

VERMONT ECONOMIC DEVELOPMENT AUTHORITY

Minutes

January 28, 2022

A meeting of the Vermont Economic Development Authority (VEDA) convened at VEDA's office in Montpelier on January 28, 2022 beginning at 9:30 a.m. Members 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, Director of Agricultural Lending; A. Wood, Senior Loan Officer; and A. Wright, Executive Assistant and Office Manager. Staff members present via video conferencing were: 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. 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 Members present constituted a quorum.

Welcome New Member – Caroline Carpenter

S. Voigt welcomed VEDA's newest Board Member Caroline Carpenter, noting she replaces M. Tuttle, who left the Board in December. C. Carpenter thanked S. Voigt for the welcome and explained she has worked with VEDA for many years through the National Bank of Middlebury.

CEO's Report

C. Polhemus echoed S. Voigt and welcomed C. Carpenter as a Member of the Authority. Next, C. Polhemus noted staffing changes at VEDA. First, she welcomed VEDA's newest employee, J. Emens-Butler, Director of Loan Closing, noting the knowledge and experience she brings to VEDA. C. Polhemus continued, noting the recent promotion of C. Blais from Commercial Credit Analyst to Commercial Loan Officer.

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C. Polhemus continued, noting requested changes to the VEDA statute are currently moving through the legislature. She explained stakeholders have been very supportive of the changes.

Next, C. Polhemus described the Governor’s FY2023 recommended ARPA budget, noting VEDA has been asked to create a forgivable loan program to provide working capital for eligible businesses. She explained the goal is to combine the best aspects of various grant programs to create a loan program which works to meet the remaining needs. She noted certain sectors have been hit harder during the COVID pandemic and continue to not be fully open and therefore not able to generate working capital to get through this pandemic. J. Goldstein noted the effort is to take care of those who were not eligible for the economic bridge grant.

Next, C. Polhemus updated the Members on the status of the SSBCI application – noting the deadline was fast approaching. She explained T. Richardson and partners at ACCD have been spending a considerable amount of time working on this effort with most of the time centered on the venture capital program. Five proposals in response to the RFP have been received and a selection committee is in the process of reviewing the proposals. She further noted it is highly likely there will be more than one fund manager selected to implement the funds allocated for the venture capital program. The loan portion of this program will be very similar to the last round of SSBCI funds.

C. Polhemus finished her report stating over the years, VEDA has issued bonds for Vermont’s Designated Agencies, which are state-licensed mental health service providers. She explained during the course of due diligence work on an upcoming bond request, VEDA learned there was a potential issue with the language in the bond documents. She explained clarifying language was recently approved by the Treasurer’s office and VEDA bond counsel and will be brought to the Members in February.

Member Area Review

J. Goldstein began the Member Area Review with an explanation of what is included in the Governor’s budget. She noted the Department of Economic Development has put forth many asks, including funds for grand list enhancement, a boost to credit and new worker program and additional funding on Brownfields. She said there is much opportunity with ARPA money which can yield results in the years to come.

E. Delhagen explained there is currently an array of energy related activities in the legislature, noting some may have implications for VEDA at some point in time. He explained

the Comprehensive Energy Plan provides informational resources to municipalities and others on renewable energy to allow them to pursue goals outlined in the Climate Action Plan.

Consent Agenda

Approval Items

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

Resolution

RESOLVED, that pursuant to Article IV, Section 5 of the Authority's Bylaws, Renée Grzankowski, Chief Operations Officer, Jennifer Emens-Butler, Director of Closing, Jennifer Pinsonneault, Senior Loan Closing Officer and Elizabeth Russell, Loan Closing Officer, be and each of them hereby is authorized to act as the Authority's agent for the purpose of signing, acknowledging and delivering contracts, written documents and instruments, commitments, deeds, mortgages and mortgage discharges, subordinations and all manner of written agreements for and on behalf of the Authority.

3. Resolution: Check Signers

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 Lending Officer, Chief Financial Officer and Chief Operations 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; Alice Wright; Barry Koch; Kelly Leonard; Debra Izor and Jonathan Harris. 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 Executive Officer, Chief Lending Officer, Chief Financial Officer and Chief Operations Officer are each hereby authorized to purchase, transfer, redeem and withdraw or reinvest the proceeds of certificates

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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 Executive Officer, Chief Lending Officer, Chief Financial Officer and Chief Operations 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;

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 Authority on June 26, 2020.

Informational Items

4. Outstanding Loan Review Items – Quarterly Update
5. Board Loan Committee – Approvals

The following loans have been approved by the VEDA Board Loan Committee.

Name	Town	Program	Loan Amount
1190 Stowe Realty Holdings LLC and Flatbread Ventures – Stowe LLC (Third Place, Inc.)	Stowe	Subchapter 5	\$880,000
Franklin County Industrial Development Corp.	Swanton	Subchapter 3 OB Amendment	\$2,600,000

6. Staff Authority – Other Business
7. Staff Authority – Other Affiliate Programs – Loan Approval

Name	Town	Program	Loan Amount
The Battleground Condominium Owners’ Association, Inc.	Waitsfield	DWSRLF	\$27,950

8. Staff Authority – Affiliate Loan Programs Other Business

On a motion by T. Collier, seconded by J. Goldstein, the consent agenda was approved as presented by those Members of the Authority present by a vote of 13 to 0 with the Chair abstaining.

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Credit Risk Classification Report – 2nd Quarter FY2022 and LLR Recommendations

P. Samson presented staff's Credit Risk Classification Report recommendation for the Vermont Jobs Fund for the 2nd quarter of fiscal 2022 (ended December 31, 2021) which included recommended loan loss reserves in the amount of \$3,243,200.

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

Board Financial Summary

T. Richardson presented his financial report, explaining Net Operating Income before fair value adjustment for investments through December 31, 2021 of \$1.6 million was favorable to budget by \$274.2 thousand. Net Interest Income of \$4.0 million was favorable to budget by \$158.2 thousand. Other Income of \$367.8 thousand was favorable to budget by \$99.6 thousand.

Credit Quality Report

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

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

ATTEST:

Vermont Economic Development Authority

By: *Cassandra F. Polhemus*
Cassandra F. Polhemus, Chief Executive Officer