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Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, September 18, 2018
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 September 18, 2018. Robert Sherwood, Acting-Chairman, called the meeting to order at 1:04 pm.

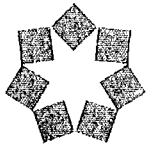
Attendee Name	Title	Status	Arrived
Rick Bianchi	Committee Member	Excused	
John Lee	Committee Member	Present	
Bob Sherwood	Committee Member	Present	
Colin Stair	Committee Member	Present	1:07pm
Tony Jones	Committee Member	Present	
Brian Stickles	Committee Member/Alternate	Excused	
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Kayla Duntz	CEDC Intern	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Edward Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Excused	
Lisa Draushuk	Administrative Supervisor	Present	

Minutes:

Mr. Lee made a motion, seconded by Mr. Jones to approve the minutes of the August 28, 2018 meeting. Carried.

Portfolio Review:

Ms. Lane stated Nancyscans would be written off and removed from the list. She stated Old Klaverack's loan had been re-written and he had made the first payment. She stated Angello's has continued paying and Pagoda Home had paid their loans in full due to the sale of their building. Mr. Jones made a motion, seconded by Mr. Lee to approve the Portfolio report as presented.



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Loan Requests:

G. G. and G. Flower Company, LLC:

Ms. Lane stated the request was for a \$15,000 SBA loan and a \$15,000 CEDC loan. The funds would be used for a new roof, improved driveway, new hoop house, demolition of an old greenhouse, new rototiller and working capital. The interest rate was 7.50% on the SBA loan and 5.50% on the CEDC loan, with a term of 60 months. Ms. Lane informed the Committee The Bank of Greene County had a first lien on all business assets to cover a line of credit. She suggested CEDC take a second mortgage on the Green Street building. *Mr. Jones made a motion, seconded by Mr. Lee to recommend the loan to the full board with CEDC taking a second mortgage as collateral. Carried.*

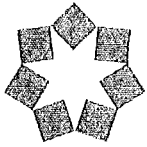
Interest Rate Discussion:

Mr. Tucker stated he was sensitive to the idea of lending to startups and other non-bankable loans at a reduced rate would make it easier for them to succeed. Mr. Stair suggested a sale on interest rates with associated promotion, he stressed CEDC needed to become more competitive. Mr. Stair asked the flow rate of loans. Mr. Tucker stated CEDC lent \$250,000 in the past few months. Mr. Stair questioned why more borrowers were not approaching CEDC. He noted the economy was good and loan requests should be increasing. He noted businesses are either self-funding or pursuing lines of credit. He stated CEDC needed to make the loans more appealing and attract more borrowers. He felt CEDC was missing an opportunity to increase lending.

Mr. Sherwood asked who referred loans to CEDC. Ms. Lane stated the referrals came mostly from technical assistance clients and providers and those who have done business with CEDC previously. Mr. Sherwood noted marketing CEDC loans was more important than rates. Ms. Lane stated she had learned from a webinar that more loans could be made with an easier more streamlined process.

Mr. Jones suggested pursuing smaller microloans in the range of \$3,000 - \$5,000. Mr. Sherwood noted small loans would still require the same amount of paperwork regardless of the amount of the loan. He stated it would be possible to use the applicant's credit score to underwrite loans in those amounts. Mr. Tucker suggested 5 points of criteria for judging a loan, including a credit score. Mr. Sherwood suggested a lower interest rate and based on their credit score. He asked how the loan program would be marketed. Mr. Stair suggested reaching out to the Hudson Business Coalition. Mr. Jones suggested asking them to contact us if their members had a specific financial need. Mr. Tucker suggested taking the list generated for the Siena business survey, segment the list by industry and send a mailing. Mr. Sherwood suggested selecting 100 for the first round. Mr. Tucker stated he, Ms. Lane and Ms. Duntz would sort the lists into 2 or 3 clusters. Mr. Sherwood also suggested targeting those businesses requesting used equipment loans. He stated banks won't do them and it could become CEDC's niche.

Mr. Tucker stated the process needed to be streamlined. Mr. Stair stated financial software typically cost between \$1,000 and \$3,000 per month. Mr. Tucker stated CEDC can't afford it with the current



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volume but CEDC has the ability to use ratios and create policy based on credit scores. Mr. Stair felt it was important to reach out to the bankers in the community to spread the word.

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

The meeting adjourned at 1:51 p.m.

Respectfully submitted by Lisa Draushuk