

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

December 11, 2020

A video conferencing meeting of the Vermont Economic Development Authority (VEDA) convened on December 11, 2020 beginning at 9:33 a.m. Those Members of the Authority present via Zoom video conferencing were: T. Gallagher, Chair; S. Voigt; T. Foster; J. Goldstein (designee for L. Kurrle); R. Shippee; A. Gagner; D. Kurzman; A. Eastman (designee for A. Tebbetts); B. Pearce; and L. Graves. Staff present via Zoom in VEDA's Montpelier office: A. Wright, Executive Assistant. Staff present via Zoom video conferencing were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; T. Richardson, Chief Financial Officer; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; T. Porter, Director of Commercial Lending; Senior Loan Officers: S. Croft; J. Conklin and A. Wood; Loan Officers: C. Leonard; E. Paradee and M. Corbett; S. Ripley, Commercial Loan Assistant; B. Koch, IT Manager; C. Morris, Communications Manager; K. Kilpatrick, Administrative Assistant. T. Collier, Member, joined the meeting later. Those Members present constituted a quorum.

Minutes of October 30, 2020 Annual and Regular Meetings

On a motion by S. Voigt, seconded by B. Pearce, the minutes for the October 30, 2020 annual and regular meetings were approved by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

CEO's Report

C. Polhemus opened her report looking forward to the COVID-19 vaccine and how distribution will take place, and what Congress can do in January regarding the CARES Act.

C. Polhemus continued her report noting that forgiveness applications are being received and processed in a timely manner by the SBA.

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Next, C. Polhemus explained that VEDA’s work on the state grants is wrapping up. J. Goldstein noted that this is an extremely challenging time for the state.

C. Polhemus welcomed S. Ripley as a Commercial Loan Assistant.

C. Polhemus stated loan approvals are about 17% below last year at this time and closings are down about a third compared to a year ago. This is not unexpected in the current economic environment. Agriculture continues to be a bright spot with several real estate acquisitions.

Direct approvals through November 30, 2020 totaled \$15.2 million, \$1.5 million below budget and \$3.5 million below the same period of FY2020. Loans closed through November 30, 2020 totaled \$10 million, \$3.1 million below budget and \$4.3 million below the same period of FY2020.

Board Financial Summary

T. Richardson presented the Board Financial Summary for the period ended October 31, 2020. Financial results included reported Net Operating Income before fair value adjustment for investments of \$1.5 million, favorable to budget by \$295.7 thousand. Net Interest Income of \$3.0 million was favorable to budget by \$31.7 thousand. Other Income of \$546 thousand was favorable to budget by \$6.8 thousand.

Credit Quality Report

P. Samson provided the Members with the Credit Quality Report.

At 10:07 a.m. T. Collier joined the meeting.

Strategic Plan Quarterly Update

C. Polhemus presented the Strategic Plan Quarterly Update to the Members. She explained a dashboard was created to provide the Members with an easy visual of the status on the Objectives. She then reviewed the progress of the four Objectives from the Strategic Plan over the past two quarters.

Operational Strategic Initiatives

R. Grzankowski presented a PowerPoint presentation of the Operational Strategic Initiatives to the Members. R. Grzankowski began her presentation with an introduction of B. Koch, IT Manager, and a review of IT vendors being used by VEDA. R. Grzankowski and B. Koch then reviewed the initiatives including the planned future hiring of an Operations Analyst, file storage migration, further development of pipelines and workflows, network file transition, cloud-to-cloud back-up, eliminating on-premises server-based infrastructure, and developing dashboard reporting capabilities, among others. R. Grzankowski and B. Koch explained many of these initiatives utilize options already included in current software, thus providing a level of cost savings for many of the initiatives.

Final Audited FY2020 Financial Report

T. Richardson provided the Final Audited FY2020 Financial Report and stated the report remained unchanged from the draft report presented to the Audit Committee.

After discussion regarding the review of the draft report by the Loan Committee, on a motion by L. Graves, seconded by S. Voigt, the Final Audited FY2020 Financial Report was approved by those Members of the Authority present by a vote of 10 to 0 with the Chair abstaining.

Board Loan Committee – Approval

The following bond was approved by the VEDA Board Loan Committee.

| Name | Town | Program | Bond Amount |
|--|-------------|----------------|--------------------|
| Washington County Mental Health Services, Inc. | Barre | Subchapter 4 | \$6,500,000 |

Staff Authority – Loan Approval

Pursuant to a resolution passed by the Members of the Authority at the July 29, 2016 meeting, Staff has approved the following loan:

| NAME | TOWN | PROGRAM | LOAN AMOUNT |
|---------------------------|-------------|-------------------|--------------------|
| Mad River Solar VT 1, LLC | Warren | Commercial Energy | \$233,040 |

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Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

Staff Authority – Other Affiliate Programs – Loan Approvals

Pursuant to Affiliate Program agreements and memorandums of understanding, Staff has recommended the following loans. (Note BRF – Brownfields Revitalization Fund; CWSRF – Clean Water State Revolving Fund; DWSRLF – Drinking Water State Revolving Fund; LASRF – Local Assistance State Revolving Loan Fund; WCEDP – Windham Community Economic Development Program).

| NAME | TOWN | PROGRAM | LOAN AMOUNT |
|---|------------|---------|-------------|
| Thompson's Point Association, Inc. | Charlotte | DWSRLF | \$100,000 |
| Pinnacle Condominium Association, Inc. | Killington | DWSRLF | \$62,270 |
| Murray Hill Home Owners Association, Inc. | Montpelier | DWSRLF | \$619,919 |

Staff Authority – Other Affiliate Programs – Other Business

Staff presented the Members with the Other Affiliate Programs Other Business memo.

Staff Authority – Loan Denial

Staff presented the Members with the Internal Loan Denial memo.

There being no other business to properly come before the Authority, on a motion by L. Graves, seconded by A. Eastman, the meeting adjourned at 11:23 a.m.

ATTEST:

Vermont Economic Development Authority



By: _____
Cassandra F. Polhemus, Chief Executive Officer