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Columbia Economic Development Corporation

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION NOTICE OF PUBLIC MEETING

Please take notice that there will be a meeting of the Columbia Economic Development Corporation Board's Loan Committee held on January 18, 2022 at 1:00pm, at their office located at One Hudson City Centre, Suite 301, Hudson, NY 12534 to consider all matters presented to the Board for consideration.

This meeting is open to the public. Due to public health and safety concerns related to COVID-19, and in accordance with the Senate and Assembly bills ([S.50001/A.40001](#)), the meeting will be also be held

Zoom, Join Zoom Meeting

<https://us06web.zoom.us/j/84401364107?pwd=YW16RVNQSO0MySTYzdkVFcHRkb0NQUT09>

Meeting ID: 844 0136 4107, Passcode: 842687, Dial by your location +1 646 558 8656

Find your local number: <https://us06web.zoom.us/u/kemNAoAM>

Dated: January 11, 2022

Sarah Sterling

Secretary Columbia Economic Development Corporation

CEDC Loan Committee

Chairman:

John Lee

Members:

David Fingar

Seth Rapport

Kenneth Leggett

Sarah Sterling

Michael Molinski

Brian Stickles

1. Minutes, December 13, 2021*
2. Loan Committee Charter*
3. 2021 Discharged Duties*
4. Portfolio Review*
5. Baniks Simple Pet Cremation Loan Request*
6. Train Time Express Payoff
7. Old Klaverack Brewery Subordination Request*
8. Public Comment

Attachments:

Draft December 13, 2021 minutes

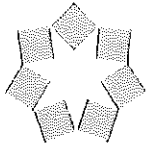
Loan Committee Charter

2021 Discharged Duties

Portfolio Report

Baniks Simple Pet Cremation Loan Request

* Requires Approval



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Meeting Minutes
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
December 13, 2021
One Hudson City Centre, Suite 301
Hudson, New York

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Loan Committee meeting was held via Zoom and in person due to the COVID-19 outbreak, on December 13, 2021. Ms. Sterling - Acting Chair, called the meeting to order at 1:04pm.

Attendee Name	Title	Status	Arrived/Departed
David Fingar	Committee Member	Excused	
John Lee	Committee Chair	Excused	
Kenneth Leggett	Committee Member	Present via Zoom	
Michael Molinski	Committee Member	Present	
Seth Rapport	Committee Member	Present via Zoom	
Sarah Sterling	Committee Member	Present	
Brian Stickle	Committee Member/Alternate	Present via Zoom	
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Lauren Cranna	Business Development Partner	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Martha Lane	Business Development Director	Present	
Cat Lyden	Assistant Admin and Bookkeeper	Present	

Minutes:

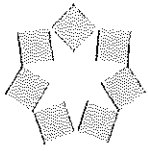
Ms. Sterling asked if there were any changes to the minutes of November 15, 2021. *With no changes, Mr. Leggett made a motion, seconded by Mr. Rapport to approve the minutes from November 15, 2021. Carried.*

Portfolio Review:

Ms. Lane reviewed the Portfolio Report. She noted Browns had paid and was now current. She noted Train Time’s latest potential buyer appeared no longer interested, but another buyer located in Texas had contacted the principals about purchasing the train. She noted 711 CR3 LLC and Hudson Clothier were currently one payment behind. *Mr. Rapport made a motion, seconded by Mr. Molinski to recommend the report to the full board for their review and approval. Carried.*

The NY Speed Shop LLC Loan Request:

Ms. Sterling noted that the applicant for this loan was the brother of the latest candidate for a CEDC board seat. She stated she had reviewed the anti-nepotism and conflict of interest policy for guidance as to any potential conflict of interest. She felt there needed to be a statement in the record addressing the situation.



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Mr. Tucker stated Michael Benson, the loan applicant was brother to Joseph Benson, the person who was being reviewed for a CEDC Board seat. He noted Joseph Benson was not currently on the Board and would not be voting on this loan. Ms. Sterling asked that Mr. Joseph Benson be counseled about the conflict of interest and his actions. Mr. Howard stated he would review the conflict policy regarding Board members and their families and loans and would report back to the Board.

Ms. Lane stated the loan was to The New York Speed Shop, LLC in the amount of \$23,500. The SBA loan would be used for equipment and working capital. She noted the interest rate was 5%, with a term of 72 months. Collateral would be a lien on equipment as well as the personal guarantee of the principal. *Mr. Rapport made a motion, seconded by Mr. Leggett to approve the loan as presented, subject to a confirmation of the applicable zoning allowing the use and reviewing the insurance for adequate coverage for CEDC. Carried.*

Velo Domestique Loan Request:

Mr. Stickles recused himself from the discussion and vote due to a banking relationship with the client. Mr. Howard noted he had provided legal advice to this client in the past. Ms. Lane stated the amount of the loan was a \$15,000 from the SBA. The funds would be used for inventory and working capital. The interest rate would be 5% with a term of 60 months. Collateral would consist of a lien on all business assets as well as the personal guarantee of the principal. *Mr. Rapport made a motion, seconded by Mr. Molinski to approve the loan as presented. Carried.*

Tivoli Mushroom LLC. Loan Request:

Ms. Cranna stated the request was for \$75,000, \$15,000 from SBA and the remaining \$60,000 from CEDC. The funds would be used for equipment, materials and working capital. The proposed interest rate was 5% with 72 monthly payments for each loan. Collateral would be a lien on all business assets and the personal guarantee of the principal. *Mr. Molinaro made a motion, seconded by Mr. Rapport to recommend the loan to the full board as presented. Carried.*

With no further business and no public comment, Mr. Molinaro made a motion, seconded by Mr. Leggett to adjourn the meeting. Carried. The meeting adjourned at 1:51pm.

Respectfully submitted by Lisa Draushuk

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 *five (5)* independent members of the board of Directors, who shall constitute a majority on the committee. If the board has less than *five (5)* 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

2021 CEDC Loan Committee Report of Discharged Duties

- Provided technical assistance to approximately 80 small business owners in Columbia and Greene Counties
- Conducted an eight-week Microbusiness Seminar Series that graduated 10 entrepreneurs
- Closed 24 loans totaling \$535,400 (16 SBA microloans totaling \$300,400 and 8 CEDC loans totaling \$235,000)
- Reaffirmed Charter
- Reviewed interest rate
- Approved and distributed \$40,000 in Fast Forward loans
- Reviewed the Loan Policy Manual

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TO: Loan Committee
FROM: Lauren Cranna, Business Development Partner
SUBJECT: Authorization to Make a Loan and Take Related Actions
DATE: January 10, 2022

Applicant: Baniks Inc.
399 Tool House Road
Catskill, NY 12414

Amount: \$25,000 SBA Microloan

Purpose: Equipment, working capital

Interest Rate: 5%

Repayment: 72 level monthly payments, fully amortized, of \$402.62/month

Proposed Collateral: Lien on equipment

Other Security: Personal guaranty of principal