MINUTES OF THE COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN COMMITTEE

FRIDAY, OCTOBER 25, 2019, 7:30 AM
CITY HALL, ROOM 604

A. ROLL CALL.

1. Members: Matt Schuller - Chair, Chad Van Handel - Vice Chair, Ald. Brian Johnson, and James Blumreich

Members present: James Blumreich, Brian Johnson, Chad VanHandel, Excused: Matt Schueller

B. APPROVAL OF THE AGENDA.

1. Approval of the agenda for the October 25, 2019, meeting of the Community Development Block Grant Revolving Loan Committee.

Moved by James Blumreich, seconded by Ald. Brian Johnson to approve the agenda. Motion carried.
Yes- James Blumreich, Brian Johnson, Chad VanHandel, No- None, Abstain- None

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the August 8, 2019, meeting of the Community Development Block Grant Revolving Loan Committee.

Moved by James Blumreich, seconded by Ald. Brian Johnson to approve the minutes. Motion carried.
Yes- None, No- None, Abstain- None

D. REGULAR BUSINESS.

1. Consideration with possible action regarding new terms and ownership changes for the CD-RLF for Voyageur Sourdough LLC. On August 8, 2019, Voyageur Sourdough, LLC., ownership structure was modified naming Mr. Ben Cadman as the sole proprietor and owner of Voyageur Sourdough, LLC. He is asking the loan committee for updated terms and a revised loan amount to be for $60,000 in CD-RLF funds at 4 percent interest for 10 years with the first 6-months being of interest only payments for the purchase of restaurant equipment with the new ownership structure of Voyageur Sourdough, LLC. The restaurant equipment will be used as collateral for this loan along with a personal guarantee. All supporting business documents have been updated and are attached.

The Committee may convene in closed session pursuant to Sections 19.85(1)(e), Wis. Stats., for purposes of deliberating or negotiating the sale of public properties, investing of public funds or conducting other specified public business as necessary for competitive or bargaining reasons. The Committee may thereafter reconvene in open session pursuant to Section 19.85(2), Wis. Stats., to report the results of the closed session and consider the balance of the agenda.

Moved by Ald. Brian Johnson, seconded by James Blumreich to open the floor for discussion. Motion carried.
Yes- James Blumreich, Brian Johnson, Chad VanHandel, No- None, Abstain- None

Moved by Ald. Brian Johnson, seconded by James Blumreich to close the floor for discussion. Motion carried.
Yes- James Blumreich, Brian Johnson, Chad VanHandel, No- None, Abstain- None

Moved by Ald. Brian Johnson, seconded by James Blumreich to approve the revised loan request for Voyageur Sourdough, LLC, for $60,000 at 4 percent interest for 10 years with the first 6 months of payments of interest only payments for the creation of 2 full-time employee positions being made available to individuals of low to moderate income. The loan will be guaranteed by a lien placed on the equipment listed and a personal guarantee. Motion carried.
Yes- James Blumreich, Brian Johnson, Chad VanHandel, No- None, Abstain- None

E. INFORMATIONAL.

1. Revolving Loan Fund Status Report

Stephanie Schmutzer presented the Revolving Loan Fund Status report.

F. ADJOURNMENT.

Moved by James Blumreich, seconded by Ald. Brian Johnson to adjourn. Motion carried.
Yes- James Blumreich, Brian Johnson, Chad VanHandel, No- None, Abstain- None

- [Stephanie] We're on.

- All right, good morning. at 7:38. Start off with roll call. Let's see. Alder Brian Johnson.

- Here.

- James Blumreich.

- Here.

- Chad Van Handel, here. Moving on, approval of the agenda. Can I get a motion for approval of the agenda?

- I'll move.

- Second.

- Those in favor?

- Aye.

- Aye.

- Those opposed? Okay, all right. Approval of minutes?

- I'll move.

- Second.

- Those in favor?

- Aye.

- Aye.

- Opposed. To move. Moving on to regular business, we have an item consideration from Voyager Sourdough. This was a previously approved credit. We are currently in asking for updated terms and revising the loan amount to be 60,000 at a 4% interest rate for a 10-year amortization with the first six months being interest only payments for purchase of restaurant equipment and a new ownership structure for Voyager Sourdough. Their restaurant equipment will be used as collateral for the loan, along with a personal guarantee, and we have received all supporting business documents. I think from there, do we wanna open it to the floor, or do we wanna give any discussion?

- I feel like that pretty much summarizes it in its entirety.

- All right, move to open the floor for interested parties.

- Second. All in favor?

- Aye.

- Opposed, all right, the floor is open. You're free to kind of give a synopsis of what's goin' on.

- What happened since last time. So, as you know, in startup business world, expect the unexpected, changes can happen, and a couple months backs, Kevin and I, the previous business partner, decided to part ways. It happened a little bit unexpected, but something that I think in the end after it all happened was the right thing. I think it was always my vision to open a brick and mortar and not really something that Kevin probably fully had his heart into, so. So, the timing was right. It was very close to obviously, I had the approval from the city, and we were very close to getting the approval from one of the banks, so. It was good timing that nothing was signed, and it didn't happen-- Several months later because it would've been a little bit more of an issue. And so, once that happened, then, you know, Celeste, my wife, was helping a little bit with the business, but after that, she's kinda stepped in and plays now as large as role as I do in the business basically. Not on the baking side, but everything else that happens in the business. And yeah, so we've kind of turned it into a real family business, and you know, we're both very passionate about this project and excited to get it started. Took us a little bit longer than to renegotiate with getting the rest of the funding so in the end, we pieced it together with Bank First and also the owner or the landlord, I think it's DVL Holdings or the base companies are loaning part of the money too. So, we have everything we need. It's a little bit higher than what we had originally asked for because I've had more time to do deeper budgeting and understanding the real cost of the business. And as I got into deeper conversations with the contractor and everything that needed to be done, you know, maybe it was I hadn't built a brick and mortar in the U.S. before and plumbing is more expensive than I thought, and all the bits and pieces, and once you kinda get to the final pieces, like okay, this is, it's going to cost a little bit more to actually do the lease hold improvements, so. So, in the end, yeah, the total project's about $120,000 to get open, and I've been told by the contractor everything's ready to go. We just need to basically pay now the deposit for that and buy the equipment, and it's an eight-week build out, so. If they start within the next seven to 14 days, I think we'll be open around Christmas time, and I imagine by the time we get licensed, open to the public at the beginning of the year, 2020 so good time to open and start a new project in a new year. And yeah, that's kind of where we've been at.

- Do you wanna just give a approved by Bank First, and you closed on that on?

- Last Friday.

- [Celeste] Last Friday.

- Yeah, so that money's in the bank, and so, the way that it will be done, I think everything from the landlord and the bank will be used on lease hold improvements and everything from the city is on equipment. Obviously, the large chunk of the money is going towards the oven, that's a $32,000 oven. And so, it's like buying a car. It's the size of a car basically so that's gonna kinda be the center of the room, and it's open to see for everyone that comes into the bakery, so. Yeah, and then, there's other little bits and pieces so that money will get spent quite quickly.

- Do you have an equity contribution that you're making as well?

- Yes, so it's 10% is part of this revolving loan fund structure.

- Okay, and then, what is the term of the lease?

- It's a five year lease.

- Okay.

- Yeah. And so, I've negotiated it in a way that it starts at a much lower rate than the target price they're looking for, and it builds up over two years, and eventually by obviously the third year, it's hitting its full amount so yeah.

- [Wendy] They did put a copy of the loan or the lease in the packet.

- I can't, we can't open the packet.

- [Wendy] Oh, that's, okay.

- I can't at least.

- I'm sorry about that. Good to know that there was an issue with that. So--

- And then, did you build in renewal options on that lease?

- Yes, there is one automatically in there.

- For five years?

- Yeah, well, I think it's, I think it's down to I think five years the option, or I think there was a couple of options in there.

- And the reason I'm asking is because it's a 10 year loan.

- Yes, yeah.

- [Wendy] I was gonna say it's probably a little bit more involved than what we think, but make sure we have that we have at least the information that you're asking for.

- Yeah.

- I mean, my goal within five years is to have more than one venue anyways, so.

- And so, it's 120 is the total project. I think the bank was comin' at 29,000, was the bank, and then, what's the base, what's base company's?

- [Ben] 19,000.

- 19 of that.

- [Ben] Yeah.

- Okay. What's that, that's 20... there and then 60 and then okay. And then, what, I thought, was there a Kickstarter campaign, or?

- [Ben] Yeah.

- Or where?

- Yeah, we used, we did that in last June so we have that obviously that money is in savings and some of that will be used for this project, and then, the rest is for working capital. Obviously, with the end of the partnership, some of the money donated was given back Kevin's family and friends, and so, I think I was left with about 24,000 out of that. So, yeah, sitting there waiting, also waiting to help this business grow next year. Obviously, we'll need some working capital, and everyone always says expect there to be some extra things that you need your money for as you start and open business, so. I think it was a good timing to do it. You know, it's been there waiting to be spent, but.

- So, I mean, do you think the bank then is open to doing additional, like a line of credit at some point, or do you see any swings that you're gonna need kind of, some kind of a cushion throughout the year, or?

- Yeah, well, the landlord has offered a line of credit for $10,000 on top of the $19,000, and I can access that fund any time I want. So, yeah, this time, the bank wasn't willing to do it. So, I'll sit down with Aaron at Bank First in six months' time and review everything. And you know, if we need to refinance, borrow more, restructure anything, those options are obviously there. I think they they've really just, they wanted to be part of it, but they were only willing to do that amount based on you know our personal financial guarantee and wanting to see how this business grows next year, so.

- So, would we then have the first lean on?

- [Wendy] On the equipment.

- Yeah, they're not taking any collateral on the equipment. They're taking a collateral on our personal securities.

- [Wendy] It's pretty much a signature loan, I think, so we're in first position on the equipment.

- Okay. And just a heads up that you have two five year renewal options.

- [Ben] Okay.

- You guys have, I mean, you've got the spaced locked up for 15 years.

- Yeah.

- Just curious, you were thinking of expanding beyond this at some point, where would that be?

- Well, I see the opportunity, I mean, obviously, it's kind of a fluid thought, but I can see multiple venues, perhaps Appleton, maybe Door County, and further a field. I mean, it really depends. This is kind of like the test to see what customers like and pick up, and if you can manage to cookie cut that and replicate it elsewhere, I think that would really be And so, I think that artisan bakery with pastries and what have you and simple sandwiches can be really replicated quite nicely over various venues. And you see that in many markets across the world, so. And also, there's, you know, I have many ideas of how maybe the brand would expand rather than just this artisan bakery so it could go into other things to do with food and beverage. Those things will reveal itself in time.

- Yes, so you're gonna serve coffee at the bakery, right?

- [Ben] Correct, yeah.

- And maybe sandwiches.

- [Ben] There'll be simple sandwiches, and there's about 15 seats I guess in total in the space for people to come in and sit and have a bite and coffee.

- [Celeste] So, we're really focusing on creating healthy takeaway food option as well.

- Takeout.

- [Celeste] Takeout.

- Celeste now uses some British vocab.

- [Celeste] Food options so one of the concepts that we are modeling after is called Pret A Manger, which is more a European brand but now found in all train stations, airports, etc. around Europe, and also, they were around in Hong Kong, but it's high quality takeout options. So, while being fast and convenient, not lacking in any sort of quality of the ingredients that go into it. That's something that we have felt ourselves is a great market opportunity here and something that we're excited about building out and then, being able to really expand that portion of the business around the greater Fox Valley and Door County, etc.

- How optimistic are you about just adding employees and having a good pool of applicants available to ya?

- Yeah, there's a little bit of unknowing to that because we haven't hired too many employees. We have one contract baker at the moment, which I will have to, you know, after we open, move to get him on a more full-time basis, and we've just hired two part-time delivery drivers this week, and then, yeah, I think I think there's definitely good people out there. You know, even when we just posted on our Instagram a few weeks ago that we needed help with deliveries, we had about--

- [Celeste] Five.

- Five or six applicants. All great, young people wanting to help out, you know. One lady that works for Luna. One lady that works for a local school in Kick Ass Cheese, which is a local cheese monger. And so, good people that I think we'll be able to find you know with, I think we've built up a little bit of a following and momentum now that people that are interested in what we're doing, and I think we'll be able to find good people that share our vision.

- What you gotta do is put 'em in a bicycle with a basket, you know Yeah, you know, European feeling.

- I've been talking to Pete's Garage about doing a coffee and sandwich delivery powered by Pete's Garage, and then, have someone that delivers downtown Green Bay coffee and sandwiches by an electric bike, and then, maybe you can order on an app, and then, we kind of send it out app, maybe once every hour or something the bike goes around.

- [Wendy] Just to see the deliveries around town will be really fun.

- [Ben] Yeah.

- Well, I think you're smart to be looking at ways to generate revenue outside of your walls. I think oftentimes that's where businesses hit a little bit of hiccups, especially the restaurant businesses. They rely on the customers to come to them, and the marketplace has just changed.

- Changed. Yeah, yeah, you know, 'cause they come from an internet world, and you got online to offline O-2-O, it became very popular the last few years, and it's starting to, in an age where it's very popular, and then, you're starting to do it here, but you order online and you go to the brick and mortar to pick it up or vice versa. You go to a brick and mortar, they might not have it in stock, and then, they deliver it to you later. That whole blending of online and offline, I think you have to apply that to every business these days. It's not just traditional shopping that it's happening. Yeah.

- And you've got, I mean, an accessible space, which is nice.

- Mm-hmm, yeah.

- And also, for your customers that do need to come in, and you know, one thing I would maybe point out on that front is if you ever find yourself in a situation where parking continues to be occupied, talk to your alder, which is not me actually. Alder is that particular area, but you know, if you need to have like a 15-minute you know type of parking spot designated, just kind of keep that in the back of your mind if it does present a challenge for you.

- Yeah. Yeah, we had discussed about having the opportunity for people to not have to maybe get out of their car if they just wanted a quick coffee to go. So, yeah, maybe that might be handy. I'd like to, there's one of the reasons we chose the rally yard at the cannery building there because at least parking is good, and you know, people generally don't have a problem getting into that building 'cause there is plenty of parking, and I'm sure there is going to be more over the next couple of years as the building gets built out.

- Any questions?

- I'm good.

- All right, motion to close the floor?

- Second.

- All right, those in favor?

- Aye.

- Aye.

- Those opposed?

- [Wendy] It's a little awkward

- Motion carries. Right, exactly. It's like do I have to be on that vote? All right, any additional discussion on this?

- And it seems to me to be a pretty low risk. I mean, obviously restaurant, it's, I mean, there's always, risk is always inherent, but I think when you can grab the equipment, I think he's got a proven business model. He's got a track record. He's got customers. I know there's a demand for this type of product in our community, and I think when you look at, sort of the purpose of this loan, and it's really, I mean, I've always looked at it as it's to help accelerate those businesses, right, that kind of in that mode where they just need a little bit of assistance and get financing, and I mean, it just, it checks all the boxes for me.

- Yeah, again, I would agree. I mean, obviously, I thought initially that don't like to see these changes this close to things, but again, things happen and certainly understand that. It's a good structure from our standpoint.

- See, I actually think it actually makes it better.

- Mm-hmm, mm-hmm.

- Partnerships always inherently come with challenges that sole proprietorships do not.

- Yep, it's a good point. Somebody wanna make a motion?

- I move to approve the terms. $60,000 at 4% interest for 10 years with the first six months being interest only.

- I'll second that.

- All right, those in favor?

- Aye.

- Aye.

- And those opposed? All right, so moved. Congratulations.

- Thank you.

- [Ben] Thank you, thank you. Hopefully, this is the last time we see you for a little while anyways.

- [Celeste] Well, hopefully, for a coffee soon or a pastry.

- I was gonna say, I hope it's not. I don't wanna see you back here asking for more. Business is booming and you need growing capital.

- Well, there's definitely the next time I wanna see you, yeah, besides inside the cafe, but, yeah.

- [Child] Yeah.

- Yeah, we have lots of plans to make this a great business so we're looking forward to it.

- Are you making the announcement today?

- Yeah, it's gonna be in our email so the only thing that I haven't actually managed to get a signature of is the actual lease because Paul has been on vacation all week. Yeah. I don't know if it was vacation. He didn't actually specify, so.

- It was a work trip.

- A work trip, yeah, so, and I think he's back this morning, and he just sent an email saying I think we can get it done so I'm gonna see if I can pop over and see him this morning. I have to go to the building there anyway to meet a chef at the cannery quick, so. Maybe we can quickly get it signed and come back, and we'll give you the copy.

- Do you wanna follow up with getting your paperwork signed and everything?

- Yeah.

- So, I don't know what your schedule is today, but we're gonna finish our meeting real quick, and if you just wanna hang out for 10 minutes, five minutes more, and then, go through the last little bit here.

- All right, next piece of business is just the status of the current open accounts. So, we got the sheet there in our packet. Do we wanna talk about the revolving ?

- [Wendy] Yeah, so, well, I wanna go through with them, I don't really remember August and September, they were behind Now, They've been paying, they've just been slow paying. And so, I know they've had some internal issues with employees and theft and things like that, and so, they're looking through those, but they are structuring some of those. The reasoning for the lag, but I reached out this morning. I just haven't heard so I'll follow up with that. I think maybe following that whenever I find out.

- Sounds good.

- And I will follow up as well with legal on I don't know but the closure piece to that. I know that there was some timing where she was checking to see, there was some postponement of hearings and things and stuff, and I don't think we got notification of anything else. So, I'll double check with Lindsay where we are on that. That's kind of a strange lag in my opinion too, but there may be some reasonings for whatever's going on with that.

- Did we not resolve that at the last meeting?

- No.

- [Wendy] We just said to have staff pursue because we weren't listed, and then, we found out that we were listed. But there was a hearing, but it was canceled, and so. We haven't heard of a reschedule of that hearing so we were gonna at least go there and represented even though that wasn't So, I'll double check on that.

- how is the business doing?

- [Wendy] You know, we could ask him to come forward at our next meeting to give us an update?

- Even if they're just gonna be late on a couple payments.

- [Wendy] Yeah, just have 'em come forward in our next meeting.

- I'd be interested to know if it's performance or if it's just administratively there.

- Well, if somebody's stealing, I can understand not having the cash to make the payments, you know, but.

- [Wendy] I'd like the information to come from him because for me, it's like secondhand, and I'm only probably getting a portion of it. Where I think, let's add him to our next meeting's agenda, and that kind of helps also kind of keep everybody in good communication instead of just email and text and those sorts of things. We'll add him to our next meeting's agenda. We will be having a meetings hopefully shortly, but that's, and then, the second part of it is the that you wanted to add on this one, Stephanie, since you prepare all this for court and do all this work on this?

- [Stephanie] No, things are moving nicely. We do have money to get out the door.

- [Wendy] It's something worth mentioning, and I'm gonna try and get a, or something out to that, but we do have funds. We have two payout, as you see Reynolds and paid off early so we have $335,176.54 to get out. We'd like to get it out before the end of the year. I asked for additional funds. Actually the first of December would be ideal, but I asked for additional funds, but I really am not entitled to additional funds if I have funds still available. So, with these late in the year payoffs, we have additional funding now to get out so I can get, so I have to get this out in order to get more funds.

- If only there was someone from the media that you could talk to.

- I was thinking the exact same thing.

- I'll get that word out.

- [Wendy] I'm gonna just like, I'm just gonna--

- Channel

- [Wendy] Her. Yeah, so I'm gonna think of her, and hope that we can, that yes, I'm sure there are, there's a business or two or there out there that are needing to finding a revolving I think we just have to communicate that out to the community, and we've been saying it to different things, so. We'd love to find a project that we could participate.

- So, when you talk about financing on that piece, can you just maybe give me a little bit of context? Maybe you guys are I'm not sure, but. How is that defined?

- [Stephanie] Gap financing?

- Well, I know what it means, but like, how does like a bank will give you 10, and you can ask for 150? Or like, I mean.

- I think we'd like to see the bank take a bigger piece, and that was another concern I had about this one. Although again, with us having the first lean--

- [Wendy] Right, right, and you know, typically, our loan structure, let me just say if it was $100,000 just to make it a nice round number, typically, the city would never come in for more than 50% of the whole project so that's still our guideline there. So, we would come in at $50,000 or $49,000, somewhere in that range. We would want participation, at least a 10% at minimum. It could be a higher amount, but that's the threshold. We often will have, and a bank will often want the 20%. So, some of ours is gonna sometimes offset some of their down payment portions of that, and we're okay with that, and then, a lender will typically come in at say that 40%. So, if we have a 10% personal equity. We have, or that's their cash injection, and then, there's the 40% from a lender, and it could be 50% of ours, and it has been kind of a scenario that I began with. Lending has really taken quite a twist and turn because there's so many other resources that people have other than traditional banking or lending or whatever is the, credit union, whatever is the resource for that. But wherever their lender is, it's just so different because credit unions didn't do commercial lending, and there wasn't crowdfunding, and there wasn't all these other resources that are coming into it, and lease hold improvements are a big deal, especially with the restaurant because they sink all these costs in it. If they leave, that landlord still has all that investment. So, for them to be part of the plan now, it's just we're seeing it more with restaurant and tenant improvement build outs. And so, there's just a handful of things that are going on in the lending world. I think just looking at that. So, we still wanna have I think many layers of financing so that capital stack should be solid, it should be filled with great resources. It should be from lending resources that they actually can have support from so I want them to be involved in some type of a professional lender that's, I'm gonna be either a bank, a credit union, or some other capacity like that. It's okay for them to be working with their lease hold improvement because the landlord probably has interest in it anyway, and so, I'm thinking that that's also a formula that we're starting to see more of. We have three businesses going into one property that had been vacant for I don't know how long, and now, there's gonna be three new businesses in the next 90 days in one property just because the property owner is getting involved in the financing of the build out, and so--

- Invested interest.

- And so, those are not hard guidelines. So, those have been internal guidelines as far as out thresholds of participation, and what I'd like to do is make sure that the formula makes sense for the business that it's presenting. So, if it's a restaurant, and we have a large tenant improvement, which is usually the case with ventilation and other plumbing expenses and things that are probably more than just having a bookstore, say, go into it or a store that would have not as much improvements needed. Office user or something like that.

That's not gonna be a good formula for them, but if there's gonna be something that participates so it has to make sense I think for us to be able to bring to the committee.

- How does it work with operating capital?

- [Wendy] So, working capital, they, it's just a signature loan. We often don't need a collateral piece for that. So, that's $35,000 for working capital. It's structured different than our gap financing. That could just be, they can come in, while we classify that most of our funding will come in as a gap financing piece, working capital is a different thing. So, that's another category of lending for us. So, this is gap financing, but working capital is 35,000. It usually is a signature loan. We sometimes have taken collateral for different early startups and things like that, but it could be a personal guarantee could do that, and we don't have to have another lender involved with that.

- So, to Chad's question before, right They've got one obviously with their landlord, but they could in theory come here and ask for that as well.

- [Wendy] Right, and he's going conservative 'cause he doesn't know what his employment structure will be. He's growing, and all of a sudden, he's growing faster.

- He has drivers now.

- [Wendy] Yeah, so now he added on two so he's, his structure is growing fairly quickly, and so, that's why he's saying maybe I will need the working capital, but I like the fact that he's been very conservative. I think his ask started at 45. He had known he needed that potentially 60, but he though you know, maybe all these things will come together, and I can try and do that. But he's getting more and more of a better, I'm sure he had to buy out his partner as well. So, there was some other resources that were used. So, to answer your question--

- There's no right? So, he could, anyway--

- You can take it out so it's probably better, and you can always come back. I always tell them, you know, if you wanted to have conservative investments because this is what you have available to you today and come back that we're willing to hear that. We know that startups, you're taking your very best guess, and sometimes, that's very close to the number, and sometimes, you've been made aware of some other. Now, you need to your building, it's $100,000 extra for this as far as building or something comes up, but then, we would come back and hear that again. So, I try and keep them as conservative as possible 'cause I don't want them getting in over their head totally. but it's trying to find that sweet spot of the threshold I think is very careful, but we work through that and we look at that. Most of those are internal guidelines that we've put together. They still always wanna have a lender, but they're gonna need a lender, they're gonna need working capital, they're gonna need a lender at some point in their business, and so, we want them to have that structure in. We want them to have an accountant. We want them to have business partners all the way through and get that structure so we're moving them from kind of just getting started to actually all of the parts and pieces for the long haul, and they can change and move things around. It made more sense for their loan to go with the bank first then after they had gotten the better lending structure with them, and they had looked at them initially, and then, had this other one. They gave business to the bank that was in the same building they were in, and so, then, they went back to the original lender that they had worked with. So, just by the way that the relationships worked and how that worked out. But very good questions, and I'm not sure, you know, gap financing, when we do our larger loans, that's what we're working with, and then, if it's working capital, working capital's different, but I also, when they get working capital, I want to make sure that there's a lender involved somewhere in the structure and that they have a good relationship with them, and often we'll meet with them and their lender to find out where everything is going and how they're working with that. Did that working capital go through the lender? And if they're maxed with what the lender can give, then, we start to look at other vendors that we can participate in. If we can help with that, that's nice, and if it's going to bring on additional is the other factor.

- Do we have any brochures or sales literature on this?

- [Wendy] Yes, we have all of that. Yeah, I'd be happy to furnish all of that.

- If you could send that to me, please, that would be wonderful.

- [Wendy] I'll send it to you via There's red cards in the hallway that I've been passing out like tissue so hopefully, we just needed something. I'm exited, but we have a lot of great businesses that we're working with.

- The other piece that we don't wanna leave out is that we lend the gap, but they also have to have that piece that requires, which is the employment. So, they have to be able to make those employment things, and it's 35,000 per employee so if their gap was greater than that, but they wouldn't have the employees for that, we still would only be able to match that employee--

- Is that ?

- [Wendy] Yes, it is. We report that to the federal government. So, that's like the number one cut require is it's a job creation thing. So, when you think of this money, it has to be job creation. Most of the other rules that we put in place, our internal regulations, and our guidelines, and our underwriting, just internally, and so, that was organized through our and staff, and put some of those patches together and put that together. But it's really interesting, and testament is that we're seeing financing coming in from spots that I've never heard of before, and so, these new resources are interesting.

- Cabbage.

- the money.

- Yeah, Cabbage has been out there. The SBA, somebody's project, just an online basically online--

- [Wendy] You get a loan, you just go online and apply.

- Application, and yeah.

- [Wendy] And so, we're kinda trying to cross with being open to new ideas, but I think this is a traditional loan program, and it helps our businesses really have a good base when they

- Even some lenders wanna take on more. I mean, we're seeing situations where they could go SBA, and get this guarantee. It's again, it's a little bit more clunky, but then, we've seen lenders just take the risk because they don't need the loan outstandings, and they don't wanna you know.

- [Wendy] They don't wanna deal with but just lots of varieties of things. So, I'm seeing all kinds of other lender packages. So, I'll bring ideas to the committee, and if we need to look at our guidelines a little bit, just with the newer lending options out there, and make sure that we're in alignment with what is the community's need. I think that will be something that we'll probably look at in the next probably six months 'cause things are changing very rapidly in this industry.

- There are a few ideas I'd like to kick around with you.

- [Wendy] I'd be happy to meet with you, Brian. All right, does that answer your question for the now, or?

- It does, I guess I never fully understood. I mean, I knew these categories existed. I never fully understood what the requirements were.

- [Wendy] All right.

- All right, and then, with that, we will move to adjourn. Motion?

- To move.

- Second.

- Second, in favor?

- Aye.

- Aye.

- Opposed? All right, adjourned.

- [Wendy] Thank you, everyone.