

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

January 26, 2024

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's Montpelier office on January 26, 2024 beginning at 9:31 a.m. Members present: S. Voigt, Acting Chair; C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); P. Elwell and T. Gallagher. Members present via teleconference: K. Hale; R. Shippee, T. Foster and T. Collier. Members joining the meeting later via teleconference: M. Pieciak and A. Eastman (designee for A. Tebbetts). Staff Present: 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. Buckley, Director of Energy and Broadband Lending; S. Croft, Deputy Director of Commercial Lending; P. Fitzgerald, Director of Loan Resolution; J. Emens-Butler, Director of Closing; Senior Commercial Loan Officers: E. Denny and M. Dussault; Agricultural Loan Officers: C. Leonard and E. Howrigan; and A. Wright, Executive Assistant and Facilities Manager. Staff joining the meeting later: E. Hall, Agricultural Loan Officer and K. Demars, Agricultural Credit Analyst. Members of the Public present: G. Seelig, Executive Director, Vermont Housing & Conservation Board and M. Collins, Executive Director, Vermont Housing Finance Agency. Those Members present constituted a quorum.

Strategic Discussion & Guest Speakers

C. Polhemus welcomed G. Seelig and M. Collins.

G. Seelig provided a PowerPoint presentation on the history of the Vermont Housing & Conservation Board, noting \$400 million invested and \$2.2 billion leveraged including 15,000 affordable homes and 81 historic downtown projects. G. Seelig indicated a lot has changed over the years.

(At 10:00 a.m. E. Hall and K. Demars joined the meeting in VEDA's Montpelier office.)

M. Collins provided an overview of the Vermont Housing Finance Agency (VHFA) which was founded in 1974 with a mission to assist mortgage lenders with affordable options to finance and promote homeownership opportunities through lower interest rates. Over the years, additional programs have been added as needs evolve, such as downpayment assistance. M. Collins described the current landscape for affordable housing needs and financing gaps. Discussion ensued regarding strategic partnerships with VEDA and other Vermont organizations to develop solutions for the current housing crisis.

(At 10:51 a.m. M. Pieciak joined the meeting via teleconference.)

CEO's Report

C. Polhemus opened her report congratulating M. Dussault and S. Isham for their 30 years of dedicated service to VEDA. Next, C. Polhemus noted 2024 marks VEDA's 50th anniversary, and also that of VHFA.

C. Polhemus directed Members to the pipeline report and noted there are several projects of interest.

(At 11:02 a.m. A. Eastman joined the meeting via teleconference.)

C. Polhemus provided an update on the potential VEDA Vermont Growth Incentive (VEGI) Program that was included in the Governor's budget figures. If approved, VEDA would be the provider of the forgivable loans with Vermont Employment Progress Council (VEPC) making the determination of meeting VEGI eligibility.

(At 11:08 a.m. G. Seelig and M. Collins exited the meeting for the remainder of the day.)

C. Polhemus provided an update on the SSBCI Venture Capital Program. An RFP will be issued next week for \$12.5 million in SSBCI funding previously awarded to VCET.

Next, C. Polhemus noted that the VACC statute changes are going through the legislative process.

C. Polhemus closed her report informing Members of upcoming VEDA sponsored events, as well as the full day board meeting scheduled for April.

Member Area Review

J. Goldstein provided an update on the flood disasters impacting municipalities. FEMA buy-outs and losing housing units on grand lists are of concern. Vermont Emergency Management continues to work with the Agency of Natural Resources.

Consent Agenda

Approval Item:

1. Minutes of December 15, 2023

Informational Items:

2. Staff Authority – Other Business
3. Staff Authority – Other Affiliate Programs – Loan Approval

Per the request of C. Polhemus, the Strategic Plan was removed from the consent agenda informational items for further discussion.

On a motion by D. Marvin, seconded by T. Gallagher, the Minutes of December 15, 2023 were approved by those Members of the Authority present by a vote of 11 to 0 with T. Collier and the Chair abstaining.

Strategic Plan – 2nd Quarter FY2024

C. Houchens provided an update on the transition from Loan Review to a comprehensive quality control process. R. Grzankowski noted the final steps to transition to cloud-based servers were recently completed. C. Houchens noted management training is tentatively scheduled for April for VEDA managers.

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income (Loss) before fair value adjustment for investments through December 31, 2023 of (\$521.1 thousand) was unfavorable to budget by \$523.6 thousand. Net Interest Income of \$3,062.7 thousand was unfavorable to budget by \$477.2 thousand. Other Income of \$217.2 thousand was unfavorable to budget by 62.7 thousand.

Credit Quality Report

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

Credit Risk Classification Report – 2nd Quarter FY2024

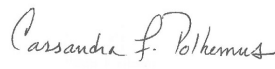
Staff’s Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 2nd Quarter of FY2024 (ended December 31, 2023) included recommended loan loss reserves in the amount of \$2,078.3 million, a \$13.1 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by P. Elwell, seconded by T. Collier, the loan loss reserve recommendation was approved by those Members of the Authority present by a vote of 12 to 0 with the Chair abstaining.

There being no other business to properly come before the Authority, on a motion by D. Marvin, seconded by J. Goldstein, the meeting adjourned at 11:45 a.m.

ATTEST:

Vermont Economic Development Authority

By: 
Cassandra F. Polhemus, Chief Executive Officer

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

January 26, 2024

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VEDA's Montpelier office on January 26, 2024 beginning at 11:46 a.m. Directors of the Corporation present: S. Voigt, Acting Chair; C. Carpenter; E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); P. Elwell and T. Gallagher. Directors of the Corporation present via teleconference: A. Eastman (designee for A. Tebbetts); K. Hale; M. Pieciak; R. Shippee; T. Foster and T. Collier. Staff present: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Isham, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Croft, Deputy Director of Commercial Lending; A. Wood, Deputy Director of Agricultural Lending; S. Buckley, Director of Energy and Broadband Lending; P. Fitzgerald, Director of Loan Resolution; Senior Commercial Loan Officers: E. Denny and M. Dussault; Agricultural Loan Officers: C. Leonard, E. Howrigan and E. Hall; K. Demers, Agricultural Credit Analyst and A. Wright, Executive Assistant and Facilities Manager. Those Directors present constituted a quorum.

Consent Agenda

Approval Item

1. Minutes of December 15, 2023

Informational Items

2. Board Loan Committee – Approval

Name	Town	Loan Amount
Pyle, Michael L. and Julie L.	Bridport	\$408,000

3. Staff Authority – Loan Approvals

Name	Town	Loan Amount
802 Logging LLC and Robillard, Seth	Craftsbury	\$50,000
Demarest, Ryan Z. and Breitenbeck, Genica C.	Hyde Park	\$30,000
Two Pugs and A Reptile, LLC; Armstrong, Christine; Brust, Mary D. and Waldo, Andrea M.	Ferrisburgh	\$65,000
Blacksheep Organics LLC and Domina, Michael J.	Franklin	\$368,000

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Clearfield Farm, LLC; Hirsch, John T. and Kosmaczewski, Melissa J.	Granville	\$225,000
Ayer Jr., Roland G.	Ferrisburgh	\$517,500

4. Staff Authority – Other Business

On a motion by J. Goldstein, seconded by C. Carpenter, the Minutes of the December 15, 2023 meeting were approved as presented to the Directors of the Corporation present by a vote of 11 to 0 with T. Collier and the Chair abstaining.

Agricultural Update

A. Eastman opened the Agricultural Update noting appreciation to VACC loan officers for going above and beyond in assisting farmers with their completion of grant applications. Next, A. Eastman provided an update on the legislative session noting the accessory farm language now in multiple bills, H.128 and H.810. A. Eastman closed her report noting the Agency of Agriculture, Food and Markets listening sessions being held in-person and virtually, welcoming all to attend.

D. Marvin noted a recent grant program administered by VAAFMM for received applications far in excess of funding available, pointing to the high demand for funding in the maple sector. A. Eastman noted the same.

(At 11:55 a.m. M. Pieciak exited the meeting for the remainder of the day.)

Maple Industry Exposure Update

A. Wood provided an update on the maple industry and thanked D. Stroffoleno, K. Demars and Member, D. Marvin, for their assistance and contribution.

(At 11:59 a.m. C. Carpenter exited the meeting for the remainder of the day.)

A. Wood’s presentation provided data on global, national and state maple industry trends, the impact on climate change on the industry, and information on VEDA’s maple portfolio. He summarized the industry as overall sound with advances in technology helping to partially mitigate on going threats of climate change. VEDA’s SSBCI funding has likely helped bring new maple funding opportunities to VEDA.

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(At 12:11 p.m. T. Gallagher and K. Hale exited the meeting for the remainder of the day.)

Credit Risk Classification Report – 2nd Quarter FY2024

Staff’s Credit Risk Classification Report recommendation for VACC for the 2nd Quarter of FY2024 (ended December 31, 2023) included recommended loan loss reserves in the amount of \$1,202.7 million, reflecting a \$161.6 thousand decrease from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by J. Goldstein, seconded by P. Elwell, the recommendation was approved by those Directors of the Corporation present by a vote of 8 to 0 with the Chair abstaining.

Belter Family Partnership, Belter, Joyce N. and John H. and Belter, David T. – South Burlington – Farm Ownership Loan - \$945,000

E. Howrigan indicated the Belter Family Partnership, and its Members, Joyce N., John H. and David T. Belter, are requesting a \$945,000 loan to refinance two mortgages into a new VACC Farm Ownership Loan. The loan will be secured by a mortgage on approximately 268.5 acres of real estate and the buildings thereon located in South Burlington, Vermont.

On a motion by D. Marvin, seconded by T. Foster, the above loan request was approved by those Directors of the Corporation present by a vote of 8 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. Collier, the meeting adjourned at 12:20 p.m.

ATTEST:

Vermont Agricultural Credit Corporation

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

VERMONT 504 CORPORATION

Minutes

January 26, 2024

A meeting of the Vermont 504 Corporation convened at VEDA's Montpelier office on January 26, 2024 beginning at 12:21 p.m. Directors of the Corporation present: E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); P. Elwell and S. Voigt. Directors present via teleconference: A. Eastman (designee for A. Tebbetts); R. Shippee, T. Foster and T. Collier. Staff present: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; S. Buckley, Director of Energy and Broadband Lending; P. Fitzgerald, Director of Loan Resolution; Commercial Loan Officers: E. Denny and M. Dussault; Agricultural Loan Officers: C. Leonard; E. Howrigan and E. Hall and A. Wright, Executive Assistant and Facilities Manager. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of December 15, 2023

Informational Item

2. Staff Authority – CA Other Business

On a motion by J. Goldstein, seconded by P. Elwell, the Minutes of December 15, 2023 were approved by those Members of the Corporation present by a vote of 8 to 0 with T. Collier abstaining.

Credit Risk Classification Report – 2nd Quarter FY2024

Staff's Credit Risk Classification Report recommendation for the Vermont 504 Corporation for the 2nd Quarter of FY2024 (ended December 31, 2023) included recommended

VERMONT 504 CORPORATION Minutes – January 26, 2024

loan loss reserves in the amount of \$162.8 thousand, reflecting a \$10 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by J. Goldstein, seconded by P. Elwell, the recommendation was approved by those Directors of the Corporation present by a vote of 9 to 0.

There being no other business to properly come before the Corporation, on a motion by J. Goldstein, seconded by S. Voigt, the meeting adjourned at 12:23 p.m.

ATTEST:

Vermont 504 Corporation

By: 

Sandra Croft, Secretary

VERMONT SMALL BUSINESS DEVELOPMENT CORP.

Minutes

January 26, 2024

A meeting of the Vermont Small Business Development Corp. (VSBDC) convened at VEDA's Montpelier office on January 26, 2024 beginning at 12:24 p.m. Directors of the Corporation present: E. Delhagen (designee for J. Tierney); D. Marvin; J. Goldstein (designee for L. Kurrle); P. Elwell and S. Voigt. Directors present via teleconference: A. Eastman (designee for A. Tebbetts); R. Shippee; T. Foster and T. Collier. Staff present: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; S. Croft, Secretary; R. Grzankowski, Assistant Secretary; J. Emens-Butler, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Isham, Director of Agricultural Lending; A. Wood, Deputy Director of Agricultural Lending; S. Buckley, Director of Energy and Broadband Lending; P. Fitzgerald, Director of Loan Resolution; Senior Commercial Loan Officers: E. Denny and M. Dussault; Agricultural Loan Officers: C. Leonard and E. Howrigan and A. Wright, Executive Assistant and Facilities Manager. Those Directors present constituted a quorum.

C. Polhemus chaired the meeting.

Consent Agenda

Approval Item

1. Minutes of December 15, 2023 Meeting

Informational Item

2. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Little Ones University Inc	Williston	\$530,345
Dupoise Hollow LLC; Country Tire Center, Inc.; Addison County Alignment & Repair Inc	New Haven	\$116,000
1717 Williston Road, LLC; Vermont Mattress and Bedroom Company, Inc.	South Burlington	\$100,000
KEVSCO Corporation	Shoreham	\$270,000
Burlington Beer Company	Burlington	\$200,000
Timothy J. Bedard LLC	South Burlington	\$600,000

3. Staff Authority – Other Business

On a motion by J. Goldstein, seconded by T. Collier, the Minutes of December 15, 2023 were approved by those Directors of the Corporation present by a vote of 8 to 0 with T. Collier abstaining.

Credit Risk Classification Report – 2nd Quarter FY2024


Staff's Credit Risk Classification Report recommendation for the Vermont Small Business Development Corp. for the 2nd quarter of fiscal year 2024 (ending December 31, 2023) included recommended loan loss reserves in the amount of \$888.7 thousand, reflecting a \$74.7 thousand increase from the prior quarter.

After discussion regarding the reserves and changes recommended thereto, on a motion by J. Goldstein, seconded by P. Elwell, the recommendation was approved by those Directors of the Corporation present by a vote of 9 to 0.

There being no other business to properly come before the Corporation, on a motion by E. Delhagen, seconded by S. Voigt, the meeting adjourned at 12:27 p.m.

ATTEST:

Vermont Small Business Development Corp.

By: 
Sandra Croft, Secretary