

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

October 27, 2017

A meeting of the Vermont Economic Development Authority convened at the Trader Duke's Hotel, South Burlington, Vermont on October 27, 2017 beginning at 10:06 a.m. Those Members of the Authority present were: D. Kurzman, Chair; L. Graves; J. Snow; W. Patten; A. Eastman (designee for A. Tebbetts); T. Gallagher; T. Richards; E. Delhagen (designee for J. Tierney) and B. Pearce. Staff members present were: R. Bradley, Chief Executive Officer; C. Polhemus, Chief Operating Officer; D. Carter, Chief Financial Officer; C. Brown, Office Manager; T. Porter, Director of Commercial Lending; S. Isham, Director of Agricultural Lending; J. Kimberly, Deputy Director of Agricultural Lending; R. Grzankowski, Director of Operations; D. Blow, Business Development Officer; Senior Loan Officers: S. Croft, J. Conklin, M. Dussault and C. Anderson; Loan Officers: C. Leonard, M. Corbett, A. Woods, E. Denny and E. Paradee; P. Fitzgerald, Credit Specialist; S. Anechiarico, Commercial Credit Analyst.

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On a motion by T. Gallagher, seconded by B. Pearce, the minutes of the October 13, 2017 meeting were approved by those Members of the Authority present by a vote of 8 to 0 with the Chair abstaining.

CEO's Report

R. Bradley discussed work Staff is doing on new mission statements for the various programs.

Next, she noted there were great discussions at the Planning Meeting. She explained Staff will be presenting information to the Members at the January Board Meeting based on those discussions. B. Pearce thanked the Management Team for moving forward with Board Comments.

Lastly, R. Bradley discussed the logistics of the Annual Luncheon; noting her speech will focus on VEDA's importance to the state and its borrowers.

Board Financial Summary

D. Carter explained financings approved for the first quarter of FY2018 totaled \$37.489 million; \$14.039 million above budget and \$20.499 million above the same period of FY2017. Loans closed during the first quarter of FY2018 totaled \$126.783 million; \$29.903 above budget and \$109.859 million above the same period in FY2017.

D. Carter continued, explaining Net Operating Income for the first quarter of FY2018, before adjusting for the fair value of investments, totaled \$775,200 and was favorable to budget. Net Interest Income was favorable to budget due to an increase in average balances and a favorable variance in yields. Other Income was favorable to budget by \$171,000. Other Expenses were unfavorable to budget due to miscellaneous variances across the categories.

Credit Risk Classification Report – 1st Quarter FY2018

C. Polhemus reviewed the Credit Risk Classification Report recommendations for the VEDA loan portfolios for the 1st quarter of fiscal 2018 (ended September 30, 2017) which included recommended loan loss reserves in the amount of \$3,241,900.

After a discussion regarding the reserves and changes recommended thereto, on a motion by J. Snow, seconded by B. Pearce, the recommendations were approved by those Members of the Authority present by a vote of 8 to 0 with the Chair abstaining

Staff Authority – Loan Approvals

Staff presented the Members with the Internal Loan Approval memo.

C. Polhemus noted the energy approvals were for roof-top solar arrays, primarily due to last year's changes in legislation.

Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

J. Snow asked about the reasons for release of guarantees for one of the loans. T. Porter explained loan collateral was sufficient and the bank had also released the guarantee several years ago. M. Dussault noted the financial covenants had been added to match those of the bank.

Staff Authority – Other Affiliate Programs

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

J. Snow asked about an LTV ratio. C. Polhemus explained this was related to a previous loan.

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

ATTEST:

Vermont Economic Development Authority

By: _____
Rosalea W. Bradley, Chief Executive Officer

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