

**LOAN ADMINISTRATION BOARD MEETING MINUTES  
APRIL 21, 2016**

Pursuant to public notice, a scheduled meeting of the Escanaba Loan Administration Board was held on Thursday, April 21, 2016, at 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

Board Members Present: Boardmembers Roni Beaudoin, Holly Thomma, Chris Economos, and Chairman Tim Kobasic

Also Present: City Treasurer Robert Valentine, City Attorney Russ Hall, and Executive Assistant Buffy Smith

Absent: Boardmember Jeanine Dagenais

Chairperson Tim Kobasic called the meeting to order at 8:00 a.m.

**Approval/Adjustments to the Agenda**

**A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to accept the April 21, 2016 Loan Administration Board agenda as submitted. Motion was approved unanimously**

**Approval of Minutes from January 21, 2016**

**A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to accept the January 21, 2016 meeting minutes as submitted. Motion was approved unanimously.**

**NEW BUSINESS**

**1. Quarterly Loan Review**

Tim Kobasic called for an update on Donalway.

Russ Hall stated a debtor deposition against the Waghe's was completed and it appears that all assets are mortgaged.

Bob Valentine added the write off doesn't affect collectability and they continue to pay \$150 weekly. He stated the write off is necessary to close out the EDA Revolving Loan Fund in Chicago. Payment will be forwarded to the EDA in a prorated amount, with a rough payment estimate of 70% theirs, 30% ours.

Bob Valentine stated Michigan Meats is in foreclosure with an auction on the building scheduled for May 20<sup>th</sup> at 10:00 a.m. at the courthouse. Discussion included the possibility of putting in a bid. The value of the building is necessary if so. An appraisal may be on hand, but if not market value could be obtained with a Realtor. Mr. Valentine suggested it may be the wiser choice to not bid when considering that 70% of any

recovery would need to go the EDA and given risk and time commitments it may not be the best use of resources.

## **2. Attorney Update of Donalway and Michigan Meats Loans**

Russ Hall stated a debtor deposition was conducted on the Dubords. Income showed minimal. The Dubords conducted estate planning with the transfer of their house to the children. Mr. Hall will check into this transaction further to make sure it is not a fraudulent transfer. They were insolvent during the time of transfer. Mr. Hall filed two (2) judgement liens; one in Schoolcraft County where their camp is located, which is free and clear with an estimated value of \$90,000, and one (1) in Delta County where the house is located.

Tim Kobasic questioned if the Board would like to put together a plan within the month before the auction on May 20<sup>th</sup>.

Tim Kobasic said the plan/an outline should include 1) pursuing the feasibility of bidding on the parcel, and 2) exploring the re-capture of debt through the sale of the recreational property.

**A motion was made by Boardmember Economos, seconded by Boardmember Thomma, to explore the feasibility of bidding on the parcel and exploring the re-capture of debt through the sale of the recreational property. Motioned approved unanimously.**

Bob Valentine stated a special meeting will be scheduled for May 17<sup>th</sup> at 8:00 a.m. to discuss the plan and final decision.

## **3. Update on Fleet Maintenance**

Bob Valentine stated the project for Fleet Maintenance has come to an end due to environmental issues on their end. A lawsuit has been filed by Fleet Maintenance against Delta County and CUPPAD and Peter VanSteen for failure to properly monitor contractors and engineers and related costs, which exceeded the expected amount. Mr. Valentine advised that indemnification language in the agreements will drag the City into the suit.

## **4. Update on Status of EDA RLF Termination**

Bob Valentine stated the Board agreed to terminate the EDA Revolving Loan fund and the City Council ratified the Board's decision. A new final copy of the report with a copy of the audit will be submitted to complete the loan closure process. Enrolling in any future EDA programs in the region will still be allowed.

Bob Valentine briefed the board on a potential project for the CDBG RLF through Northern Initiatives.

Tim Kobasic suggested City administration communicates with Dave Nyberg to inform him of these issues/concerns that are impacting community development.

## **5. Items from the Board**

Bob Valentine stated Gorden Cashen with Wickert Floral has a new payment arrangement. Monthly payments are done by automatic ACH account debits. Currently the new arrangement is in month three (3) and going well.

**A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to approve the quarterly loan review as all in one as submitted. Motioned approved unanimously.**

### **General Public Comment**

None.

### **Announcements**

Tim Kobasic would like a meeting scheduled with Mr. O'Toole in May regarding the possibility of a business incubator.

### **Adjournment**

**A motion was made by Boardmember Economos, seconded by Boardmember Thomma, to adjourn the meeting at 8:50 a.m. Motioned approved unanimously.**

APPROVED:

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TIM KOBASIC, CHAIRPERSON

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BUFFY L. SMITH, RECORDER