

City of Belgrade
Meeting of the Revolving Loan Fund Committee
September 19, 2019
9:00am

Members Present: Kris Menicucci
Ken Smith

Member Absent: Anne Koentopp

Also Present: Rob Gilmore, Ted Barkley, Wade Pehl , Matt Johnson, Lisa Ledoux

Request for RLF funds – Montana Linen Sep 2019 – From the Northern Rocky Mountain Economic Development District

Request the Belgrade RLF Committee approve a \$350,000 RLF loan for Montana Linen Loan funds will be used by Montana Linen per attached memo (see Attached).

Project has been reviewed and approved by the NRMEDD Loan Advisory Committee, the committee is comprised of:

Wade Pehl, First Interstate Bank – Belgrade
Matt Johnson, Stockman Bank – Bozeman

Proposed Loan Rate and Terms

5% interest rate - fixed

Repayment schedule: 4-year term with principle and interest paid annually.

Security - Personal Guarantee from Steve and Georgia Stith for the loan amount.

Loan fees are capped at \$3,000.00 plus actual closing cost fees.

Annual financials provided by borrower

Borrower will assign life insurance sufficient to cover loan amount

Blanket UCC filing

RLF Management

NRMEDD seeks the RLF Committees approval to manage the Montana Linen RLF using same format as existing sub-recipient agreement:

No management fees on principle repayments.

Interest earnings are shared.

All repayments will be held in a local bank.

All future loan candidates would be presented to the City for review/approval

Committee members Menicucci and Smith both recommended forwarding the loan request to the Council, and recommended approval.


Ted Barkley
City Manager



Phone: (406) 388-3226 • Fax: (406) 388-3229
20900 E. Frontage Road, Building A • Belgrade, MT 59714

September 17, 2019

Northern Rocky Mountain EDD
Attn: Rob Gilmore
311 W. Main St., Ste 311
Bozeman, MT 59718

Re: City of Belgrade Revolving Loan

Dear Rob,

We would like to request \$350,000 for the loan amount. The funds will help us finance additional expenses that are not covered by the construction and equipment loans being funded by American Bank and the SBA. The additional items include the following:

- Easements to connect gas lines - \$15,000
- Landscaping - \$100,000
- Laundry Carts - \$50,000
- Office & Lunchroom Furniture - \$40,000
- Computers for new workstations/upgrades to existing Windows 7 - \$10,000
- Additional equipment for phone system, copier, etc. - \$5,000
- Working Capital - \$130,000

Thank you for your assistance with this process. Please let me know should you need anything further.

Regards,

Julie Fitton
Controller