

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

March 30, 2018

A meeting of the Vermont Economic Development Authority convened at the offices of the Vermont Economic Development Authority, Montpelier, Vermont on March 30, 2018 beginning at 11:07 a.m. Those Members of the Authority present were: D. Kurzman, Chair; T. Gallagher; L. Graves; J. Snow; J. Goldstein (designee for M. Schirling); S. Voigt; E. Delhagen (designee for J. Tierney); A. Eastman (designee for A. Tebbetts); T. Richards and W. Patten. Staff members present were: R. Bradley, Chief Executive Officer; C. Polhemus, Chief Operating Officer; D. Carter, Chief Financial Officer; R. Grzankowski, Director of Operations; T. Porter, Director of Commercial Lending; S. Isham, Director of Agricultural Lending; C. Houchens, Chief Compliance and Loan Review Officer; Senior Loan Officers: A. Curler, J. Conklin and S. Buckley and Loan Officers: A. Wood, E. Paradee, C. Leonard and E. Denny; S. Anechiarico, Commercial Credit Analyst and C. Brown, Office Manager. Senior Loan Officer M. Dussault participated via phone.

At 11:07 a.m. A. Eastman left the meeting and returned at 11:09 a.m.

Minutes of February 23, 2018 Meeting

On a motion by T. Gallagher, seconded by W. Patten, the minutes for the February 23, 2018 meeting were approved by those Members of the Authority present by a vote of 8 to 0 with the Chair abstaining.

L. Graves left the meeting at 11:09 a.m. and returned at 11:12 a.m.

CEO's Report

Staffing Update

R. Bradley explained C. Houchens, Chief Compliance and Loan Review Officer, has been appointed to the Management Team.

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Next, R. Bradley explained Staff has prepared a short synopsis of what staff is working on and accomplishing in several areas:

Compliance

R. Bradley noted C. Houchens has been doing a great job on compliance and is making progress on creating a robust Compliance Management System.

Loan Review

R. Bradley reminded the Members of the VACC presentation last month – noting the portfolio stress testing. She explained VEDA will also begin annual reviews of the commercial portfolio using the new Ventures program.

At 11:12 a.m. T. Gallagher left the meeting and returned at 11:15 a.m.

Commercial and Agricultural Lending

R. Bradley continued, noting the commercial and agricultural lending departments are continuously involved in a wide variety of outreach efforts.

Next, R. Bradley recounted the continued efforts and processes implemented by Staff in the Operations and Lending Areas.

She noted Staff has been working on revamping several major initiatives as well as incorporating input from the new Director of Operations and Chief Compliance Officer. She also noted the A-133 Governmental Audit is now complete and Staff is now gearing up for the Budget and Audit seasons.

Informational Presentations

R. Bradley closed her Report stating Staff would be presenting information for the Members to highlight the lending to several growing sectors in the commercial and agricultural loan portfolios. The first will be presented today by T. Porter on Downtown Revitalization and Rehabilitation Projects.

Board Financial Summary

D. Carter explained financing approved for the first eight months of FY2018 totaled \$64.231 million; \$1.697 million above budget and \$14.237 million above the same period of FY2017. Loans closed during the first eight months of FY2018 totaled \$149.407 million; \$4.025 million below budget and \$105.244 million above the same period of FY2017.

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D. Carter explained Operating Income before fair value adjustment for the first eight months of FY2018 totaled \$436,500 and was favorable to budget by \$798,100. Investment Income was favorable to budget by \$24,700. Other Income was favorable to budget by \$34,800.

Banking Resolution

C. Polhemus explained Staff is recommending Renee Grzankowski, Director of Operations, be authorized to sign checks. On a motion by L. Graves, seconded by S. Voigt, the following resolution was approved by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

Banking Resolution

WHEREAS, the Vermont Economic Development Authority (Authority) has, from time to time, authorized certain officers and staff members to sign checks drawn on the various accounts of the Authority and to invest, reinvest and redeem certificates of deposit and repurchase agreements from and with various Vermont banks (Banks) and initiate wire transfers of funds to and from the Banks for these purposes;

NOW THEREFORE BE IT RESOLVED, the Authority's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer will each have individual signing authority for any check, cash and wire transfer of the Authority for any amount up to \$10,000. The following will each have individual signing authority for any check, cash, and wire transfer of the Authority for any amount up to \$5,000: the Chair of the Authority; the Treasurer of the Authority; Carol Brown; Margaret Baird; Kelly Leonard; Deborah Izor and Renee Grzankowski. All checks, cash and wire transfers drawn on any Authority account in excess of \$10,000 must be signed and countersigned by two of the above authorized individuals;

BE IT FURTHER RESOLVED, that the Authority's Chief Financial Officer, Chief Executive Officer and Chief Operating Officer are each hereby authorized to purchase, transfer, redeem and withdraw or reinvest the proceeds of certificates of deposit, repurchase agreements, and other investment securities, and to transfer funds to and from the Banks, whether manually, by wire or otherwise, as necessary to carry out the purposes specified above. The Chief Financial Officer, Chief Executive Officer and Chief Operating Officer are each also hereby authorized to contract with the Banks for safe deposit services and to designate certain employees or contractors to have access to such safe deposit services. The Banks are directed to honor any such requests;

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BE IT FURTHER RESOLVED, that the foregoing Resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been received by the Banks;

BE IT FURTHER RESOLVED, that this Resolution supercedes and replaces that approved by the Authority on October 28, 2016.

Management Agreement with Vermont 504 Corporation

C. Polhemus explained the U.S. Small Business Administration requires a Management Agreement between Vermont 504 Corporation and the Vermont Economic Development Authority. C. Polhemus explained staff is requesting the Directors approve this agreement.

On a motion by S. Voigt, seconded by J. Snow, the Management Agreement was approved as presented by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

At 11:22 a.m. E. Paradee left for the remainder of the day.

Commercial Loan Policy

C. Polhemus explained changes and updates have been made to the Commercial Loan Policy. She outlined those changes for the Members.

On a motion by T. Gallagher, seconded by J. Snow, the Commercial Loan Policy was approved as presented by those Members of the Authority present by a vote of 9 to 0 with the Chair abstaining.

Board Loan Committee – Approvals

Staff presented the Members with the Internal Board Loan Committee Approvals memo.

Staff Authority – Loan Approvals

Staff presented the Members with the Internal Loan Approvals memo.

Staff Authority – Other Business

Staff presented the Members with the Internal Other Business memo.

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Staff Authority – Affiliate Programs – Loan Approvals

Staff presented the Members with the Internal Affiliate Programs Loan Approvals memo.

Staff Authority – Other Affiliate Program – Other Business

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

Executive Committee Report

D. Kurzman explained the Executive Committee met prior to this meeting to discuss succession options as R. Bradley has announced her pending retirement in June 2019. He noted the Search Committee will be comprised of the Executive Committee. He invited Members to provide him with any input.

Downtown Revitalization

T. Porter presented the Members with a PowerPoint presentation on VEDA's role in downtown revitalization and redevelopment projects. He stated VEDA's mission has always involved historic mills and manufacturing facilities, many in or near downtown areas including Bennington, Windsor, Springfield and others. He noted VEDA is heavily involved in many of the recent downtown projects. T. Porter continued, describing several projects in which VEDA was involved and the impact of those projects on the community and the Vermont economy.

At 11:54 a.m. T. Richards left for the remainder of the day.

There being no other business to properly come before the Authority, on a motion by L. Graves, seconded by T. Porter, the meeting adjourned at 12:01 p.m.

ATTEST:

Vermont Economic Development Authority

By: _____
Rosalea W. Bradley, Chief Executive Officer