

**City RLF**  
**Meeting Minutes**  
**JUNE 27<sup>TH</sup> 2023**

**Present:** Sue Hietpas, Peter Mael, Emmett Durtschi, Pam Mork, Terry Przybyl, Tim Demaster, and Dale Kuklinski

**Absent:** Shirley Stibb + Josh Nigbor – both excused by email.

**Also Present:** Tim Ludolph, Marie Reilly, and Attorney Chier, Joe Gonyo and Luke Kolbie- By Phone

The meeting was called to order by Kuklinski at 7:27AM.

**Review and approval of the May 30<sup>th</sup> meeting minutes**

Demaster made a motion to approve the minutes as presented. Przybyl seconded the motion which was carried by a voice vote.

**Review and approve May 2023 financials for CITY RLF account**

Demaster made a motion to approve the financials as presented. Przybyl seconded the motion, which was carried by a voice vote.

**WC Russell Moccasin- Small Cities CDBG RLF Loan Request**

Joe Gonyo introduced Luke Kolbie who had called into the meeting. Demaster recommended Kolbie give a minute introduction to the background adding to what was provided. Kolbie discussed a summary of the previous eight months since his company and Joe Julian's acquired WC Russell Moccasin, summarizing how much was back-ordered and required catching up. The move to a new location would be necessary to ensure this progress and sustainable growth could occur, and would complement some new machinery recently acquired and additional needed as the current equipment becomes increasingly obsolete. The company intends to, as stated in the application, hire three people in production and two people to learn to manage in a similar capacity to Joe Gonyo. About 225k will go toward the building purchase and upgrades to ensure ADA and Electrical Code compliance. There remains the possible condition(s) imposed by the Board of Appeals for Conditional use and a fire barrier between the upper wall between what had been the church and school. Demaster asked some questions about the projection to which Kolbie confirmed what was implied in the application. Attorney Chier reviewed what would typically be required in a CDBG RLF and compared the presented application, asking Kolbie about the Job Requirements. Kolbie confirmed the short term (1-2 year) focus is on retention with hopes to slowly expand to fill the fairly high level of demand for this product. Hietpas asked about the training requirements. Kolbie answered the company is working with UW and the Tech Colleges to create workforce training and has discussed with WEDC about expansion. Chier asked about confirming if there were other lenders, GBSA, and the nature of the LLCs. Kuklinski also asked when the closing date would be required to be for Russell Moccasin. Kolbie answered there are no other lenders, though the LLCs had invested to get the company largely caught up and in machinery to date, the plan is to have the Church moved out by mid-September and have purchase finalized by then so the company may be fully operational by the end of the year. There were no additional questions for Kolbie and Joe Gonyo added this partnership was strategically created to keep Russell Moccasin in Berlin and he described more details about the adaptive reuse. Demaster suggested this item remain open for a motion in the next month and suggested conditions for this to be approved would be the last tax returns for the two LLCs, the respective financials, personal finances from Joe Gonyo and drafting the loan as 12 years with amortization for 20 years. Chier added these have previously had a Restrictive Covenant where

the Chief Executives would have the loan tied to them, though this would have to be based upon the findings of the two LLCs.

**Economic Development Assistant Update**

Attorney Chier recommended this be removed to ensure compliance with Open Meeting requirements.

**Old Business**

There was no Old Business to discuss.

**New Business**

There was no new business to discuss.

The next meeting will be held on June 27<sup>th</sup> 2023 at 7AM.

Przybyl made a motion to adjourn the meeting at 8:13 am, Demaster seconded the motion.

*Respectfully Submitted by Timothy Ludolph, Planning and Development Director*