



CITY OF VERONA
FINANCE COMMITTEE
MONDAY, FEBRUARY 24, 2020 – 6:30 P.M.
VERONA CITY CENTER – Conference Room D110
111 LINCOLN STREET

AGENDA

1. Call to order.
2. Roll call
3. Public Comment
4. Discussion and Possible Action re: Recommended Approval of the February 10, 2020 Finance Committee Minutes
5. Discussion and Possible Action re: Other Possible usage of the Revolving Fund Loan Balance
6. Discussion and Possible Action re: 2020 Planning Department budget usage
7. Discussion and Possible Action re: Payment of Bills
8. Adjournment.

Chairperson Chad Kemp

POSTED: Verona City Hall
Verona Public Library
Miller's Market
City Web Page at www.ci.verona.wi.us

2/21/2020

Notice is hereby given that a quorum of the members of the City Council or other standing committees of the City Council may be present at the meeting of the Finance Committee to gather information about a subject over which they have decision-making responsibility. The City Council and any other standing committees will not take formal action at this meeting

IF YOU NEED AN INTERPRETER, MATERIALS IN ALTERNATIVE FORMATS, OR OTHER ACCOMMODATION TO ACCESS THE MEETINGS, PLEASE CONTACT THE CITY CLERK AT 845-6495 AT LEAST 48 HOURS PRECEDING THE MEETING. EVERY REASONABLE EFFORT WILL BE MADE TO ACCOMMODATE YOUR REQUEST.



City of Verona

Finance Committee
City Hall – 111 Lincoln Street
Verona, WI 53593-1520

MINUTES
FINANCE COMMITTEE
FEBRUARY 10, 2020

The meeting was called to order by Chairperson Chad Kemp at 6:30 p.m. in Conference Room D110

Roll Call: Chairperson Chad Kemp, Alder Kate Cronin and Alder Christine Posey were present

Also present: City Administrator Adam Sayre and Finance Director Brian Lamers

Public Comment: None

Discussion and Possible Action regarding approval of January 27, 2020 Finance Committee minutes: Motion was made by Kemp, seconded by Posey to approve the January 27, 2020 Finance Committee minutes with no changes noted. Motion carried 3-0.

Discussion and Possible Action regarding the City Investment Report for January 2020: Lamers stated the investments are up again due to the collection of taxes but there will be payments issued to the other taxing jurisdictions next week.

Discussion and Possible Action regarding the Preliminary Revenue and Expenditure Report for December 2019: Lamers explained this is still preliminary and pointed out that the General Fund looking at the report was revenues over expenditures of \$177,750 however, with some of the invoices today being 2019 that went down to \$166,479. Library was negative \$40,958, Senior Center was at \$109,057 and Fire was at \$197,316 for revenues over expenditures. Lamers stated the rest of the funds are what was expected as far as where they are at the end of 2019 and will be discussed when the financial reports are presented by the Auditors.

Discussion and Possible Action regarding the payment of bills: Motion was made by Kemp, seconded by Cronin to approve the payment of bills totaling \$1,541,132.34. Motion carried 3-0.

Adjournment: Motion was made by Cronin, seconded by Posey, to adjourn the Finance Committee Meeting at 6:43 p.m. Motion carried 3-0.

Respectfully submitted,
Brian Lamers CPA
Finance Director



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Milwaukee, WI 53212
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1191 N. Casaloma Drive
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Date: February 14, 2020

From: WWBIC

**To: Adam Sayre, AICP
City Administrator**

City of Verona

111 Lincoln St.

Verona, WI 53593

Phone: (608) 848-9941

adam.sayre@ci.verona.wi.us

Initial Proposal for The City of Verona's Revolving Loan Fund

Dear Mr. Adam Sayre and representative of The City of Verona,

We would like to thank for the opportunity to propose the plan to deploy The City of Verona Revolving Loan Fund (RLF).

Taking into account the spirit and mission of the Revolving Loan Fund to support the micro and small business communities in the The City of Verona, we propose the RLF provide the following features:

1. Borrowers have access to WWBIC's business planning and education support at <https://www.wwbic.com/classes/>
2. Loan are unsecured loan for working capital, equipment, and other applicable business expenses.
3. Loan amount is limited to \$50,000.
4. Term is limited to 60 months fully amortized.
5. Interest rate is at 9.25% (standard WWBIC's rate)
6. Loan approvals follow WWBIC's underwriting guidelines.
7. All loans must be personally guaranteed by all owners of 20% or more of the business. WWBIC may require other owners to provide guarantees based on the circumstance of the individual project.
8. Borrowers are provided with technical assistant from WWBIC's Small Business Consultants.
9. Simplified required loan documents:
 - _one year of financials for existing businesses for loan request of \$15k or less.
 - _two years of financials for existing businesses for loan request greater than \$15k.
 - _new businesses should provide detailed projections and business plan.

We propose the initial structure for the RLF program with an example below:

- a. The loan application fee will be \$0 to support the borrowers.
- b. Loan origination costs payable to WWBIC by borrower: 6% of the loan amount which the borrower(s) is responsible for and can be paid using loan proceed. WWBIC will meet with prospective client to assess client needs and develop a program of services from the leads generated by The City of Verona.
- c. Loan servicing costs payable to WWBIC by The City of Verona: 3% of the loan amount with the minimum of \$1,250 up front fee plus 1% ongoing loan servicing fee following the schedule of amortization of the loan. WWBIC will provide loan service to The City of Verona with terms to be determined.
- d. Technical assistant service costs payable to WWBIC by The City of Verona: 4% of the loan amount with the minimum of \$1,500. WWBIC will assign a business consultant to provide technical assistance, such as resources on book keeping, marketing, consultation, financial review, etc., for the borrower(s).
- e. Business planning and education support: Borrowers have access to WWBIC Programs at this link <https://www.wwbic.com/classes/> at borrowers' expenses.

Example: COV LLC was applied for \$50,000 loan from the RLF at 9.25% for 60 months fully amortized. The revenues and costs structure are below:

Example:	Loan Amount	Interest Rate	Term
COV LLC	\$50,000	9.25%	60 months
Year	Revenues of The City of Verona	Costs to The City of Verona	Costs to Borrower
1	\$4,281	\$3,955	\$3,000
2	\$3,485	\$356	
3	\$2,612	\$257	
4	\$1,655	\$156	
5	\$605	\$55	
Total	\$12,638	\$4,779	\$3,000

We are looking for further discussion to move forward with the next steps to have the opportunity to manage the RLF of The City of Verona.

Thank you very much for the opportunity for this initial proposal!

Sincerely,




Michael Hetzel, Director of Lending & An Nguyen, Assistant Director of Lending