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Columbia Economic Development Corporation

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION NOTICE OF MEETING

Please take notice that there will be a meeting of the Columbia Economic Development Corporation Loan Committee held on January 24, 2017 at 1:00pm at 4303 Route 9, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: January 17, 2017

Sarah Sterling

Secretary

Columbia Economic Development Corporation

CEDC Loan Committee

Chairman:

Jim Mackerer

Members:

Russell Bartolotta

Rick Bianchi

Triona Fritsch

John Lee

Bob Sherwood

Colin Stair

1. Election of Chair
2. Charter Review
3. Committee Self-Evaluation
4. Minutes, December 6, 2016*
5. Portfolio Review
 - a. Monthly Loan Report
 - b. Loan Loss Review
6. State 11 Distillery*
7. Brown's Custom Auto Body*
8. Chris' Cafe
9. Public Comment

Attachments:

Draft December 6, 2016 minutes

Loan Committee Charter

- * Requires Approval

Columbia Economic Development Corporation Loan Committee Charter

Purpose:

Pursuant to Article IV, Section 1 of the Corporation's bylaws, the purpose of the Loan Committee is to: (i) assist the Board in setting the strategic direction for the Corporation's lending operations, (ii) assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's lending (iii) assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's loan servicing operations and (iv) fulfill such other responsibilities as assigned to it by the Board.

Duties of the Loan Committee:

It shall be the responsibility of the loan committee to:

- The primary responsibility of the Committee is to review and recommend loans and aggregate loan relationships with any individual customer and his or her affiliates that exceed a minimum amount and up to and not to exceed the legal lending limit of the Corporation.
- In connection with the review and approval of any loan request, the Committee shall consider such information as it determines to be consistent with prudent lending practices, including financial statements of the borrower and any guarantors, the ability of the borrower to generate cash flow to support its debt obligations and other cash flow needs, the value and adequacy of the collateral for the loan, recent trends and statistics, and other relevant information.
- Review annually and provide recommendations to the Board regarding the overall strategic plans and initiatives for the Corporation's lending operations, and monitor the implementation of such plans including, markets served and marketing activities.
- Recommend lending policies and procedures to the Board of Trustees, and monitor the implementation of such policies.
- Receive monthly reports regarding collections and delinquencies.
- Receive periodic reports regarding other significant issues within the lending operations regarding matters such as, but not limited to, compliance, staffing or other operational issues.
- Provide recommendations to the Board based upon the Committee's activities.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Charter and request board approval for proposed changes.
- Review and recommend changes to the Corporation's lending fee schedules.

Composition of Committee and Selection of Members

The Loan Committee shall consist of not less than three independent members of the board of Trustees, who shall constitute a majority on the committee. If the board has less than three independent members, non-independent members may be appointed to the committee provided that the independent members constitute a majority of the committee. The Corporation's board shall appoint the Loan Committee members. Members shall serve on the committee at the

discretion of the board. Members appointed to the committee shall have the background necessary to perform its duties.

Meetings

The Loan Committee shall meet at least monthly, unless the Chair deems a meeting unnecessary. Members of the Loan committee are expected to attend each committee meeting, in person or videoconference. The Loan committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present or participating through videoconference shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to Loan committee members along with briefing materials five (5) business days before the scheduled Loan committee meeting. The Loan committee may act only on the affirmative vote of a majority of the members present or by unanimous consent. Minutes of these meetings shall be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

Adopted 10/20/15



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**MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, December 6, 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 December 6, 2016. The meeting was called to order at 1:04pm by Jim Mackerer, Chairman.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Committee Member	Present	
Rick Bianchi	Committee Member	Excused	
Triona Fritsch	Committee Member	Present	
John Lee	Committee Member	Present	
James Mackerer	Chairman	Present	
Bob Sherwood	Committee Member	Present	
Colin Stair	Committee Member	Excused	
Tony Jones	Committee Member/CEDC Chair	Present	1:37pm
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Martha Lane	Business Development Specialist	Present	
Kayla Duntz	CEDC Intern	Present	
Lisa Drahushuk	Administrative Supervisor	Present	

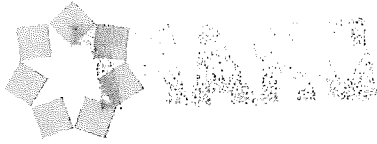
Minutes:

Mr. Lee made a motion, seconded by Ms. Fritsch, to approve the committee minutes from August 23, 2016. Carried.

Portfolio Review:

Monthly Loan Report:

Ms. Lane informed the committee the two loans from Beth’s Farm Kitchen had been paid in full. She stated she had met with the current owner of the business. She reminded the committee the two Vanderbilt loans had been written off. She informed them there were currently two loans that were of concern, Monkshead Nursery and Sip N Suds. She anticipated bringing three loans to the committee in January; State 11 Distillery, Columbia Sales Corp. and Chris’ Café.



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Mr. Tucker stated loan prospects continued to come in, and lists of applicants and declined loans were being maintained. Ms. Lane reviewed the late payers, Mr. Tucker reminded the committee the SBA required a write-off of loans delinquent 120 days. Mr. Mackerer noted CEDC has funds to loan. Ms. Lane suggested marketing the program in the spring.

Mr. Tucker introduced Kayla Duntz, CEDC's intern to the committee. He stated her first project was to continue work on the database. He anticipated including lists of manufacturers, loan clients, Chamber members as well as prospective CEDC members. He stated he planned to meet with the commercial lenders as part of the loan outreach. He stated he and Ms. Lane have discussed a marketing plan. He noted the program goal was to loan \$25,000 to \$50,000 to successful businesses in order to keep the program self-sufficient. Mr. Tucker suggested board member referrals to businesses seeking loans.

Loan Policies and Procedures:

Ms. Lane stated Mr. Jones had suggested reformatting the lending authority table. She handed out the revised version. Mr. Tucker stated the loan committee could approve loans of \$25,000 and under without board approval.

Mr. Sherwood questioned the following:

- Page 4, "2. The loan is not unanimously approved by the Loan Committee". He suggested the wording be changed to reflect the unanimous approval of a voting quorum of the Loan Committee.
- Page 6, number 2. CEDC Loans, "Funds may not be used for: a. Speculative ventures". He suggested the wording be changed to a more accurate description or eliminated.
- Page 12, Portfolio Management, Risk Rating System, items 2 and 3. He suggested if the term uncollateralized was used, it be clearly defined including an amount, which would provide a means of measurement rather than being subjective.
 - Item 5, he suggested clarifying the meaning of serious default.
- Page 13, Conflicts of Interest, Gifts. He suggested placing a fixed dollar amount on the gift.

Mr. Howard stated he would review the document after the changes to ensure it was in compliance prior to presentation to the CEDC Board for review and adoption. *Mr. Jones made a motion, seconded by Mr. Sherwood to recommend the Loan Policies and Procedures with the previously outlined changes to the CEDC board for adoption. Carried.*



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Adjournment:

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

The meeting adjourned at 1:27 p.m.

Respectfully submitted by Lisa Draushuk