

# VERMONT AGRICULTURAL CREDIT CORPORATION

## Minutes

October 25, 2019

A meeting of the Vermont Agricultural Credit Corporation convened at the Delta Hotels by Marriott, South Burlington, Vermont on October 25, 2019 beginning at 9:47 a.m. Those Directors of the Corporation present were: T. Gallagher, Chair; D. Kurzman; E. Delhagen (designee for J. Tierney); J. Goldstein (designee for L. Kurrle); S. Voigt; T. Foster; T. Collier; L. Graves; A. Gagner; B. Pearce and A. Eastman (designee for A. Tebbetts). Staff members present were: C. Polhemus, President; P. Samson, Vice President; S. Isham, Secretary; C. Houchens, Chief Compliance and Loan Review Officer; R. Grzankowski, Chief Operations Officer; T. Porter, Director of Commercial Lending; J. Kimberly, Deputy Director of Agricultural Lending; P. Fitzgerald, Director of Loan Resolution; Senior Loan Officers: E. Denny, M. Dussault, S. Croft, J. Conklin, A. Wood, S. Buckley and A. Curler; Loan Officers: E. Paradee and C. Leonard; C. Blais, Commercial Credit Analyst and C. Brown, Office and Facilities Manager. R. Milrod of CFO Consulting Partners participated via Skype. Those Directors present constituted a quorum.

### Minutes of September 20, 2019

On a motion by T. Foster, seconded by L. Graves, the minutes of the September 20, 2019 meeting were approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

### Agricultural Update

A. Eastman explained several legislative work groups will soon submit their recommendations to the legislature – including the Wetlands Work Group and the Environmental Work Group.

A. Eastman continued her update noting legislative tours, as recommended at the Dairy Summit at Jay Peak Resort in May, have provided much interaction between farmers and legislators and have led to positive outcomes.

Next, A. Eastman explained contracts for hemp growers are encouraging. She explained those growers which secured contracts have worked out well – but also noted those growers without a contract have the ability to store their hemp for some time, if stored properly.

Election of Officers

C. Polhemus presented the following slate of officers:

President:	Cassandra F. Polhemus
Vice President:	Peter F. Samson
Treasurer:	David E. Carter
Secretary:	Sarah C. Isham
Assistant Secretary:	Renee Grzankowski Heidi van Gulden Jennifer Pinsonneault

On a motion by A. Eastman, seconded by T. Collier, the following resolution was approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Resolution

BE IT RESOLVED, that the following officers be and hereby are elected:

President:	Cassandra F. Polhemus
Vice President:	Peter F. Samson
Treasurer:	David E. Carter
Secretary:	Sarah C. Isham
Assistant Secretary:	Renee Grzankowski Heidi van Gulden Jennifer Pinsonneault

Credit Risk Classification Report – 1<sup>st</sup> Quarter FY2020

P. Samson reviewed the Credit Risk Classification Report recommendations for the VACC loan portfolio for the 1<sup>st</sup> quarter of fiscal 2020 (ended September 30, 2019) which included recommended loan loss reserves in the amount of \$1,126,600.

After a discussion regarding the reserves and changes recommended thereto, on a motion by B. Pearce, seconded by A. Eastman, the recommendations were approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

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Iroquois Acres NWA, LLC, Steven J. and Sherry Ouellette, Aaron J. Ouellette, Seth H. and Stephani J. Pope – Bridport – Increase VACC \$329,000 Guaranteed Operating Loan by \$64,000; Renew Line of Credit and Waive Zero Out Provision

A. Curler explained Iroquois Acres NWA, LLC, et al., are requesting an increase to an approved, but not yet closed, operating loan, to renew a line of credit and waive the zero out provision. The loans are secured by a security interest in all of the borrower’s now owned or hereafter acquired cattle, machinery and equipment including, but not limited to, all offspring, replacements, substitutions, accessions, and parts and all products and proceeds thereof, and insurance proceeds thereof owned by Iroquois Acres NWA, LLC and its members and a security interest in borrower’s milk and all products and proceeds thereof.

After discussion regarding management strength and breeding stock, on a motion by A. Eastman, seconded by L. Graves, the above loan request was approved by those Directors of the Corporation present by a vote of 9 to 0 with the Chair and T. Foster abstaining.

Staff Authority – Loan Approvals

Pursuant to a Resolution adopted by the Directors of the Vermont Agricultural Credit Corporation at the July 29, 2016 meeting, Staff approved the following loans since the last VACC meeting:

<b>Name</b>	<b>Town</b>	<b>Loan Amount</b>
Hotte Bros.; Hotte, Lucien J. Jr. and Jesse J.	Bridport	\$ 17,300
Sheehan, Amanda R.	Vershire	\$ 58,500
Allaire, Chad C. and Skorstad, Liv T.	Hardwick	\$ 82,500
Karp, Joshua N. and Schumann, Tjasa M.	Craftsbury Common	\$ 8,000
Kehoe, Dan M. and Corinne E.	Weybridge	\$ 73,000
Decker, Peter V. and Tina M. Durrance	Morgan	\$150,000
Bathalon, Karen R. and Allan P.	North Troy	\$ 52,350
McGovern, Andrew and Krystal	East Thetford	\$ 18,000

Staff Authority – Other Business

Staff presented the Directors with the Internal Other Business Memo.

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There being no other business to properly come before the Corporation on a motion by A. Eastman, seconded by J. Goldstein, the meeting adjourned at 10:07 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: \_\_\_\_\_  
Cassandra F. Polhemus, President

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