



Choose Columbia

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 October 23, 2018 at 8:00am at 4303 Route 9, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: October 16, 2018

Sarah Sterling

Secretary, Columbia Economic Development Corporation

CEDC Loan Committee

Chairman:

Members:

Rick Bianchi

Tony Jones

John Lee

Bob Sherwood

Colin Stair

Brian Stuckles

1. Minutes, September 18, 2018*
2. Portfolio Review
 - a. Monthly Loan Report*
3. Loan Requests
 - a. Saison New York Inc.*
4. Loan Committee Charter*
5. Public Comment

Attachments:

Draft September 18, 2018 minutes

Loan Report

Saison New York Inc. loan request

Loan Committee Charter

* Requires Approval



Choose Columbia

Columbia Economic Development Corporation

DRAFT

**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.



Choose Columbia

Columbia Economic Development Corporation

DRAFT

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



DRAFT

Choose Columbia

Columbia Economic Development Corporation

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

CEDC LOAN STATUS REPORT

| RECIPIENT | Town | LOAN TYPE | ORIG. AMOUNT | ORIGIN. Loan Date | Loan Bal | # of YEARS | INTEREST RATE | MONTHLY PAYMENT | DAY DUE | PAST DUE IF > 30 | Last PYMT | CHANGE DATE |
|-----------------------------|------------|-----------|--------------|-------------------|---------------|------------|---------------|-----------------|---------|------------------|-----------|-------------|
| | | | | | | | | | | | | |
| LOAN FUND 9/30/18 | | | | | | | | | | | | |
| BROWN'S CAR SALES, LLC | Stockport | CDBG | \$12,500 | 09/08/17 | 10,290.00 | 5 | 6.00% | \$241.66 | 31 | | 09/14/18 | 09/08/22 |
| ACW MILLWORK & CABINETRY | Claverack | CDBG | \$50,000 | 06/20/18 | 48,499.00 | 7 | 5.00% | \$706.70 | 20 | | 09/24/18 | 06/20/24 |
| ALULA WOODWORKS | Claverack | CDBG | \$13,350 | 05/24/18 | 12,588.00 | 5 | 6.50% | \$261.21 | 24 | | 09/18/18 | 05/24/23 |
| BRIGID DORSEY, LESCOLLINES | Hillsdale | CDBG | \$14,222 | 03/21/18 | 13,194.00 | 5 | 6.00% | \$274.96 | 21 | | 08/24/18 | 03/21/23 |
| EAST CHATHAM FOOD Co. | Canaan | CDBG | \$15,000 | 08/04/16 | 9,400.00 | 5 | 7.25% | \$298.79 | 4 | | 10/01/18 | 08/04/21 |
| GERMANTOWN LAUNDROMAT, LLC | Germantown | CDBG | \$25,000 | 09/14/18 | 25,000.00 | 6 | 5.00% | \$402.68 | 14 | | 10/05/18 | 09/14/24 |
| HUDSON CHATHAM WINERY, LF | Ghent | CDBG | \$32,045 | 08/02/13 | 5,749.00 | 6 | 3.00% | \$486.88 | 2 | | 10/04/18 | 08/02/19 |
| HUDSON ATHENS RETAIL | Hudson | CDBG | \$25,000 | 09/13/17 | 21,335.00 | 6 | 5.00% | \$402.62 | 13 | | 10/01/18 | 09/13/23 |
| HUDSON CRUISES, INC. | Hudson | CDBG | \$50,000 | 06/15/14 | 44,317.00 | 10 | 7.00% | \$387.65 | 15 | | 10/09/18 | 06/15/24 |
| J.E.M. WOODWORKING #2 | Ghent | CDBG | \$32,067 | 06/01/15 | 16,249.00 | 6 | 6.50% | \$539.04 | 1 | | 09/10/18 | 06/01/21 |
| LINDA MARRISH (THE POND) | Ancram | CDBG | \$100,000 | 10/13/17 | 96,603.00 | 10 | 5.00% | \$750.00 | 13 | | 12/27/18 | 10/13/27 |
| MARIOS HOME CENTER | Kinderhook | CDBG | \$100,000 | 10/01/09 | 11,951.00 | 10 | 2.25% | \$931.37 | 1 | | 08/24/18 | 10/01/19 |
| OLDE HUDSON | Hudson | CDBG | \$40,000 | 12/02/15 | 23,943.00 | 6 | 7.75% | \$696.46 | 2 | | 09/14/18 | 10/01/19 |
| NICK JENNINGS | Kinderhook | CDBG | \$10,000 | 04/13/17 | 7,449.00 | 5 | 6.00% | \$193.33 | 13 | | 03/15/23 | 03/15/23 |
| OLD KLAVERACK BREWERY | Claverack | CDBG | \$15,132 | 09/15/18 | 14,875.00 | 15 | 7.25% | \$324.20 | 1 | | 12/01/22 | 07/01/22 |
| PHILMONT BEAUTIFICATION | Claverack | CDBG | \$30,000 | 03/19/18 | 30,000.00 | 19 | 3.00% | \$0.00 | 19 | | 12/03/18 | 05/03/18 |
| PAUL CALCAGNO | Kinderhook | CDBG | \$60,000 | 12/15/14 | 16,517.00 | 2 | 7.00% | \$1,232.02 | 15 | | 08/03/18 | 09/25/19 |
| PARR INABAR CORP. | Hudson | CDBG | \$35,000 | 04/23/13 | 4,031.00 | 6 | 7.00% | \$596.72 | 23 | | 09/26/18 | 04/23/19 |
| RONNYBROOK | Ancram | CDBG | \$25,000 | 02/06/14 | 6,951.00 | 7 | 7.50% | \$432.25 | 6 | | 09/24/18 | 03/06/20 |
| SUH6 ENTERPRISES, LLC | Copake | CDBG | \$25,000 | 10/13/17 | 21,648.00 | 6 | 5.00% | \$402.62 | 13 | | 09/17/18 | 10/13/23 |
| STATE 11 DISTILLERY | Claverack | CDBG | \$25,000 | 02/24/17 | 18,824.00 | 6 | 5.25% | \$405.53 | 24 | | 09/20/18 | 02/24/23 |
| PHOENIX SERVICES | Greenport | CDBG | \$128,698 | 05/01/15 | 107,788.00 | 15 | 5.00% | \$1,017.74 | 1 | | 10/03/18 | 05/01/30 |
| 2 DUKES & APRINGESS | Chatham | CDBG | \$25,000 | 03/28/18 | 23,495.00 | 6 | 5.00% | \$402.62 | 28 | | 10/01/18 | 03/28/24 |
| WANDERING FOOL | Livingston | CDBG | \$25,000 | 06/28/18 | 24,403.00 | 6 | 5.00% | \$402.62 | 28 | | 10/01/18 | 06/28/24 |
| 41 CROSS STREET HOSPITALITY | Hudson | CDBG | \$75,000 | 12/13/17 | 75,000.00 | 13 | 5.00% | \$312.50 | 13 | | 09/18/18 | 06/13/26 |
| TOTAL | | | \$988,014.44 | | \$690,099.00 | | | \$12,102.17 | | \$0.00 | | |
| ANGELLO'S DISTRIBUTING | Clermont | SC | \$100,000 | 01/01/06 | 29,156.00 | 15 | 6.00% | \$843.86 | 1 | | 09/06/18 | 01/01/21 |
| HUDSON VALLEY BREWERY | Livingston | SC | \$184,000 | 05/03/12 | 17,904.00 | 7 | 5.00% | \$2,600.62 | | | 10/09/18 | 05/03/19 |
| HUDSON VALLEY CREAMERY | Livingston | CDBG | \$100,000 | 01/01/12 | 4,157.00 | 7 | 5.00% | \$1,413.89 | 1 | | 10/09/18 | 01/01/19 |
| | | | \$384,000 | | \$51,217.00 | | | \$4,858.39 | | | | |
| GRANTS | | | | | | | | | | | | |
| Flanders | | LF | 200,000.00 | 07/11/11 | \$ 200,000.00 | | | | | | | |



Choose Columbia

Columbia Economic Development Corporation

MEMORANDUM

TO: CEDC Loan Committee

FROM: Martha E. Lane, Business Development Specialist

RE: Loan Request

DATE: September 28, 2018

Applicant: Saison New York Inc.
DBA Saissonier
11 Chatham Street
Kinderhook, NY 12106

Amount: \$20,000 SBA Microloan

Purpose: Equipment, inventory, and working capital

Interest Rate: 6.5% (includes ½% discount for completing Microbusiness Seminar Series)

Term: 48 payments, fully amortized, of \$474.30

Collateral: All business assets, including furniture, fixtures, equipment, refrigeration, and inventory; personal guaranty of the principals

Jobs: Project will create 2 FT and 2 PT jobs

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 Directors, 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 Directors, 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.

Reviewed and adopted 1/31/17