

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

July 28, 2017

A meeting of the Vermont Economic Development Authority convened at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on July 28, 2017 beginning at 9:10 a.m. Those Members of the Authority present were: T. Gallagher, Secretary; S. Baker (designee for B. Pearce); M. Tuttle; W. Patten and L. Graves. Those Members of the Authority present via phone were: D. Kurzman, Chair; J. Snow, Vice Chair; and J. Tierney. Staff members present were: R. Bradley, Chief Executive Officer; C. Polhemus, Chief Operating Officer; D. Carter, Chief Financial Officer; K. Kilpatrick, Administrative Assistant; S. Isham, Director of Agricultural Lending; P. Fitzgerald, Credit Specialist; Senior Loan Officers: S. Croft, J. Conklin, C. Anderson, M. Dussault; Loan Officers: M. Corbett and E. Denny; and Commercial Credit Analyst S. Anechiarico. S. Buckley, Senior Commercial Loan Officer, T. Porter, Director of Commercial Lending and Member A. Eastman (designee for A. Tebbetts) entered the meeting later.

T. Gallagher chaired the meeting.

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On a motion by M. Tuttle, seconded by D. Kurzman, the minutes for the June 30, 2017 meeting were approved by those Members of the Authority present by a vote of 7 to 0 with the Chair abstaining.

At 9:10 a.m. S. Buckley and T. Porter entered the meeting.

CEO's Report

Promotions

R. Bradley explained as part of the year-end reviews, several staff members were promoted. Effective July 1st, J. Kimberly was promoted to Deputy Director of Agricultural Lending; T. Porter was promoted to Director of Commercial Lending; M. Dussault, S. Croft and S. Buckley were promoted to Senior Commercial Lenders; C. Anderson, A. Curler and J.

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Conklin were promoted to Senior Agricultural Lenders; H. van Gulden was promoted to Senior Loan Closing Officer and E. Denny was promoted to Commercial Lender.

New Staff

R. Bradley noted two staff positions have been filled. Renee Grzankowski is VEDA's new Director of Operations and Cheryl Houchens is VEDA's new Loan Review and Compliance Officer.

Planning Meeting

R. Bradley noted several Members will be unable to attend the Planning Meeting scheduled for September 28. She proposed rescheduling the Planning Meeting, while still holding the regular Board Meeting on Friday, September 29, most likely at the VEDA offices in Montpelier. The consensus of the Members present was to have as many Members attend as possible; therefore, the Planning Meeting will be rescheduled. Members will be contacted and new arrangements will be made.

August Meeting

R. Bradley reminded the Members the Audit Team of KPMG will attend the August meeting to present the results of the FY2017 Audit.

Board Financial Summary

D. Carter stated loan approvals for FY2017 totaled \$194.84 million; \$93.8 million above budget and \$68.82 million above in FY2016. Loans closed for FY2017 totaled \$67.8 million; \$6.57 below budget and \$9.43 million less than FY2016.

D. Carter continued his financial report, explaining Net Operating Income before fair value adjustment for FY2017 was favorable to budget by \$1.37 million. Investment Income was slightly unfavorable to budget by \$1,900. Other Income was unfavorable to budget by \$50,100.

FY2018 Final Budget

D. Carter reviewed the Final 2018 Budget with the Members.

On a motion by L. Graves, seconded by W. Patten, the FY2018 Budget was approved by those Members of the Authority present by a vote of 7 to 0 with the Chair abstaining.

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Credit Risk Classification Report – 4th Quarter FY2017

C. Polhemus reviewed Staff’s Credit Risk Classification Report recommendations for the VEDA loan portfolios for the 4th quarter of fiscal 2017 (ended June 30, 2017) which included recommended loan loss reserves in the amount of \$3,698,300.

After discussion regarding the reserves and changes recommended thereto, on a motion by M. Tuttle, seconded by L. Graves, the recommendations were approved by those Members of the Authority present by a vote of 7 to 0 with the Chair abstaining.

Staff Authority – Loan Approvals

Staff presented the Members with the Internal Loan Approval memo.

Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

Staff Authority – Other Affiliate Programs

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

Milton McMullen Road Solar, LLC – Milton – Commercial Energy – \$1,177,790

<u>Project Costs</u>		<u>Project Funding</u>	
\$ 1,894,983	Machinery, Equipment Furniture and Fixtures	\$ 1,177,790	VEDA; Initial Variable Interest Rate 3.00%; VEDA Prime Rate - 0.75 bp for 2 years then VEDA Prime Rate; (VEDA Prime Rate Currently 3.75%); 180 month Term; and 180 month Amortization
\$ 8,000	Design, Permitting, Legal, Professional Fees & Construction Interest	\$ 785,193	Investor Equity
\$ 40,000	Development Fees		
\$ 20,000	Contingency		
<u>\$ 1,962,983</u>	Project Costs	<u>\$ 1,962,983</u>	Total Project Funding

S. Buckley explained Milton McMullen Road Solar, LLC in Milton is requesting \$1,177,790 in Commercial Energy financing for the above purposes.

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At 9:41 a.m. A. Eastman entered the meeting.

After discussion regarding developer experience, strength of off-takers and financial position, on a motion by L. Graves, seconded by W. Patten, the above loan request was approved by those Members of the Authority present by a vote of 8 to 0 with the Chair abstaining.

There being no other business to properly come before the Authority, on a motion by W. Patten, seconded by M. Tuttle, the meeting adjourned at 9:46 a.m.

ATTEST:

Vermont Economic Development Authority

By: _____
Rosalea W. Bradley, Chief Executive Officer