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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 22, 2020 at 9:30pm at the offices of Columbia Economic Development Corp. located at One Hudson City Centre, Suite 301, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: January 15, 2020

Sarah Sterling

Secretary, Columbia Economic Development Corporation

CEDC Loan Committee

Chairman:

Members:

David Fingar	Robert Sherwood
John Lee	Sarah Sterling
Kenneth Leggett	Brian Stickles
Seth Rapport	

1. Minutes, November 12, 2019*
2. Portfolio Review
 - a. Monthly Loan Report*
3. 2019 Discharged Duties*
4. Quarterly Risk Analysis Review*
5. Loan Committee Charter Review*
6. Lending Fee Review*
7. Public Comment

Attachments:

Draft November 12, 2019 minutes
Portfolio Report
2019 Discharged Duties
Loan Committee Charter

* Requires Approval



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Meeting Minutes
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, November 12, 2019
4303 Route 9
Hudson, New York

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Loan Committee was held at the Columbia County Chamber of Commerce office Located at One Hudson City Centre, Suite 301, Hudson, NY 12534 on November 12, 2019. John Lee, Acting-Chairman, called the meeting to order at 8:32am.

Attendee Name	Title	Status	Arrived/Departed
David Fingar	Committee Member	Present	
John Lee	Committee Member	Present	
Seth Rapport	Committee Member	Present	
Bob Sherwood	Committee Member	Excused	
Sarah Sterling	Committee Member/Alternate	Present	Arrived 8:41 am
Brian Stickles	Committee Member/Alternate	Present	Departed 8:52am
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Edward Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Kayla Duntz	CEDC Intern	Present	
Amy Bonville	Outsourced Partner	Present	Arrived 9:29am

Minutes:

Mr. Lee asked for any questions or changes to the minutes of October 22, 2019. *Mr. Fingar made a motion, seconded by Mr. Rapport to approve the minutes as presented. Carried.*

Train Time Express:

Mr. Tucker stated the principals had contacted the office requesting their loan be modified due to slow initial season. Ms. Lane recommended a 6 month deferment on their CEDC loan, with continued payment on their SBA loan. *Mr. Stickles made a motion, seconded by Mr. Fingar to*



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approve a 6 month deferment on the CEDC loan and continued payment of the SBA loan, contingent upon meeting with a technical assistance provider. Carried.

Portfolio Review:

Ms. Lane noted EZ Foods had sent in a check and was now current. She noted Calcagno continued to pay monthly, it was anticipated his loan would pay off by the end of the year. Ms. Lane stated Ms. McNary was in touch with les collines regarding their payment. She informed the Committee Serenity Wellness was behind but stated she would be sending a check. *Mr. Fingar made a motion, seconded by Mr. Stickles to recommend approval of the portfolio review to the full board. Carried.*

Risk Rating Review:

Ms. Lane handed out a sheet explaining the difference between the Downhome risk rating system and the current risk rating table in the Loan Policy Manual. She noted that Downhome was not in alignment with the Loan Policy Manual charts, which will need to be updated, Mr. Stickles asked if the Downhome system could be customized to adhere to the CEDC charts.

Philmont Beautification Inc. Update:

Ms. Lane stated Philmont Beautification Inc. had asked it's attorney to draft a document stating the terms of the agreement were being met.

Recusal:

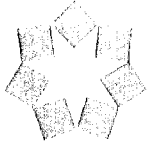
Mr. Stickles stated he had a conflict of interest with the remaining three loan requests due to his banking relationship with the clients. He left the meeting at 8:52am, prior to any discussions.

Robert Castellano:

Ms. Lane stated the request was for a \$30,000 CEDC loan and a \$30,000 SBA loan to be used for restaurant equipment purchases and working capital. The interest rate proposed was 5% on the CEDC loan and 7% on the SBA loan. The terms of both loans were 72 months. Collateral would be a third position on real estate and a personal guarantee. *Ms. Sterling made a motion, seconded by Mr. Rapport to recommend the loan to the full board as presented, contingent upon the client obtaining mortgage financing. Carried.*

Tivoli Farm Inc.:

Ms. Lane stated the loan request was for \$75,000: \$25,000 from SBA funds and \$50,000 from CEDC loan funds. The interest rate proposed was 5% on the CEDC loan and 7% on the SBA loan. The funds would be used for inventory, working capital and buildout for a second retail store. The term on both loans was 72 months. Collateral was a lien on all business assets relating to the new store including equipment, furniture, fixtures, inventory and accounts receivable. *Ms. Sterling*



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made a motion, seconded by Mr. Rapport to recommend the loan to the full board for approval. Carried.

JEM Woodworking and Cabinets Inc.:

Ms. Lane stated the loan request was for \$75,000; \$25,000 from the SBA and \$50,000 from CEDC. The funds would be used for working capital. The interest rate would be 5% on the CEDC loan and 7% on the SBA loan. The terms would be 72 months on the SBA loan and 84 months on the CEDC loan. Collateral would be a second position on cash, accounts receivable and all non-equipment assets, as well as the personal guaranty of the principal. *Mr. Fingar made a motion, seconded by Ms. Sterling to move the loan to the full board for their review upon receipt of satisfactory financials with no comments or recommendations. Carried.*

With no further business, Ms. Sterling made a motion, seconded by Mr. Fingar to adjourn the meeting. Carried. The meeting adjourned at 9:41am.

Respectfully submitted by Lisa Draushuk

Trial Balance Report for SBA Loan Fund for the Period 01/01/2019 - 12/31/2019
By Funding Source
(All transactions)

01/07/2020 03 27 PM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	Cumulative Prmts			Periods Past Due							
							Principal	Interest	Escrow	Amount	Date	ONE	TWO+	THREE+	FOUR+	FIVE+	SIX
1250-35a	Abravas/Tacos LLC	05/09/2019	60 mo	7.250	12,500.00	11,146.91	1,353.09	397.56		500.00	12/20/2019						
1250-36a	Albert Schulze, d...	05/23/2019	60 mo	7.250	17,000.00	15,621.33	1,378.67	656.71		339.23	12/09/2019						
1250-18a	Alula Woodworks	05/24/2018	60 mo	6.500	13,350.00	9,773.04	2,231.21	644.09		262.00	12/06/2019	261.21					
1250-18a	Bahida Dolc	04/23/2018	60 mo	6.500	15,000.00	10,530.79	2,738.74	783.14		293.49	12/27/2019						
1250-16a	Fahari Bazaar	02/07/2018	48 mo	7.000	15,000.00	8,709.34	3,500.61	817.84		360.00	12/09/2019						
1250-37a	Germanatown Beer F...	06/07/2019	72 mo	7.000	30,000.00	28,444.73	1,555.27	1,013.83		513.82	12/03/2019						
1250-28a	Karyn Quills	11/27/2018	48 mo	7.000	12,000.00	9,073.41	2,709.24	738.96		287.35	12/30/2019						
1250-30	Minna Goods, LLC	02/15/2019	72 mo	7.250	25,000.00	22,110.90	2,889.10	1,403.20		425.23	12/16/2019						
1250-15a	Primitive Twig	02/08/2018	36 mo	7.000	9,277.61	3,802.97	2,950.87	349.13		300.00	12/09/2019						
1250-29a	Serenity Wellness...	12/13/2018	36 mo	7.000	4,500.00	3,604.28	895.72	252.18		420.00	09/13/2019	138.95					
1250-13a	SUH6 Enterprises,...	10/13/2017	72 mo	7.000	25,000.00	17,152.46	3,769.61	1,345.15		426.23	12/16/2019						
1250-32a	Train Time Express...	04/19/2019	72 mo	7.250	22,500.00	20,501.31	1,998.69	1,099.15		387.23	12/30/2019						
1250-20a	Wandering Food, LLC	05/28/2018	72 mo	7.000	25,000.00	19,689.81	3,603.08	1,511.68		426.23	12/27/2019						
1250-31a	Willie's Bakery Ca...	04/17/2019	72 mo	7.000	30,000.00	27,315.63	2,684.37	1,407.39		511.47	12/27/2019						
SBA Loan Fund - SBA RLF-06: 15 loans						281,127.61	226,179.69	37,872.23	13,820.81	5,862.51		400.16	138.95				
SBA Loan Fund: 40 loans						788,127.61	424,582.49	148,818.28	29,808.88	49,856.98		1,099.16	138.95				
Report total: 40 loans						788,127.61	424,582.49	148,818.28	29,808.88	49,856.98		1,099.16	138.95				

Trial Balance Report for CEDC Loan Fund for the Period 01/01/2019 - 12/31/2019

By Funding Source
(All transactions)

01/07/2020 03 29 PM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	Cumulative Pmts			Latest Pmts			Periods Past Due		
							Principal	Interest	Escrow	Amount	Date	ONE	TWO+	THREE+	FO
1220-44	2 Dukes & a Princess	03/28/2018	72 mo	5.000	25,000.00	18,435.32	3,833.39	998.05		402.62	12/27/2019				
1220-41	41 Cross Street H...	12/13/2017	84 mo	5.000	75,000.00	71,234.19	3,765.81	3,096.89		1,060.04	11/04/2019	1,060.04			
1220-60	AbraxasTacos LLC	05/09/2019	60 mo	7.250	12,500.00	11,565.14	934.86	315.79		250.13	09/18/2019	250.13			
1220-45	ACW Millwork & Ca...	06/20/2018	84 mo	5.000	50,000.00	40,682.19	6,296.17	2,184.11		706.70	11/18/2019	261.21			
1220-47	Alula Woodworks	05/24/2018	60 mo	6.500	13,350.00	9,760.08	2,243.76	631.13		262.00	12/04/2019				
1220-40	Brown's Car Sales...	09/08/2017	60 mo	6.000	12,500.00	7,395.77	2,572.82	568.76		242.32	12/20/2019				
1220-06	Dylson, Inc.	09/02/2013	72 mo	3.000	32,045.12	3,851.83	3,851.83	43.21		486.88	08/14/2019				
1220-33	East Chatham Food...	08/04/2016	60 mo	7.250	15,000.00	8,423.71	8,423.71	50.90		8,474.61	02/08/2019				
1220-66	Germaintown Beer F...	06/07/2019	72 mo	5.000	30,000.00	28,294.96	1,705.04	718.66		484.74	12/02/2019				
1220-47b	Germaintown Laundr...	09/14/2018	72 mo	5.000	25,000.00	20,381.23	3,719.49	1,112.67		402.68	12/16/2019				
1220-49	G.G. & G. Flower ...	10/10/2018	60 mo	5.000	15,000.00	11,817.20	2,740.74	656.10		283.07	12/16/2019				
1220-50	Hudson-Athens Ret...	09/13/2017	72 mo	5.000	25,000.00	16,452.05	3,938.20	895.24		402.62	11/18/2019				
1220-09	Hudson Cruises, Inc.	06/15/2014	240 mo	7.000	50,000.00	42,299.91	1,628.39	3,023.41		387.65	12/05/2019				
1220-67	Hudson Dev. Corp	10/30/2019	36 mo	5.000	200,000.00	200,000.00		1,666.66		893.33	12/16/2019				
1220-10	J.E.M. Woodworkin...	06/01/2015	72 mo	6.500	32,066.96	14,888.83	14,888.83	656.85		12,311.44	08/07/2019	274.96			
1220-37	Les Collines	03/21/2018	60 mo	6.000	14,222.33	10,254.93	2,095.63	653.97		274.96	11/04/2019				
1220-13	Marlo's Home Center	10/01/2009	120 mo	2.250	100,000.00	100,000.00	8,304.79	73.10		901.93	10/28/2019				
1220-51	Minna Goods, LLC	02/15/2019	72 mo	5.000	45,000.00	39,504.08	5,495.92	1,751.28		724.72	12/16/2019				
1220-54	Miracle Springs F...	05/01/2019	84 mo	5.000	100,000.00	100,000.00		2,916.69		416.67	12/03/2019				
1220-36	Nick Jennings LLC	04/19/2017	60 mo	6.000	10,000.00	5,005.99	1,973.11	346.85		193.33	12/16/2019				
1220-16	Olde Hudson, LLC	12/02/2015	72 mo	7.750	40,000.00	15,423.25	6,883.83	1,473.69		696.46	12/16/2019				
1220-48	Old Klaverack Bre...	08/15/2018	60 mo	7.250	15,132.44	11,790.35	2,377.52	864.48		324.20	11/07/2019	324.20			
1220-19	Parr Inabar Corp	04/23/2013	72 mo	7.000	35,000.00	2,302.06	2,302.06	33.86		545.76	04/25/2019				
1220-18	Paul Calcagno, Jr...	12/15/2014	42 mo	7.000	60,000.00	61.97	13,027.87	574.35		1,257.02	12/27/2019	7.65	14.90	21.83	17.59
1220-58	Philmont Beautif...	12/17/2019	18 mo	0.000	25,000.00	25,000.00									
1220-21	Phoenix Services ...	05/01/2015	180 mo	5.000	128,698.92	90,663.41	12,393.24	4,819.64		1,017.74	12/09/2019				
1220-22	Ronnybrook Farm D...	02/06/2014	72 mo	7.500	25,000.00	879.78	4,897.50	289.50		432.25	12/05/2019				
1220-35	State 11 Distille...	02/24/2017	72 mo	5.250	25,000.00	18,176.40	18,176.40	1,056.53		13,149.98	12/20/2019				
1220-43	SUH6 Enterprises...	10/13/2017	72 mo	5.000	25,000.00	16,792.97	3,913.62	918.62		402.62	12/16/2019				
1220-12	The Pond Restaurant	10/13/2017	120 mo	5.000	100,000.00	92,700.48	2,504.33	2,745.67		750.00	07/31/2019				
1220-69	Tivoli Farm Inc.	12/16/2019	72 mo	5.000	50,000.00	50,000.00									
1220-53	Train Time Expres...	04/19/2019	72 mo	7.250	22,500.00	21,026.23	1,473.77	849.61		387.23	10/31/2019				
1220-46	Wandering Fool, LLC	06/28/2018	72 mo	5.000	25,000.00	19,410.38	3,780.14	1,051.30		402.62	12/27/2019				
1220-52	Willis's Bakery Ca...	04/17/2019	72 mo	5.000	30,000.00	27,137.08	2,862.92	1,002.28		483.15	12/27/2019				

Trial Balance Report for CEDC Loan Fund for the Period 01/01/2019 - 12/31/2019
 By Funding Source
 (All transactions)

01/07/2020 03 29 PIM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	Cumulative Pmts			Latest Pmts			Periods Past Due				
							Principal	Interest	Escrow	Amount	Date	ONE	ONE+	TWO+	THREE+	FO	
CEDC Loan Fund - CEDC-01: 34 loans					1,488,015.79	1,003,908.94	153,005.69	38,039.85		49,351.47	2,178.19	339.10	21.83	17.59			
CEDC Loan Fund: 34 loans					1,488,015.79	1,003,908.94	153,005.69	38,039.85		49,351.47	2,178.19	339.10	21.83	17.59			
Report total: 34 loans					1,488,015.79	1,003,908.94	153,005.69	38,039.85		49,351.47	2,178.19	339.10	21.83	17.59			

2019 CEDC Loan Committee Report of Discharged Duties

During 2019 the CEDC Loan Committee:

- Work continued on the Loan Program business plan.
- Work continued on the financial procedure manual.
- Loan software was installed and integrated with Quickbooks.
- Reviewed twenty four loan requests, thirteen CEDC and eleven SBA.
 - Twenty four recommended to the full board for approval.
 - One approved by the loan committee.
 - Eight approved Microloans closed.
 - Nine CEDC loans closed.
 - \$182,000 total lent by SBA.
 - \$515,000 total lent by CEDC.
 - Two previously written off loans continue to pay.
- Reported 6 SBA and 6 CEDC loans paid off in 2019.
- Reviewed the portfolio risk ratings.

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. 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 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
Reaffirmed 10/23/18