



Dane County

Minutes - Final Unless Amended by Committee

Community Development Block Grant (CDBG) Commission

Consider:

Who benefits? Who is burdened?

Who does not have a voice at the table?

How can policymakers mitigate unintended consequences?

Tuesday, March 26, 2019

5:30 PM

Town of Westport- Administration Building
5387 Mary Lake Road
Waunakee, WI 53597

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A. Call To Order

The meeting was called to order at 5:30 p.m.

Staff and others present: Barry Levenson (National Mustard Museum); Peter Ouchakof (staff).

Present 7 - CYNDA SOLBERG, RON JOHNSON, RICHARD OBERLE, GODWIN AMEGASHIE, MATT EGERER, TERESITA TORRENCE, and BILL CLAUDIUS
Excused 1 - NEIL STECHSCHULTE

B. Public Comment on Items not on the Agenda

None.

C. Consideration of Minutes

Motion by Johnson, seconded by Clausius, to approve the minutes of the October 25, 2018 CDBG Commission meeting. Motion carried unanimously by a voice vote.

[2018
MIN-533](#)

MINUTES OF THE 10/25/18 CDBG COMMISSION MEETING.

Attachments: [10.25.18 CDBG meeting minutes](#)

The Minutes were approved.

D. Presentations

Chair Solberg reviewed the information to be provided to citizens as part of the Public Hearings. No members of the public were present for the Public Hearings.

E. Action Items

[2018
ACT-382](#) 2018 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION
REPORT (CAPER).

Attachments: [2018.CAPER.\(draft\)](#)

Oberle asked that the acronym CAPER be spelled out in full on the title page of the report.

Clasius asked that a brief introduction or executive summary be included after the title page.

Motion by Amegashie, seconded by Torrence, to approve the 2018 CAPER with the modifications listed above. Motion passed unanimously by a voice vote.

This Action Item was approved.

[2018
ACT-383](#) DISCUSSION AND POSSIBLE ACTION ON PRIORITY AREAS FOR
WHICH REQUESTS FOR PROPOSALS WILL BE ISSUED FOR 2020
CDBG/HOME FUNDS.

Attachments: [2019 RFPs](#)

Solberg asked that the acronym "TBRA" be spelled out in full on the RFP list.

Motion by Torrence, seconded by Amegashie, to approve the RFPs to be issued for 2020 CDBG/HOME funds with the modification listed above. Motion passed unanimously by a voice vote.

This Action Item was approved.

[2018
ACT-381](#) 2019 CDBG COMMISSION MEETING CALENDAR.

Attachments: [2019 CDBG Commission Meeting Calendar](#)

Staff reviewed the 2019 CDBG Commission meeting schedule with the Commissioners. No action was required.

This Action Item was not acted on.

[2018](#)
[ACT-385](#) REQUEST FOR DISBURSEMENT OF REMAINING LOAN BALANCE
(\$45,000 OF THE \$125,000 LOAN) TO QUALITY TRANSIT, LLC.

Attachments: [Quality Transit- financial statements Q42018](#)

Amegashie stated that a representative from the business must be present for the Commission to consider the request for disbursement of the remaining loan funds. He also asked that the prior year tax return; an official job creation count; and any other documentation to validate the numbers included on the financial statement be included with a future request.

Staff noted that the accountant for Quality Transit had indicated that he would be present at the meeting to answer questions about the financial statements from Commissioners; however, there was nobody present representing Quality Transit.

Chair Solberg asked that the "commercial loan" line item balance be detailed from their balance sheet, and to clarify where the County's RLF loan is listed as a liability on that statement. She also told the Commissioners that if they have other specific questions for Quality Transit that they want the business to come prepared to address to let staff know at least a week prior to the next meeting.

Motion by Amegashie, seconded by Johnson, to postpone this action item. Motion passed unanimously by a voice vote.

This Action Item was postponed indefinitely.

[2018](#)
[ACT-384](#)

REQUEST FROM THE NATIONAL MUSTARD MUSEUM TO AMEND THE LOAN FORGIVENESS AGREEMENT TO ALLOW COMPENSATION TO MR. LEVENSON FOR WORK AT THE MUSEUM.

Attachments: [MM Loan Forgiveness documents](#)
[MM Supplemental information](#)

Barry Levenson registered to speak on behalf of the Mustard Museum request, stating that he has been working as Curator of the museum over the past two years on a volunteer-basis. The Board of Directors of the museum desires to pay Mr. Levenson in order to keep him on as Curator of the museum. The Board has new plans to the expand the reach of the museum, and seeks Mr. Levenson's experience in food law, teaching, and mustard to run nutritional programs for schools and families, as well as, expand fundraising efforts by means of grants, corporate donations, and private charitable contributions. Mr. Levenson noted that without compensation he would be unable to continue his work as curator and the non-profit museum (Mustard Museum, Inc.) would likely cease operations.

Chair Solberg stated that the non-profit was formed during the course of the Dane County RLF loan in order to fundraise and help generate supplemental revenue to help pay for rent, utilities, and other expenses incurred by the for-profit entity. She asked Mr. Levenson to describe to the Commission the purchase arrangement and terms of the sale noting that Mr. Levenson sold the business to one of his employees- a fact the Commission took into account when they included a condition in the Loan Forgiveness Agreement that Mr. Levenson not receive financial compensation from either the for-profit nor non-profit entity for five years. Mr. Levenson responded that the business was sold to the store manager and that an Asset-Purchase Agreement was executed which transferred the County's collateral from the for-profit to the non-profit entity. He also acknowledged that he was aware of and in agreement to the loan forgiveness terms upon executing the Loan Forgiveness Agreement.

Oberle voiced admiration for Mr. Levenson's passion and voluntary efforts to help keep the business in operation; however, the reality that the business failed led the Commission to the terms set forth in the Forgiveness Agreement- although the intention of the Agreement is a final recourse to support the struggling business that would have closed down if not for the relief of the CDBG loan on behalf of the Commission, it should also be regarded as a punishment for Mr. Levenson.

Mr. Levenson let the Commission know that he has been transparent with them in making this request, and that there are workarounds to the non-payment clause of the Loan Forgiveness document that would allow him to receive compensation via payment to third party entities.

Amegashie explained that the relevant issue at-hand is the Mustard Museum's debt to Dane County, and that adding additional expenses via financial compensation to Mr. Levenson would have an adverse effect on the profits of the business. Mr. Levenson noted that he is not privy to the financials of the for-profit entity.

Motion by Oberle, seconded by Torrence, to deny the request.

Upon further discussion, Clausius stated that he does not understand how denying the request will benefit the County or CDBG program.

The motion- to deny the Mustard Museum's request to allow compensation to Mr. Levenson- passed in a 5-2 roll call vote.

A motion was made by OBERLE, seconded by TORRENCE, that this Action Item be denied. The motion carried by the following vote:

Ayes: 5 - SOLBERG, OBERLE, AMEGASHIE, EGERER and TORRENCE

Noes: 2 - JOHNSON and CLAUSIUS

Excused: 1 - STECHSCHULTE

F. Reports to Committee

[2018](#)
[RPT-569](#) EXPENDED FUNDS REPORT (MARCH '19).

Attachments: [CDBG-HOME Expenditure Status Report March.2019](#)

Staff reported on the March 2019 Expended Funds Report for the CDBG and HOME programs.

[2018](#)
[RPT-570](#) RLF LOAN REPORT (MARCH '19).

Attachments: [RLF Loan Report- 03.26.19](#)

Staff reported on the March 2019 RLF loan report, noting that a settlement was reached in the Camrock Cafe mediation and the County was paid \$23,000 by borrower to settle the balance of the loan.

It was noted that the available balance of ED-RLF fund did not take into account the funds reallocated to 2018 CDBG projects. Staff will update the spreadsheet to accurately reflect the available balance for the next Commission meeting.

G. Future Meeting Items and Dates

Next scheduled CDBG Commission meeting: Tuesday, April 16, 2019.

H. Adjourn

Motion by Amegashie, seconded by Johnson, to adjourn. Motion carried unanimously by a voice vote, and the meeting was adjourned at 6:40 p.m.