

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

April 28, 2023

A meeting of the Vermont Economic Development Authority (VEDA) convened on April 28, 2023 beginning at 9:30 a.m. Those Members of the Authority present via teleconferencing: S. Voigt, Chair; C. Carpenter; D. Marvin; E. Delhagen (designee for J. Tierney); K. Bourgeois; K. Hale; R. Shippee; T. Foster; T. Gallagher and T. Collier. Members joining the meeting later via teleconferencing: M. Pieciak and J. Goldstein (designee for L. Kurrle). Staff present in VEDA's Montpelier office: J. Emens-Butler, Director of Closing; S. Buckley, Director of Energy and Broadband Lending and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing: 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; A. Wood, Deputy Director of Agricultural Lending; S. Croft, Deputy Director of Commercial Lending and H. Hook, Senior Accountant. Staff joining the meeting later via teleconferencing: E. Denny, Senior Loan Officer. Those Members present constituted a quorum.

CEO's Report

C. Polhemus opened her report noting a VEDA Orientation has been scheduled for all Members immediately following the May 26th Board meeting. The topics to be covered include VEDA's financial structure and funding sources, as well as basic lending and credit concepts in the commercial, dairy, and solar industries.

At 9:31 a.m. M. Pieciak and E. Denny joined the meeting.

Next, C. Polhemus shared that the VEDA lending teams have been very active attending in-person events and progressing with outreach efforts. Regular advertising in print, digital, radio and social media sites also help share VEDA 's borrower stories, staff news and other posts.

C. Polhemus also spoke about recent activities with the Local Investment Advisory Committee (LIAC). The pandemic related influx of federal funding has significantly increased the state's average cash balances and has led to a re-invigoration of the funding available for

local investments by the State Treasurer. The investment policy for the fund places priority on economic development initiatives in housing, environment (reducing Vermont’s carbon footprint) and social equity.

M. Pieciak noted that approximately \$85 million will be available. Housing, climate actions and social equity are the top priorities for the fund.

At 9:38 a.m. J. Goldstein joined the meeting.

C. Polhemus closed her report noting how impactful the SSBCI program is to economic activity with the rising interest rate environment.

Member Area Review

Discussions ensued regarding VEDA’s upcoming fiscal year, budget assumptions and the current loan volume and pipeline.

J. Goldstein noted the administration has recently toured Caledonia County to see firsthand how the Community Recovery Revitalization Grant Program is impacting Vermont. Of the \$40,000,000 appropriated from the American Rescue Plan Act (ARPA) about half has been approved. Eligible uses include municipalities, childcare, affordable housing, agriculture, hospitality, arts and entertainment.

D. Marvin provided a recap of the 2023 maple sugaring season indicating Vermont produced about 80% compared to 2022, noting last year was the biggest year in history. Technology, temperature, elevation, and management skills all contribute to a successful year.

K. Hale indicated the interest rate environment is challenging in the banking industry. Depositors are seeking high yields, and the moving of funds to brokered CDs takes the money out of Vermont and the Vermont communities.

T. Collier noted the high value in artificial intelligence (AI) and the possible opportunities it could present to VEDA.

Consent Agenda

Approval Item:

1. Minutes of March 31, 2023 Meeting

Information Items:

2. Strategic Plan – Quarterly Update

3. Board Loan Committee – Approval

Name	Town	Program	Loan Amount
Rider’s Outpost LLC (The)	Waitsfield	Subchapter 5	\$1,000,000

4. Staff Authority – Loan Approvals

Name	Town	Program	Loan Amount
D & M Petroleum	Monkton	Subchapter 5	\$290,000
EV Solutions, LLC	Monkton	Subchapter 5	\$443,740
Twenty Park Holding LLC (The)	Brandon	Subchapter 5	\$970,000
Peregrines Landing LLC	Jeffersonville	Subchapter 5	\$1,431,405

5. Staff Authority – Other Business

6. Staff Authority – Loan Denial

7. Loan Review – Quarterly Update

On a motion by T. Collier, seconded by J. Goldstein, the Minutes of the March 31, 2023 Vermont Economic Development Authority meeting were approved as presented by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through March 31, 2023 of \$147.6 thousand was unfavorable to budget by \$966.7 thousand. Net Interest Income of \$4.97 million was unfavorable to budget by \$552.6 thousand. Other Income of \$792.5 thousand was unfavorable to budget by \$124 thousand.

Credit Quality Report

P. Samson provided the Members with a review of the Credit Quality Report.

Credit Risk Classification Report – 3rd Quarter FY2023

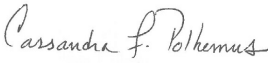
Staff’s Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 3rd Quarter of fiscal 2023 ended March 31, 2023 included recommended loan loss reserves in the amount of \$2,125.4 million, reflecting a \$623.7 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by T. Gallagher, seconded by K. Hale, the recommendation was approved by those Members of the Authority present by a vote of 11 to 0 with the Chair abstaining.

There being no other business to properly come before the Authority, on a motion by T. Collier, seconded by K. Bourgeois, the meeting adjourned at 10:27 a.m.

ATTEST:

Vermont Economic Development Authority

By: 
Cassandra F. Polhemus, Chief Executive Officer

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

April 28, 2023

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened on April 28, 2023, beginning at 10:28 a.m. Directors present via teleconferencing: S. Voigt, Chair; K. Hale; C. Carpenter; D. Marvin; E. Delhagen (designee for J. Tierney); K. Bourgeois; J. Goldstein (designee for L. Kurrle); M. Pieciak; R. Shippee; T. Foster; T. Gallagher and T. Collier. Staff present in VEDA's Montpelier office: J. Emens-Butler, Assistant Secretary; S. Buckley, Director of Energy and Broadband Lending and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; A. Wood, Deputy Director of Agricultural Lending; S. Croft, Deputy Director of Commercial Lending; E. Denny, Senior Commercial Loan Officer and H. Hook, Senior Accountant. Those Directors present constituted a quorum.

Consent Agenda

Approval Item

1. Minutes of March 31, 2023

Informational Items

2. Board Loan Committee – Approvals

Name	Town	Loan Amount
Lucas Dairy, LLC; Lucas, Jonathan	Orwell	Loan 1: \$1,250,000 Loan 2: \$575,000 Renew LOC: \$80,000 Renew LOC: \$50,000

3. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Trenchers Farmhouse LLC	Lyndonville	\$150,000
Scheid-Keating; Marina A.K. & Keating, Jordan	Weathersfield	\$134,000
Blue House Mushroom LLC	Ferrisburgh	\$89,000
Canonica Landworks, Inc.; Canonica, Benjamin D. & Megan W.	Chelsea	\$80,000

4. Staff Authority – Other Business
5. Staff Authority – Loan Denial

On a motion by T. Collier, seconded by T. Gallagher, the Minutes of the March 31, 2023 Vermont Agricultural Credit Corporation meeting were approved as presented by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

Agricultural Update

S. Isham provided an update on the Farm Service Agency's (FSA) pause on the approval or closing of any direct or FSA guaranteed loans. Discussion with FSA is on-going and there is hope for a new categorical exclusion. VEDA continues to discuss other potential financing and grant programs with Lucas Dairy should FSA participation not be available.

Credit Risk Classification Report – 3rd Quarter FY2023

Staff's Credit Risk Classification Report recommendation for VACC for the 3rd Quarter of fiscal year 2023 (ended March 31, 2023) included recommended loan loss reserves in the amount of \$1,508.5 million, reflecting a \$151.3 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by K. Hale, seconded by R. Shippee, the recommendation was approved by those Directors of the Corporation present by a vote of 11 to 0 with the Chair abstaining.

There being no other business to properly come before the Corporation, on a motion by J. Goldstein, seconded by T. Gallagher, the meeting adjourned at 10:36 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: *Sarah C. Isham*
Sarah C. Isham, Secretary

VERMONT 504 CORPORATION

Minutes

April 28, 2023

A meeting of the Vermont 504 Corporation convened on April 28, 2023 beginning at 10:37 a.m. Those Directors present via teleconferencing: C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; R. Shippee; T. Foster; T. Gallagher; T. Collier and S. Voigt. Staff present in VEDA's Montpelier office: J. Emens-Butler, Assistant Secretary; S. Buckley, Director of Energy and Broadband Lending and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending and E. Denny, Senior Commercial Loan Officer. Directors C. Carpenter, R. Shippee and T. Gallagher have commercial lending experience. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of March 31, 2023 Meeting

Informational Item

2. Loan Review – Quarterly Update

On a motion by S. Voigt, seconded by K. Bourgeois, the Minutes of the March 31, 2023 Vermont 504 Corporation meeting were approved as presented by those Directors of the Corporation present by a vote of 12 to 0.

Credit Risk Classification Report – 3rd Quarter FY2023

Staff's Credit Risk Classification Report recommendation for the VT504 for the 3rd Quarter of fiscal 2023 (ended March 31, 2023) included recommended loan loss reserves in the amount of \$146.4 thousand, reflecting a \$1.8 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by J. Goldstein, seconded by K. Hale, the recommendation was approved by those Directors of the Corporation present by a vote of 12 to 0.

There being no other business to properly come before the Corporation, on a motion by J. Goldstein, seconded by T. Foster, the meeting adjourned at 10:40 a.m.

ATTEST:

Vermont 504 Corporation

By: 
Sandra Croft, Secretary

By: 
Vermont 504 Corporation Director

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

April 28, 2023

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened on April 28, 2023 beginning at 10:41 a.m. Those Directors present via teleconferencing: C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); K. Hale; K. Bourgeois; M. Pieciak; R. Shippee; T. Foster; T. Gallagher; T. Collier and S. Voigt. Staff present in VEDA's Montpelier office: J. Emens-Butler, Assistant Secretary; S. Buckley, Director of Energy and Broadband Lending and A. Wright, Executive Assistant and Office Manager. Staff present via teleconferencing: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending and E. Denny, Senior Commercial Loan Officer. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Items

1. Minutes of March 31, 2023

Informational Items

2. Board Loan Committee – Approval

Name	Town	Loan Amount
BVR, LLC	Bolton	\$360,000

3. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Brilliant Properties South Burlington LLC; dba Brilliant Massage & Skin	South Burlington	\$82,800
Ronda D. McAllister dba Learning Tree Childcare Center (The)	Enosburg	\$347,200
Whiteout Solutions LLC	St. Johnsbury	\$294,000

4. Staff Authority – Other Business
5. Staff Authority – Loan Denial

On a motion by T. Collier, seconded by J. Goldstein, the Minutes of the March 31, 2023 Vermont Small Business Development Corp. meeting were approved as presented by those Directors of the Corporation present by a vote of 12 to 0.

Credit Risk Classification Report – 3rd Quarter FY2023

Staff’s Credit Risk Classification Report recommendation for VSBD C for the 3rd Quarter of fiscal 2023 (ended March 31, 2023) included recommended loan loss reserves in the amount of \$744.9 thousand, reflecting an \$85.1 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by J. Goldstein, seconded by C. Carpenter, the recommendation was approved by those Directors of the Corporation present by a vote of 12 to 0.

Other Business

C. Polhemus reminded Members of Tom Gallagher’s earlier comment that the Vermont Maple Festival is happening in St. Albans April 28th through April 30th and encouraged all who are available to attend to enjoy a sweet treat and support our Vermont maple businesses.

There being no other business to properly come before the Corporation the meeting adjourned at 10:43 a.m.

ATTEST:

Vermont Small Business Development Corp.

By: 

Sandra Croft, Secretary