

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

February 28, 2020

A telephonic meeting of the Vermont Economic Development Authority (VEDA) originated at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on February 28, 2020 beginning at 9:32 a.m. Members present via phone were: T. Gallagher, Chair; L. Graves; D. Kurzman; M. Tuttle; R. Shippee; E. Delhagen (designee for J. Tierney) and T. Collier. Those Members of the Authority present in VEDA's offices were: T. Foster. Staff members present were: C. Polhemus, Chief Executive Officer; P. Samson, Chief Lending Officer; R. Grzankowski, Chief Operations Officer; S. Isham, Director of Agricultural Lending; T. Porter, Director of Commercial Lending; J. Kimberly, Deputy Director of Agricultural Lending; Senior Loan Officers: S. Croft and A. Wood; C. Morris, Communications Manager; A. Wright, Executive Assistant and K. Kilpatrick, Administrative Assistant. M. Corbet, Loan Officer participated via phone. Also present via phone: R. Milrod of CFO Consulting Partners. Members A. Eastman (designee for A. Tebbetts) and B. Pearce joined the call later. Those Members present constituted a quorum.

Minutes of January 24, 2020

On a motion by T. Collier, seconded by L. Graves, the minutes for the January 24, 2020 meeting were approved by those Members of the Authority present by a vote of 7 to 0 with the Chair abstaining.

At 9:35 a.m. A. Eastman joined the call.

CEO's Report

Staff and Board News

C. Polhemus began her report stating Thad Richardson, VEDA's new CFO, was in the office two days last week and will be back in the office next week. He is bringing great experience to VEDA. Next, C. Polhemus explained M. Tuttle is stepping down as Vice Chair of VEDA but will remain a Member of the Board. C. Polhemus continued, explaining, J. Kimberly

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will be leaving VEDA in March. He will continue to work for VEDA on a contract basis to help with the transition process.

Legislative Updates

Next, C. Polhemus described two economic initiatives currently in the House, H.641 and H.640, noting she had already provided testimony in support of H.641 and also noted there is further testimony to come. She will keep the Members apprised on the status of the two bills.

Strategic Plan – Status

C. Polhemus continued, noting a draft of the VEDA Strategic Plan will be presented to the Members in March. She explained Staff has already been implementing and working on many of the ideas and initiatives identified during the Planning Meeting in September 2019.

Enterprise Risk Management Report (ERM) – Status

Next, C. Polhemus explained the ERM Report will be presented to the Members in April or May. She also explained the Management Team has been meeting and ensuring business continuity plans are in place in anticipation of spread of the Coronavirus.

Bond Training – Reminder

C. Polhemus reminded the Members of the Bond Training available March 23, 2020. She explained bond counsel, Tony Martini, will be present to provide a refresher on bonds as well as to answer any questions.

Small Business Association (SBA)

C. Polhemus continued her report explaining VEDA had been presented with an award for being the #1 SBA Community Advantage Lender in Vermont. She noted this is the fourth consecutive year VEDA has received this honor. She continued, stating VEDA is also a leading lender nationally in the CA program as well as the top lender in Vermont.

Loan Approvals

C. Polhemus stated direct approvals through January 1, 2020 totaled \$23.60 million, \$5.00 million below budget and \$8.34 million below the same period of FY2019. Loans closed through January 1, 2020 totaled \$18.27 million, \$5.65 million below budget and \$15.62 million below the same period of FY2019.

Board Financial Summary

R. Milrod stated Net Interest Income through January 2020 was favorable to budget by \$52.5 thousand. Net Operating Income was favorable to budget by \$1.4 million. Other Income was favorable to budget by \$7.0 thousand.

At 9:51 a.m. B. Pearce joined the call.

Credit Quality Report

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

Nomination of Successor Vice Chair and Treasurer

With the resignation of M. Tuttle as Vice Chair of VEDA, L. Graves nominated the following slate of officers through October 30, 2020:

S. Voigt, Vice Chair

T. Foster, Treasurer

On a motion by L. Graves, seconded by A. Eastman, the above slate of Officers was unanimously elected by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

Green Mountain Economic Development Corporation – LEDdynamics, Inc. – Randolph – Subchapter 3 – \$25,000 Increase to Existing Loan

S. Croft explained Green Mountain Economic Development Corporation (GMEDC) – LEDdynamics – of Randolph is requesting a \$25,000 increase to an existing Subchapter 3 loan. The loan is secured by a mortgage on project land and buildings owned by GMEDC and located in Randolph, Vermont, guarantee of LEDdynamics (LED) to be secured by a junior interest in all the now and future owned business assets, collateral assignment of GMEDC’s interest in its lease to LED.

On a motion by T. Collier, seconded by T. Foster, the above loan request was approved as presented to those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

After thoroughly reviewing the loan request and proposed project, VEDA staff has made the following determinations per 10 V.S.A. § 232:

- (1) The project is within the scope of this chapter, will be of public use and benefit, and may reasonably be expected to create new employment opportunities;
- (2) The proposed site for the speculative building or small business incubator facilities will be located on adequate land owned or to be acquired by the local development corporation or leased by the local development corporation on terms satisfactory to the authority;
- (3) An adequate access road from a public highway is provided to the proposed site and that such utilities as water, sewer, and power facilities are available, or will be available when the speculative building or small business incubator facilities is completed;

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(4) The project plans comply with all applicable environmental, zoning, planning and sanitary laws and regulations of the municipality where it is to be located and of the state of Vermont;

(5) The local development corporation is responsible and has presented evidence to demonstrate its ability to carry out the project as planned;

(6) Evidence has been presented demonstrating the feasibility of the site as a location for business, and additional evidence has been presented that an adequate supply of labor is available within the labor market area to serve a business located on the site or in the small business incubator facility;

(7) The local development corporation has made adequate provisions for insurance protection of the building while it is unoccupied and suitable arrangements have been made for fire protection and maintenance while it is unoccupied;

(8) The project will be without unreasonable risk of loss to the authority; and

(9) The local development corporation is unable to secure on reasonable terms the funds required for the project without the assistance of the authority, or in the alternative, the making of the loan will serve as a substantial inducement for the establishment or expansion of a speculative building or small business incubator.

Board Loan Committee – Approval

The following loan has been approved by the VEDA Board Loan Committee:

Name	Town	Program	Loan Amount
East New Haven GLC Solar, LLC	New Haven	Commercial Energy	\$1,152,014

Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

Staff Authority – Other Affiliate Programs – Other Business

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

Other Business

T. Collier inquired about any updates regarding marketing initiatives. C. Polhemus explained marketing initiatives have been and are currently being developed. She stated Staff is currently formalizing what they have been doing all along. She continued, stating plans are currently in draft form as part of the strategic plan process.

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There being no other business to properly come before the Authority, on a motion by L. Graves, seconded by B. Pearce, the meeting adjourned at 10:04 a.m.

ATTEST:

Vermont Economic Development Authority

By: _____
Cassandra F. Polhemus, Chief Executive Officer

DRAFT