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Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, August 23, 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 August 23, 2016. The meeting was called to order at 1:00pm by Richard Bianchi, Acting-Chairman.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Committee Member	Present	
Rick Bianchi	Committee Member	Present	
Triona Fritsch	Committee Member	Excused	
John Lee	Committee Member	Present	
James Mackerer	Chairman	Excused	
Bob Sherwood	Committee Member	Excused	
Colin Stair	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Tony Jones	CEDC Chairman	Excused	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Lisa Draushuk	Administrative Supervisor	Present	

President/CEO Report:

Mr. Tucker handed out a spreadsheet to the committee members showing the available and outstanding loan balances as well as the amounts in the reserve accounts for both the SBA and the CEDC loan funds. He reviewed the sheet with the committee. He reminded the committee the SBA required 15% of the outstanding loans be maintained in reserve accounts. He stated the total reserves of the SBA and the CEDC loan fund totaled \$363,000. He stated the sheet was a first step in determining the funds available to lend and the amount of loans outstanding.

Mr. Tucker reminded the committee that they would be receiving \$300,000 additional SBA funding. Ms. Lane stated the SBA required the funding be drawn down in 2 years. Mr. Tucker stated the SBA required 15% of each outstanding loan be deposited into a loan loss reserve. He informed the committee that CEDC will have nearly \$2 million in their loan portfolio.



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Mr. Tucker stated he and Ms. Lane had met with Chairman Mackerer to discuss marketing and outreach. He stated they were considering various marketing options. He stated Ms. Wilber was currently visiting businesses and would be discussing their concerns, membership and possible loans. Mr. Tucker discussed the loan reserve levels and stated they would be analyzed and adjusted to reflect the current portfolio in each SBA loan account.

Mr. Tucker stated the SBA had completed their annual visit just prior to the loan committee meeting, and CEDC had received a good review.

Minutes:

Mr. Stair made a motion, seconded by Mr. Lee, to approve the committee minutes from July 19, 2016. Carried.

Portfolio Review:

Monthly Loan Report:

Vanderbilt:

Mr. Stair made a motion, seconded by Mr. Lee to enter executive session under the New York State Public Officers Law Article 7 Section 105(d): Discussions regarding proposed, pending or current litigation. Carried. Executive session was entered at 1:27pm.

Mr. Lee made a motion, seconded by Mr. Stair to exit executive session. Carried. Executive session was exited at 1:35pm.

Mr. Bartolotta made a motion, seconded by Mr. Stair, to authorize CEDC counsel, Mr. Howard, to negotiate with The Bank of Greene County on an amount to partially satisfy Vanderbilt's outstanding loans with CEDC. Carried.

Ms. Lane reviewed the portfolio with the committee.

Loan Policies and Procedures:

Mr. Tucker stated they had discussed the draft loan policies and procedures with Mr. Mackerer, who had suggested reformatting the document. He stated the policies and procedures would be ready in time for the next meeting. He stated part of the discussion centered upon who would be allowed to approve loans and at what monetary levels. Mr. Stair stated he would prefer to review all loans. Ms. Lane suggested the loan committee could be granted the responsibility of approving loans up to a certain amount. Mr. Stair felt that loans over \$25,000 should undergo full board review while those below could be reviewed by the loan committee.



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EZ Foods of the Northeast:

Ms. Lane stated the principal had two previous loans with CEDC. She stated he had paid off his first loan and was requesting a loan of \$9,000. The loan proceeds would be used to pay off the current outstanding loan, provide funding to purchase additional inventory, produce marketing materials and working capital. She stated the proposed rate was 7.25% and the term was 36 months. She stated the collateral would be a first lien on all business assets and the title to a 2007 Toyota Tacoma pickup. Ms. Lane stated over the past 3 years his sales figures have increased and he had hired an accountant. Mr. Stair made a motion, seconded by Mr. Bartolotta to recommend the EZ Foods loan to the full CEDC Board for consideration. Carried.

Other Business:

Mr. Tucker reminded the committee that Tony Jones, Chair of CEDC was an ex-officio member of all committees unless the committee chose to add him as a voting member. *Mr. Stair made a motion, seconded by Mr. Bartolotta to add Tony Jones as a voting member of the loan committee. Carried.*

Mr. Stair questioned the interest rate on the SBA loans. Mr. Tucker stated he had done a survey of the interest charged to SBA loans and had found that the Adirondack area charged 6%. Mr. Stair was in favor of reducing the interest rate. Mr. Howard suggested that some type of written rationale be developed prior to dropping the interest rate. The committee agreed.

Adjournment:

With no further business to come before the committee and no public present, Mr. Stair made a motion, seconded by Mr. Bartolotta, to adjourn the meeting. Carried.

The meeting adjourned at 1:50 p.m.

Respectfully submitted by Lisa Draushuk