

Washington County Local Development Corporation
Loan Review Committee
Tuesday, August 16, 2016
9:00 a.m.
Meeting Minutes

Present: Seth Pitts, Dave O'Brien, Dana Haff, Rich Norman and Brian Campbell (entered 9:20)
Others Present: Deanna Derway, WCLDC President

Chairman Pitts called the meeting to order at 9:03 a.m.

The Committee reviewed the minutes from the July meeting. Rich Norman made the motion to approve and Dana Haff seconded. It was approved unanimously.

Next, The Committee reviewed the current loan list update and discussed the current status of each account. Deanna informed the Committee that South Hartford Equipment is still awaiting the Workman Compensation claim that will pay off the remaining balance of the loan. The Committee discussed the fact that it has been a very long time that this process has been ongoing and the fact that payment needs to be made on this account. The Committee discussed giving them until the end of 2016 to figure something out in order to make payments before taking any action. Deanna will keep the loan recipient and Committee up to date on the status of this account.

Next, the Committee continued its review of a loan application proposal for Frosty Mugs Bar & Grill in the amount of \$55,000. Thad Jankowski and Denise Giarusso were present to represent the project. The Committee made it clear to the applicants that 100% collateral backing is required of all of our loans and what has been offered is insufficient to back the requested funding. Since the last meeting, when the Committee expressed their concerns about lack of collateral and capital reserve, the applicants have proposed using a relative's house as collateral on the loan. There are multiple issues the Committee has with the proposed collateral as the home is owned by four different family members, three of which are not part of the loan. The home also provides life tenancy for one of the occupants which would be given up upon signing of the mortgage on the property; neither the loan review committee nor the applicants feel comfortable with someone who is not part of the loan doing this. Therefore, the applicants made the decision to go back to the drawing board on figuring out financing and no vote is required on this application.

Next, the Committee discussed a potential loan modification requesting an increased amount of funding in order to meet higher than expected renovation costs. The Committee reviewed the brief information and encourages the business to submit a full application for review. Deanna will reach out to them and request a full submission package.

The meeting was adjourned at 9:51 a.m. Motion made by Seth Pitts, seconded by Jared Humiston and approved by all.

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Seth Pitts, Chairman