

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

July 31, 2020

A video conferencing meeting of the Vermont Agricultural Credit Corporation (VACC) convened on July 31, 2020 beginning at 10:22 a.m. Those Directors of the Corporation present via Zoom video conferencing were: T. Gallagher, Chair; B. Pearce; J. Goldstein (designee for L. Kurrle); T. Collier; T. Foster; A. Gagner; L. Graves; D. Kittell; D. Kurzman; M. Tuttle and S. Voigt. Staff present in VEDA's office in Montpelier: A. Wright, Executive Assistant. Staff members present via Zoom conferencing were: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Chief Operations Officer; C. Houchens, Chief Compliance and Loan Review Officer; T. Porter, Director of Commercial Lending; P. Fitzgerald, Director of Loan Resolution; C. Morris, Communications Manager; Senior Loan Officers: M. Dussault; S. Croft; J. Conklin; A. Wood and S. Buckley; Loan Officers; C. Leonard; E. Paradee and M. Corbett and K. Kilpatrick, Administrative Assistant. Those Directors present constituted a quorum.

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On a motion by T. Collier, seconded by M. Tuttle, the minutes for the June 26, 2020 meeting were approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Agricultural Update

T. Foster explained the dairy business was looking better, but there is a larger negative Producer Price Differential (PPD) included in milk checks at this time. He is hopeful August should show a more positive cash flow. T. Collier inquired whether children returning to school would increase milk demand and help the industry. T. Foster replied getting children back in school will help, though not as much as is needed. Discussion ensued regarding the unknown and volatility of the dairy market with T. Foster noting schools and restaurants both play a part in this volatility. He further noted outdoor dining will not work into the fall and winter months.

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At 10:29 a.m. C. Morris left the meeting for the remainder of the day.

A. Wood noted there has been a notable recovery in the dairy industry, though it is not at the point where it should be – noting the situation was dire but is now manageable. He is hopeful but mentioned several unknowns including exports, restaurants, schools and shifts in consumer demands, among others.

Credit Risk Classification Report – 4th Quarter FY2020

P. Samson reviewed Staff’s Credit Risk Classification Report recommendations for the VACC loan portfolio for the 4th quarter of FY2020 (ended June 30, 2020) which included recommended loan loss reserves in the amount of \$2,281,700.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Collier, seconded by L. Graves, the recommendations were approved by those Directors of the Corporation present by a vote of 10 to 0 with the Chair abstaining.

Board Loan Committee – Approval

The following loan and loan modification have been approved by the Board Loan Committee of the Authority:

<u>Name</u>	<u>Town</u>	<u>Loan Amount</u>
Pyle, Michael L. and Julie L.	Bridport	\$349,000

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 has approved the following loans since the last VACC meeting:

<u>Name</u>	<u>Town</u>	<u>Loan Amount</u>
Gevry, Ethan C.	Addison	\$65,000
Boneyard Farm, LLC: Doyle, Hannah H. and John M.	Fletcher	\$125,000
Nisun, Shayne	Salisbury	\$40,000
Aines, Dale R.	Pawlet	\$55,850
Smith, Duane L.	St. Johnsbury	\$25,000

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Staff Authority – Other Business

Staff presented the Directors with the Internal Other Business memo.

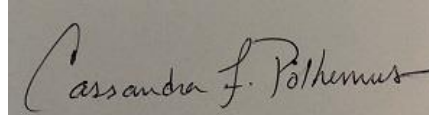
Staff Authority – Loan Denial

Staff presented the Directors with the Internal Loan Denial memo.

There being no other business to properly come before the Corporation, on a motion by L. Graves, seconded by T. Collier, the meeting adjourned at 10:34 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

A rectangular box containing a handwritten signature in cursive script that reads "Cassandra F. Polhemus".

By: _____
Cassandra F. Polhemus, President