

MACOUPIN COUNTY BOARD
RESOLUTION No. 2011.13

A Resolution Amending All Macoupin County Revolving Loan Fund Policies

WHEREAS, for Revolving Loan Fund #1, the Macoupin County Economic Development Coordinator designated as administrator of the Revolving Fund Recapture Strategy that detailed goals and objectives of the program, strategy for the program, as well as a management plan; and

WHEREAS, for Revolving Loan Fund #1, Revolving Fund Policies were initially created by the Macoupin County Economic Development Coordinator to establish mission, guidelines, requirements, loan terms, loan call provisions, and other various policies related to the implementation and progression of loan agreements stemming from the Revolving Fund ; and

WHEREAS, proper and accurate repayment of loans is critical to the integrity and financial health of the County and the loans being approved by the County Board; and

WHEREAS, for Revolving Loan Fund #1, the initial delinquent loan repayment strategy under the Revolving Fund Recapture Strategy required a telephone call to a delinquent borrower after 10 days; a written request for payment to a delinquent borrower after 30 days; and the turning over of the account to the Macoupin County State's Attorney after 45 days for recovery of funds; and

WHEREAS, the initial Revolving Fund Policies allowed for calling a Revolving Fund loan due and payable in the event of the transfer of substantially all the borrower's assets to any third party; bankruptcy or insolvency of the borrower; cessation of the conduct of active trade or business by the borrower for any reason, including but not limited to fire and other casualty; and the inability to meet the obligations for job creation and/or retention as originally stated; and

WHEREAS, the initial Revolving Fund Recapture Strategy states that any changes to the recapture strategy, including the procedures for recovering delinquent loans, be submitted to the Illinois Department of Commerce and Economic Opportunity and require a two-thirds vote by the County Board after the Department's initial plan approval; and

WHEREAS, it has been determined that additional safeguards and procedures are necessary to ensure that all loans approved by the Macoupin County Board, including both those loans made out of Revolving Loan Fund #1 and Revolving Loan Fund #2, are being fulfilled to their full obligation in order to maintain the continuity and integrity of the programs; and

WHEREAS, the loan repayment process must be made more transparent to allow members of the County Board to be promptly notified of any delinquency or failure to repay loans from either Revolving Loan Fund #1 or #2 so that proper action may be taken when necessary; therefore

BE IT RESOLVED, that the Chief Financial Officer shall be responsible for all aspects of the Revolving Loan Funds beginning on the effective date of this resolution and shall be charged with keeping accurate and complete records and providing oversight of the program on behalf of the County Board; and therefore

BE IT FURTHER RESOLVED, that the County Clerk shall turn over all records in his office's possession regarding Revolving Loan Funds #1 and #2 to the County Board Chairman upon the passage of this resolution; and therefore

BE IT FURTHER RESOLVED, that the County Board, with a two-thirds vote on this resolution, will submit a request to the Illinois Department of Commerce and Economic Opportunity to make all changes in current policy that are suggested with respect to loans made out of Revolving Loan Fund #1; and therefore

BE IT FURTHER RESOLVED, that by the 15th of each month, the Chief Financial Officer of the County Board shall send an invoice requesting payment for each loan covered under both Revolving Loan Fund #1 and #2 for the subsequent month in an amount so as determined by the individual loan schedules; and therefore

BE IT FURTHER RESOLVED, that the Chief Financial Officer shall notify the Chairman of the County Board, and the Chairman of the Finance Committee of the County Board, by electronic or written communication within five days of the payment due date each month if a payment is not made a lende according to terms of the agreement reached with the County Board; and

BE IT FURTHER RESOLVED, that a late fee shall be assessed on all late payments in the of 10% of the monthly payment or \$25.00 whichever is greater; and therefore

BE IT FURTHER RESOLVED, the Chief Financial Officer shall prepare a monthly summary report to reflect the current status of each separate loan, including but not limited to the dates of payments were made over the past 6 months, beginning and remaining balance of the loan, number of late payments in past 6 months, and the number of missed payments in past 6 months; and the Chief Financial Officer shall submit such a report of all loans from Revolving Loan Funds #1 and #2 to the Executive Committee of the County Board and to the full County Board; and

BE IT FURTHER RESOLVED, that the monthly reports to the Executive Committee and the County Board shall be available to the public for inspection; and therefore

BE IT FURTHER RESOLVED, that the Chief Financial Officer shall place on the County's official website a like quarterly summary report regarding all loans made from the Revolving Loan Funds #1 and #2; and

BE IT FURTHER RESOLVED, the County Treasurer shall keep accurate and complete records of all deposits made to the County Treasury regarding Revolving Loan Funds #1 and #2, including but not limiting to information concerning the name of the fund deposited and date deposited; and therefore

BE IT FURTHER RESOLVED, that a delinquent loan repayment strategy shall be initiated by the Chief Financial Officer of the County Board, replicating and reaffirming the strategy that was initially put in place as part of the Revolving Fund Recapture Strategy by the County Economic Development Coordinator for Revolving Loan Fund #1, requiring a telephone call to a delinquent borrower 10 days following a missed payment; a written request for payment to a delinquent borrower 30 days following a missed payment; and the turning over of the account to the Macoupin County State's Attorney 45 days following a missed payment for recovery of funds; and therefore

BE IT FURTHER RESOLVED, that if the County Board is notified of more than three consecutive delinquent or missed loan payments for months when the loan is not current during any six month period, regardless of the number of days delinquent, the Board reserves the right to call the loan due and payable; and therefore

BE IT FURTHER RESOLVED, that all other standards and policies included in the Revolving Fund Policies and Revolving Fund Recapture Strategy that were put into place by the County Economic Development Coordinator remain in full effect for Revolving Loan Fund #1 and will continue to be monitored by the Chief Financial Officer of the County Board in conjunction with the Executive Director of the Macoupin County Economic Development Partnership; and therefore

BE IT FURTHER RESOLVED, that all individuals pursuing loans out of Revolving Loan Fund #2 from this day forward must work with the Chief Financial Officer of the County Board to negotiate terms and fulfill all obligations required for application by the County Board prior to requesting full Board approval for the disbursement of any loaned funds; and therefore

BE IT FURTHER RESOLVED, early payments to pay down the balance of any loan from Revolving Loan Fund #1 or #2 are not penalized under the terms of the original loan agreement and all such early payments may allow a future payment to be missed so as long as the balance of the loan remains current according to any payment schedule attached to the original loan agreement; and therefore

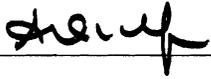
BE IT FURTHER RESOLVED, that all other terms and conditions of the original loan agreements made from Revolving Loan Fund #1 or #2, the policies indicated in the initial Revolving Fund Recapture Strategy, and the policies indicated in the initial Revolving Fund Policies remain in full force.

ADOPTED and SIGNED this 8th day of February, 2011.

SIGNED this 8th day of February, 2011.

Voting Yes: 25

Voting No: 0



Andrew W. Manar
Chairman of the Board
Macoupin County, Illinois



Pete Duncan
Clerk
Macoupin County, Illinois