



Lake Champlain - Lake George
Regional Planning Board

THE COUNTIES OF
CLINTON, ESSEX, HAMILTON, WARREN & WASHINGTON

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Revolving Loan Fund Administrative Committee

November 5, 2018

1:00 pm

LCLGRP Offices

MEETING MINUTES

In Attendance

Patty Waldron	Small Business owner and Board of Legislators, Clinton County
Christy Wilt	Director of Economic Development & Hamilton County IDA, Hamilton County
Carol Calabrese	Essex County IDA, Essex County
Marc Monahan	NBT Bank
Harry Booth	Small Business Owner, Washington County
Dave O'Brien	LCLGRP Chairman of the Board
Chad Richards	Glens Falls National Bank, Warren County
Beth Gilles	LCLGRP

Beth Gilles started out the meeting with a welcome and a round of introductions.

Introduction to the LCLGRP/LCLGRDC Revolving Loan Funds

Beth then went into an introduction to the LCLGRP and LCLGRDC loan funds. The overview of the funds, the types of loans given and how the fund is operated was discussed. This discussion led to an in depth discussion on how county IDA's are operated and how some of their processes and procedures can be beneficial to the LCLGRP.

Carol spoke about the North Country Small Business development Center in Plattsburgh and how the Essex County IDA utilizes them quite a bit to assist loan applicants with really understanding what they are getting themselves into by opening a small business. *Beth will add this group to the list of places where applicants can seek business development advice within the Revolving Loan Fund Management Plan.*

Patty noted that there is a new Director of the Clinton County IDA named Renee McFarlin.

Carol also discussed the requirements that the IDA has for loan applications. They require 2 – 3 years of historical information if they have an existing business. They also ask for 3 years of projections. *Beth will add this three year criteria into the Loan Processing Procedures portion of the Revolving Loan Fund Management Plan.* Essex County IDA also requires personal background information, as do the banks.

Marc mentioned that we should also have a spot on the application where we ask how the loan recipient heard about our fund. This will help us see how our marketing is best reaching customers.

Patty noted that she would like to see all applications have a marketing plan, if it's applicable.

Carol and Christy noted that the LCLGRP should work with the county IDA's to get out an assist with marketing. We could also work with them to help out with site visits, which is something that we should do every year in addition to having the recipients submit end-of-the-year reports to us.

The committee then discussed underwriting. It was decided that LCLGRP would do underwriting for each loan, but also make all of the paperwork available to each committee member. Beth would like to accomplish this by establishing a portal on the LCLGRP that only loan committee members can access. This portal would hold all of the paperwork for the loan applications, so that Personal/Private Information is no longer being mailed to loan committee members.

Marc noted that he will send Beth a Preview Memo used by his bank to help with the underwriting.

The committee then discussed defaulted loans. The Essex County IDA requires loan recipients to come to a Committee meeting after a certain number of payments have been missed. This is something that the LCLGRP should consider making a requirement.

Also discussed was calling a note when a business closes. This is also something that the LCLGRP should consider doing.

Loan Administrative Committee Charge

The charge of the committee is to understand the requirements of the program, objectively review loan applications and vote on whether to approve, disapprove, or approve with conditions. The committee will meet at least quarterly, maybe more if the timing on a loan approval warrants. The Committee will be given quarterly financial Loan Balance reports at each quarterly meeting. The Loan Committee must also approve any loan modifications and provide recommendations to the LCLGRP Board of Directors.

RLF Management Plan

No other changes to the Revolving Loan Fund Management Plan were noted.

Current Status of LCLGRP RLF

The committee was provided with a Loan Balance report ending 9/30/2018. Beth discussed each loan briefly and commented on whether they are current, delinquent, defaulted, or going to be brought to the LCLGRP Board of Directors as write-offs.

The committee then discussed the specific loans with Joe Brand and their current status. Dave gave the committee an overview of the four loans and the current issues with lack of payment. Beth noted that she met with Joe on 10/31/18 and he asked if we could consolidate all the loans into one. The Committee agreed to consolidation, but noted that we must ask for more collateral. His collateral is not worth what is owed to the LCLGRP and LCLGRDC.

It was noted in this discussion that the LCLGRP should have a requirement for automatic withdrawal on loan payments.

It was noted that the system for foreclosure is 90 days past due, and if Joe doesn't not provide the LCLGRP with the requested paperwork for consolidation, the LCLGRP should foreclose.

Quarterly meetings will be scheduled on Tuesdays during the first month the quarter. Beth will set a 2019 schedule and reach out to everyone for the next meeting.