

Washington County Local Development Corporation
Loan Review Committee
Monday, January 11, 2016
Meeting Minutes

Present: Seth Pitts, Dave O'Brien, Jay Niles and Dana Haff

Others Present: Deanna Derway, WCLDC President, Sacha Cleavland, Andrew Lewis, Jeff Donnelly

Chairman Lindsay called the meeting to order at 10:02 a.m.

The Committee reviewed the minutes from the December meeting. Dave O'Brien made the motion to approve and Jay Niles seconded. It was approved unanimously.

The Committee then reviewed the 2015 year end status of current loans. The Committee once again discussed Renaissance Grants & Planning who submitted the following proposed payment plan: \$1,000 paid by 1/31/2016, \$3,000 paid by 2/28/2016, \$3,000 paid by 3/31/2016, Remaining past due amount and April payment paid by 4/30/2016. The Committee discussed this plan and Dave O'Brien made a motion to accept the payment plan with the stipulation that if a payment is missed, the 16% default rate will be automatically applied to the account. Jay Niles seconded and it was approved unanimously. The rest of the loan portfolio is on track and in good shape. The WCLDC ended 2015 with 38 active loans in the portfolio.

Next, the Committee reviewed a loan application proposal for Hogwash Cleaning Solutions in the amount of \$100,000. Sacha Cleavland and Andrew Lewis were present representing the project. The funding would be to purchase the property the business is located at, renovations to said building, equipment upgrades and working capital. The Committee discussed the financial projections with the applicants and highlighted that there are a couple of important line items that were not included including the property taxes and the LDC loan payment. The applicants agreed that the financial projections need to be reviewed and revised and that they are seeking a new accountant to help with this process. Jay Niles made a motion to give the applicant's time to re-evaluate their financial projections and re-submit next month for a decision by the Committee. Dana Haff seconded and it was approved unanimously.

The Committee then reviewed a proposed loan application for J. Donnelly Transport LLC in the amount of \$55,000 in order to purchase new equipment and working capital. Jeff Donnelly was present representing the project and explained that business has continued to increase over the past year and therefore, he has the need to add a second truck which in turn requires another employee to be added. Jeff already has one loan with the LDC and Deanna explained that his payment history is stellar and that he is actually ahead on his loan payments. Jeff explained that he is currently shopping around for the needed equipment in order to get a good price. Seth Pitts made a motion to approve the loan request. Dave O'Brien seconded and it was approved unanimously.

The meeting was adjourned at 11:10 a.m. Motion made by Jay Niles, seconded by Dave O'Brien and approved by all.

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