

VERMONT AGRICULTURAL CREDIT CORPORATION

Minutes

January 28, 2022

A meeting of the Vermont Agricultural Credit Corporation (VACC) convened at VACC's office in Montpelier on January 28, 2022 beginning at 10:11 a.m. Directors of the Corporation present via video conferencing were: S. Voigt, Chair; A. Eastman (designee for A. Tebbetts); A. Gagner-Murphy; B. Pearce; C. Carpenter; D. Kurzman; E. Delhagen (designee for J. Tierney); J. Goldstein (designee for L. Kurrle); K. Hale; L. Graves; R. Shippee; T. Foster; T. Gallagher; and T. Collier. Staff members present in VEDA's Montpelier office were: S. Isham, Secretary; A. Wood, Senior Loan Officer; and A. Wright, Executive Assistant and Office Manager. Staff members present via video conferencing were: C. Polhemus, President; P. Samson, Vice President; T. Richardson, Treasurer; R. Grzankowski, Assistant Secretary; C. Houchens, Chief Risk and Resource Officer; S. Croft, Deputy Director of Commercial Lending; J. Emens-Butler, Director of Closing; P. Fitzgerald, Director of Loan Resolution; Senior Loan Officers: J. Conklin, E. Denny and M. Dussault; Loan Officers: C. Leonard, E. Paradee and M. Corbett; D. Stroffoleno, Agricultural Credit Analyst; and K. Kilpatrick, Administrative Assistant. Those Directors present constituted a quorum.

Consent Agenda

Approval Items

1. Minutes of December 17, 2021
2. Resolution: Document Signers

Resolution

BE IT RESOLVED, that the following officers be and hereby are elected:

Assistant Secretary: Renée Grzankowski
Jennifer Emens-Butler
Jennifer Pinsonneault
Elizabeth Russell

FURTHER BE IT RESOLVED, that pursuant to Article III, Section 6 of the Vermont Agricultural Credit Corporation ("VACC") Bylaws, Renée Grzankowski, VEDA Chief

Operations Officer, Jennifer Emens-Butler, VEDA Director of Closing, Jennifer Pinsonneault, VEDA Senior Loan Closing Officer and Elizabeth Russell, VEDA Loan Closing Officer, be and each of them hereby is appointed to the office of Assistant Secretary of VACC, and thereby authorized and empowered to sign, acknowledge and deliver contracts, written documents and instruments, commitments, deeds, mortgages and mortgage discharges, subordinations and all manner of written agreements for and on behalf of VACC.

3. Resolution: Check Signers

Banking Resolution

WHEREAS, the Vermont Agricultural Credit Corporation (Corporation) has, from time to time, authorized certain officers and staff members to sign checks drawn on the various accounts of the Corporation 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 Corporation's President, Vice President and Chief Financial Officer will each have individual signing authority for any check, cash and wire transfer of the Corporation for any amount up to \$10,000. The following will each have individual signing authority for any check, cash, and wire transfer of the Corporation for any amount up to \$5,000: the Chair of the Corporation; the Treasurer of the Corporation; Alice Wright; Barry Koch; Kelly Leonard; Debra Izor and Jonathan Harris. All checks, cash and wire transfers drawn on any Corporation account in excess of \$10,000 must be signed and countersigned by two of the above authorized individuals;

BE IT FURTHER RESOLVED, that the Corporation's Chief Financial Officer, President and Vice President 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, President and Vice President are also each 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 supersedes and replaces that approved by the Corporation on March 30, 2018.

Informational Items

4. Staff Authority – Loan Approvals

Name	Town	Loan Amount
Tup’s Crossing Farm, LLC; Menguc, Holly E. and Feyzi F.	Orwell	\$ 50,500
Ackermann Enterprises LLC; Ackermann, Ian R. and Caitlin A.	Cabot	\$ 80,000
Vosburg, Mark P. and Cecile G.	Swanton	\$137,000
Thurston Forestry L.L.C.; Thurston, Everett C. and Jessica H.	North Clarendon	\$106,500

5. Staff Authority – Other Business

On a motion by D. Kurzman, seconded by T. Gallagher, the consent agenda was approved as presented by those Directors of the Corporation present by a vote of 13 to 0 with the Chair abstaining.

Agricultural Update

A. Eastman began with a description of the Governor’s recommendations in the FY2023 budget, including developing a Vermont brand similar to the Seal of Quality for agricultural and processed items, funding for NOFA to help with food insecurities and PFAS testing for farms. She explained the budget includes ARPA-funded proposals for water quality and stormwater infrastructure. She continued, noting the Future of Agriculture Commission has made recommendations to the Governor and the opportunities through the Dairy Business Innovation Grant continue to be promoted on social media.

Discussion ensued regarding the effects of PFAS on a farm in Maine several years ago. A. Eastman noted Vermont has been fortunate and no milk has been disposed of, though feed

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crops have been condemned due to high levels of PFAS. She continued, stating what goes down household drains ends up on farmers' fields.

Next, A. Eastman described the current situation for organic farms in the wake of Danone Horizon Organic's termination of supply agreements with Vermont organic dairy producers. She further noted Stonyfield has notified those members using tie stall operation they have until 2025 to move to free stall in order to continue to have their milk picked up.

C. Polhemus noted that John Roberts has been appointed Executive Director of FSA for Vermont.

A. Eastman ended the update noting there is currently a bill in the legislature to ban treated seeds. She noted most of the seeds used in Vermont are treated and should this bill pass, it could be unfortunate for many Vermont farmers.

Credit Risk Classification Report – 2nd Quarter FY2022

Staff's Credit Risk Classification Report recommendation for the VACC loan portfolio for the 2nd quarter of fiscal 2022 (ended December 31, 2021) included loan loss reserves in the amount of \$1,690,800.

After discussion regarding the reserves and changes recommended thereto, on a motion by L. Graves, seconded by T. Foster, the recommendation was approved by those Directors of the Corporation by a vote of 13 to 0 with the Chair abstaining.

Loan Review Report

C. Houchens provided the Directors with the Loan Review Report. Discussion ensued regarding formulas which determine loan classification.

On a motion by T. Gallagher, seconded by T. Foster, the report was approved by those Directors of the Corporation present by a vote of 13 to 0 with the Chair abstaining.

Nadeau, Aaron D. and Chantale R. – Derby – Operating Loan – \$60,000

A. Wood explained Aaron D. and Chantale R. Nadeau of Derby are requesting \$60,000 in VACC financing. The loan will be secured by a purchase money security interest (PMSI) in a John Deere tractor to be purchased by the borrower and a PMSI in an International 1586 tractor owned by the borrower.

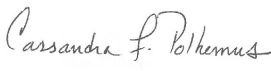
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After discussion regarding debt per cow, equity, and the strength of the borrower, on a motion by T. Foster, seconded by L. Graves, the above loan request was approved by those Directors of the Corporation present by a vote of 13 to 0 with the Chair abstaining.

There being no other business to properly come before the Corporation, on a motion by T. Foster, seconded by A. Eastman, the meeting adjourned at 10:46 a.m.

ATTEST:

Vermont Agricultural Credit Corporation

By: 
Cassandra F. Polhemus, President