

## CITY/COUNTY REVOLVING LOAN FUND

Board Meeting Minutes  
May 25, 2005

The City/County Revolving Loan Fund Board met Thursday, May 25, 2005, 3:00 p.m. in the Economic Development Department Conference Room, 1<sup>st</sup> Floor, City Hall. The following members were present:

**Mary Haynes**  
**Belen Robles**  
**Maggie Adame**

**Carmen Contreras**  
**Randolph Young**

**Larry Madrid**  
**Roberto Guerra**

Others present: Oscar Villasano, Bank of the West; Larry Romero and Angie Casarez, Economic Development.

**A. Call to Order and Establish Quorum**

Chair Mary Haynes called the meeting to order at 3:10 p.m.

**B. Discussion and Action on Approval of Minutes for May 19, 2005.**

Randolph Young made a motion to approve the minutes for May 19, 2005. Carmen Contreras seconded the motion and the motion passed unanimously.

**C. Discussion and Action on Loan Application.**

Oscar Villasano presented a loan application for Inflatable Craze, Inc. The borrowers, siblings Rebekah and Robert Rangel, are starting an indoor party and play center. Inflatable Craze is seeking a loan for \$150,000. They are requesting a \$120,000 SBA 7a Term Loan for six years and six months. The loan will be priced at WSJP+2.25%, floating monthly and will require interest only payments for six months and thereafter require monthly P&I payments of \$2,110.93. The loan will be secured by all equipment held by Inflatable Craze, Inc. and assignments of term life insurance policies requiring that each guarantor obtain a policy of at least \$75,000. The loan will be subject to an 85% SBA guaranty through the 7a program. Inflatable Craze is also requesting a \$30,000 RLF Term Loan through the City of El Paso. The loan will be for five years priced at 4.00%, fixed and the loan will require monthly P&I payments of \$553.30. The loan will have a secondary lien position behind Bank of the West and the SBA.

Ms. Haynes asked Mr. Villasano if the loan application stated Mr. Rangel's liabilities and he responded that it did and contained a break down, to which Carmen Contreras stated that the salaries showed a projection and asked if they were employee salaries. Mr. Villasano was unable to answer since he had limited information regarding this loan. Larry Madrid added that it seemed it was a combination of salaries. After some discussion in regards to Mr. and Ms. Rangel's strengths and weaknesses, Mr. Villasano stated that Mr. Patrick Sarabia felt it would benefit their business and recommends his approval. Ms. Haynes brought to the table the fact that they had term life insurance to cover for the bank loan but not for the RLF loan. Mr. Young asked how the city was to participate in the event that something happened to Mr. and Ms. Rangel. Mr. Villasano responded that the liability insurance they had would go to the bank. Mr. Young stated that the board wants a business that will carry liability and the Rangel's should give Mr. Villasano a business plan to bring back to the board. Larry Romero asked the board as to the amount of liability insurance. Mr. Young and Mr. Madrid requested a \$1,000,000 liability policy.

After some discussion, Ms. Haynes made a motion to table until a business plan and liability insurance were presented to the board, Maggie Alvidrez seconded the motion and the motion passed unanimously.

**D. Discussion and Action on Next Meeting.**

The next meeting would take place after Mr. Villasano gathered all the information requested by the board. He will then contact Mr. Romero and at that time, a meeting will be scheduled. Added to next meeting's agenda will be discussion and action to change interest rate on RLF loan.

**E. Adjournment**

Chair Haynes asked a motion to adjourn. Ms. Belen Robles made the motion for adjournment: Ms. Alvidrez seconded the motion and the motion passed unanimously. The meeting adjourned at 4:00 p.m.