

HARTFORD BUSINESS REVOLVING LOAN FUND COMMITTEE

Meeting Minutes

December 4th, 2019 at 8:30 a.m.

Hartford Town Hall

171 Bridge St., Room 1

White River Junction, VT 05001

Members Present: Kevin Raleigh (Chair), Frank Klymn, and Jay Zanleoni

Members Absent: Dennis Driscoll and Ryan Scelza

Others present: Robert Haynes, GMEDC Executive Director, Mark Condon, GMEDC Executive Assistant, Lori Hirshfield, Town of Hartford Director of Planning and Development (joined at 8:45am) and Richard Grassi, Hartford Selectboard.

With quorum met, Committee Chair Kevin Raleigh called the meeting to order at 8:35 a.m.

Minutes

Frank Klymn made a **motion** to approve the minutes from the March 6th, 2019 HBRLF Committee Meeting, Jay Zanleoni seconded the motion and the motion passed unanimously.

Frank Klymn made a **motion** to approve the minutes from the June 5th, 2019 HBRLF Committee Meeting, Jay Zanleoni seconded the motion and the motion passed unanimously.

Executive Session: Review of the Loan Summary Report for October 2019

Jay Zanleoni made a **motion** to go into Executive Session due to the proprietary nature of the information in the October 2019 Loan Summary Report. Frank Klymn seconded the motion, and the motion passed.

The meeting went into Executive Session at 8:40 a.m.

At 8:45 a.m. the meeting came out of Executive Session. No action was taken.

Lori Hirschfield joined the meeting at 8:45 a.m.

Discussion of additional funds for the RLF

Lori Hirshfield stated that she and Bob Haynes have had a number of conversations in the past few months regarding how to replenish the RLF and there did not seem to be a lot of options. Lori handed out an informational sheet on Program Income from the VCDP Grant to the Village at White River assisted living facility. They had refinanced and thus repaid their VCDP loan of \$293,191 much earlier than expected. Half of this amount (principal) the Town of Hartford will

get to keep which is considerably less than was originally expected but it came much sooner. Since restrictions/criteria for these grants have changed since the original funding of the HBRLF, the new funds have to be accounted for separately and kept in a separate bank account. If old and new funds were co-mingled, the new regulations would have applied to all of it. These new funds could be used for a business and/or housing RLF as well as a number of other things, but at least 51% must be shown to benefit low-mod income persons.

Kevin said that the Committee has discussed previously that it would like the money to come to the HBRLF but the Selectboard will make that decision.

Dick Grassi explained when the Selectboard thought it was going to be the full \$500K paid back over a number of years, the thought was that \$250K would be used for business loans and \$250K towards housing or something similar. Now that it has been reduced to \$146K, it seems better to devote the full amount to the HBRLF.

Kevin asked if there were any possible funds to go after besides these from VCDP. Lori said there were not many as most institutions and foundations want grants to be focused on a specific project, not for a general fund like an RLF.

Lori noted that payments on current HBRLF loans are presently replenishing the fund approximately \$4k/month.

Frank Klymn asked if there were a limit on the number of VCDP loans a town could have? Lori said no.

Kevin said that even when we get these new funds, we have to have something to do with them. Right now, our interest rate is not very competitive/attractive. The last loan was made at 8.5% and the application process is cumbersome. Kevin stated that it always has been said that the HBRLF is for riskier loans but that they are used to drive economic development in Hartford. He suggested that the interest rate didn't have to be at market rate, but maybe just "a little above it." Lori said the rate is built into the Committee Bylaws and that any change to them would have to be approved by the Selectboard. There is flexibility to adjust the rate and amount for specific loans, and lower rates were given to businesses affected by the flood, for example.

It was decided the Committee would look at these guidelines regarding interest rates at their next meeting in March.

Frank asked what objectives and regulations would have to be met for the new VCDP funds? Lori said you have to show one job created per every \$25-40K loaned and 51% used for low-

mod income persons. Therefore, information would have to be required. Bob didn't think it would be too hard to meet these regulations.

Dick asked if the Town has received the funds from the VCDP? Lori said yes, and we need to inform VCDP what we plan to use the funds for. Dick said we need to get it on the agenda for the next Selectboard meeting. Lori said she would talk to the Town Manager.

Frank Klymn made a **motion** that the HBRLF Committee requests the Selectboard assign the full \$146,595 from the VCDP Village in White River project grant to the HBRLF in order to loan it to businesses to promote economic development in Hartford. Jay Zanleoni seconded the motion which passed unanimously.

Other Business

GMEDC Contract

Bob Haynes noted that GMEDC's contract with the Town to administer the HBRLF had expired on June 30, 2019. Lori noted that the contract allowed for a month-to-month basis after the term expired. Kevin asked if GMEDC was requesting any changes in the terms of the contract. Bob said no.

Kevin made a **motion** that the Committee recommend to the Hartford Selectboard that GMEDC's contract to administer the HBRLF be extended to June 30th, 2021. Frank Klymn seconded the motion which passed unanimously.

2020 Committee Schedule

A proposed list of dates for the HBRLF Committee to meet in 2020 was handed out which included the following dates: March 4th, June 5th, September 4th and December 4th with all meetings starting at 8:30am.

Jay Zanleoni made a **motion** to accept the 2020 schedule of HBRLF Committee Meetings. Frank Klymn seconded the motion which passed unanimously.

Committee Membership

It was noted that Dennis Driscoll had fallen out of touch and could not be contacted for this meeting. Bob said he would find a mailing address for Dennis and send him a letter asking if he still wished to remain on the Committee.

If other people are interested in joining the Committee, they should be asked to apply directly to the Town. If there are openings on the Committee, an announcement could be circulated letting people know. Lori will manage this.

Adjournment

Frank Klymn made a motion to adjourn the meeting, Jay Zanleoni seconded the motion and the motion passed unanimously.

The meeting adjourned at 8:52 a.m.

DRAFT