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Columbia Economic Development Corporation

MINUTES COLUMBIA ECONOMIC DEVELOPMENT CORPORATION LOAN COMMITTEE

Tuesday, February 16, 2016
4303 Route 9
Hudson, New York

A regularly scheduled meeting of Columbia Economic Development Corporation's (CEDC) Loan Committee was held at their offices located at 4303 Route 9, Hudson, NY 12534 on February 16, 2016. The meeting was called to order at 1:00 pm by Rick Bianchi, Chairman.

Attendee Name	Title	Status	Arrived
Rick Bianchi	Chairman	Present	
Greg Fingar	Committee Member	Excused	
Kim Keil	Committee Member	Present	
Bob Sherwood	Committee Member	Excused	
Colin Stair	Committee Member	Present	
F. Michael Tucker	Interim President/CEO	Present	
Andy Howard	CEDC Attorney	Excused	
Tony Jones	CEDC Chairman	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Lisa Draushuk	Administrative Supervisor	Present	

Minutes:

Mr. Stair made a motion, seconded by Ms. Keil, to approve the committee minutes from January 19, 2016. Carried.

Interim President/CEO:

Mr. Tucker noted the Calcagno restructuring had been approved by the committee, but needed to be approved by the full board. He stated loans were current with the exception of those listed on the agenda.

Mr. Tucker stated he had done a quick analysis to determine the dollar amount that could be loaned keeping the loan fund self-perpetuating with a 20% default rate. He stated he had found the target number fell between \$275,000 - \$300,000 per year. He stated once the final sustainable amount to be loaned yearly was determined, that amount should be broken up into target amounts (goals) to be used as guidance by staff. He gave an example of a total amount of



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\$275,000 yearly which could be divided up by loan categories of \$50,000, \$25,000 and \$10,000. He stated this would provide a perpetual revolving loan fund from which to lend. Mr. Bianchi asked if the true default rate was 20%. Mr. Tucker stated it was not, that figure was only an example.

Portfolio Review:

Monthly Loan Report:

Monkshead Nursery:

Mr. Tucker stated the client had made payments and kept current on the SBA loan, but had let the CEDC loan remain unpaid. He suggested that the past due interest on the CEDC loan be made current and then the loan should be re-written for a 7 year term with payments for 9 months per year. He noted this option was not available for the SBA loan. The alternative option was to pay interest only on the loan until the SBA loan is paid in full, then either pay the outstanding principal in full or amortize it over 3 years at 4%. The Committee asked that the options be presented to the borrower and ask for his preference, tabling a vote until the next meeting.

Pete's Gone Fishin':

Mr. Tucker stated the deadline in the letter sent to client was 2/12/16. He outlined the collateral status and suggested waiting on a formal decision.

Loan Policies and Procedures:

Mr. Tucker stated he would sit with Chairman Bianchi to review the current policies and procedures.

Warm Winds LLC Loan Request:

Ms. Lane stated the request was from Warm Winds, LLC, whose principals proposed to open a retail store in Hudson. The funds would be used to purchase inventory, furniture, fixtures and working capital. The proposed term of the loan was 72 months at an interest rate of 7.25%. Collateral consists of business assets and inventory. The project is expected to create 1.5 jobs. She noted the client was currently speaking to the Community Loan Fund for additional funding. Mr. Stair stated he had spoken to one of the principals and felt they had a good chance of success with the business. *Mr. Stair made a motion, seconded by Ms. Keil to recommend the loan to the CEDC Board for approval. Carried.*

Other Business:

Ms. Lane stated she had attended a seminar on credit analysis reporting the previous week. She outlined the seminar and stated it had been very informative.



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Mr. Tucker stated a question had been brought up regarding the issue of flood insurance and if CEDC should require the coverage. Ms. Lane stated the SBA requires flood insurance if the business is located in the flood plain. The committee felt it should be decided on a case by case basis as defined by policy.

Adjournment:

With no further business to come before the committee, Ms. Keil made a motion, seconded by Mr. Stair, to adjourn the meeting. Carried.

The meeting adjourned at 2:03 p.m.

Respectfully submitted by Lisa Draushuk