

December 12, 2019

TO THE HONORABLE BOARD OF COMMISSIONERS OF BERRIEN COUNTY, MICHIGAN: Your County Finance Committee respectfully recommends the adoptions of the following:

RESOLUTION

WHEREAS, the County of Berrien (RLF) administers a Revolving Loan Fund (RLF) to make loans to qualified small businesses; and,

WHEREAS, the RLF was established by a grant of funds from the United States Department of Housing and Urban as administered through the State of Michigan (the State); and,

WHEREAS, the State has assigned to the Michigan Economic Development Corporation (MEDC) and the Michigan Strategic Fund (MSF) the authority to establish rules for the use of RLF funds and supervise the County's administration of the RLF; and,

WHEREAS, in 2013 the County, the MEDC and the MSF entered into a First Restated Grant Agreement which modified the type of loans the RLF could make, the allowable loan terms that could be offered through the RLF, allowable credit profiles for RLF loan applicants and also assigned direct liability to the County for any loan losses; and,

WHEREAS, these modifications have rendered the RLF as an unsuitable source of funds for small business applicants and the County has been unable to issue new loans without incurring potentially substantial loss liabilities; and,

WHEREAS, as a result, the MEDC and the MSF have agreed that the County may return its available RLF funds on hand to the State without incurring any penalties or liabilities, provided that the County continues to collect repayment of its outstanding loans and remit such payments to the State on a regular basis (see attached letter).

WHEREAS, that the RLF had funds on hand in the amount of \$1,124,752.91 as of the reporting period ending June 30, 2019.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the County of Berrien authorizes the RLF to return to the State available loan funds of \$1,124,752.91 to be drawn from fund 5441.

BE IT FURTHER RESOLVED that the RLF will continue to remit to the State payments received from outstanding loans, less any allowable administrative fees the County is eligible to retain, on a semi-annual basis in January and July of each year until such outstanding loans are fully repaid.

**Respectfully submitted,
Berrien County Finance Committee**

Mamie L. Yarbrough, Chairperson

Robert P. Harrison, Vice Chairperson

Ezra A. Scott

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| RESOLUTION APPROVED AS TO FORM | |
| Administrator <u>m</u> | Date <u>12/12/19</u> |
| Comptroller <u>Jon Hinkelman</u> | |