work Program to Iowa DOT
- Met with Policy Committee to review STBG applications recommended for approval by TTAC
- Announced the availability of the Active Transportation Plan (ATP) survey
- Developed and distributed a 380 Express survey to get feedback from riders and potential riders
- Completed preliminary ATP meetings in Benton, Iowa, Cedar, Johnson, Jones, and Washington Counties

- Completed windshield assessments of sidewalks in portions of Cedar, Johnson, Jones, and Washington Counties

Potential Projects or Contracts:

- The RPA will be submitting a Safe Streets and Roads for All (SS4A) application for funding to complete a Safety Action Plan for all cities in the RPA region. ECICOG is submitting a joint application with Region 1 and Region 6. Applications are due July 10, 2023.

Goals for Upcoming Month:

- Continue with sidewalk assessments
- Complete preliminary ATP meeting in Linn County
- Continue public input activities for the ATP
- Plan for ATP open houses in each county
- Digitize sidewalk information in GIS
- Summary ATP survey results
- Summarize 380 Express survey results
- Draft the FY 2024-2027 Transportation Improvement Program (TIP) and begin public input process
- Coordinate with MonkeyThis to transfer the Envision East Central Iowa site to the WIX platform
- Participate in Corridor MPO trail planning meetings

Other Notes:



EAST CENTRAL IOWA
COUNCIL OF GOVERNMENTS
YOUR REGIONAL PLANNING AGENCY

May 2023 Department Report – Environmental Services

Team: Jennifer Fencil, Director & Alicia Presto, Senior Planner/Resource Specialist

Environmental Services - FY23 Budgeted Revenue \$344,815*			
FY 23 Known/Contracted Revenue		Potential FY23 / FY24 Revenue	
Solid Waste Assessment	\$98,290	Hiawatha CDBG Water System Project	\$12,500
Iowa Waste Exchange	\$61,000	Linn County Hazard Mitigation Plan Update	\$40,500
Hazard Mitigation Plan State contract	\$8,400		
Johnson County Flood Property Buyout grant	\$14,300		
Indian Creek WMA Admin	\$21,900		
Middle Cedar WMA Admin	\$23,250		
Lower Cedar WMA Admin	\$15,000		
Clear Creek WMA Admin	\$5,000		
Middle Iowa WMA Formation	\$9,000		
Total	\$256,140		\$53,000

*The FY23 budget includes one position that has since been eliminated.

Accomplishments since last Report:

- Submitted a Notice of Intent to Participate in EPA's Climate Pollution Reduction Grant on behalf of the Cedar Rapids and Iowa City MSAs
- Middle Iowa River WMA formation meeting
- Met with Wellman and Anamosa about CDBG water/ sewer grants.
- Hosted Iowa Waste Exchange quarterly meeting on April 26, 2023 at ECICOG

Goals for Upcoming Month:

- Continue process of forming a Watershed Management Authority for the Middle Iowa River watershed
- Submit workplan and budget for EPA Climate Pollution Reduction Grant Program
- Fill the vacant Soil Health Coordinator position for the Indian Creek Watershed.
- Close out Johnson County FEMA grant for flood property buyout and demolition
- Close out Jasper County Hazard Mitigation Plan project
- Iowa County Landfill EMS internal audit
- Interview for Planner/Environmental Specialist position

Potential Projects or Contracts:

- Marengo CDBG wastewater upgrade project – application to be completed
- Anamosa Wastewater CDBG grant project – application to be completed
- Linn County Hazard Mitigation Plan Update – contract to be completed
- Iowa County Hazard Mitigation Plan Update – cost proposal provided
- Regional Climate Action Plan – application to be completed

7. Discussion/Presentations	
a. Office Remodel	Karen Kurt
b. CDBG – Downtown Revitalization	Tom Gruis
c. Board Member Updates	

Office Remodel

As discussed at previous meetings, we are over capacity in our existing office space and need to make changes to meet the needs of our current work/workforce. After much deliberation, we have arrived at the enclosed plan that we believe will meet our needs without adding the additional cost of fulling expanding into the former boutique space to the north. The proposed layout would:

- Create four offices (currently have one), allowing managers to have private conversation without going offsite,
- Include 19 cubicles (currently have 16),
- Enclose a “large” conference room for board meetings and other events,
- Create a small conference room with an approximate capacity of 4 team members, and
- Add a “zoom” room for staff to participate in online meetings without disrupting the rest of the work team.

In conjunction with this change, we would permanently add approximately 150sft from the boutique space to our suite by shifting an existing wall. The total number of potential workspaces would increase from 17 to 23.

The proposed layout should help considerably with noise management but given the nature of our building there will always be some noise transfer. Our plan is to bring cost estimates to the Board in June. New carpet, lighting and cubicles will be included in the project.

