

**MINUTES
LOAN ADMINISTRATION BOARD MEETING
FEBRUARY 10, 2015**

Pursuant to public notice, a regular meeting of the Escanaba Loan Administration Board was held on Thursday, October 23, 2014, 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

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

Board Member Absent: Boardmember Jeanine Dagenais

Also Present: City Treasurer Robert Valentine, Northern Initiative President Dennis West, Attorney Russ Hall and Executive Secretary Kim Peterson

Chairman Kobasic called the meeting to order at 8:05 a.m.

Motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to approve the meeting minutes of October 23, 2014. Motion was approved unanimously.

NEW BUSINESS

Discussion Incubator Concept with Northern Initiative President Dennis West

Dennis West discussed the incubator concept with the Loan Administration Board. He stated a good source of getting information would be the new Invent at NMU and the Small Business Development Center. There are various incubators concepts to include arts, food, retail, manufacturing, etc. and the City needs to know where their focus would be and what market they are trying to reach. He touched on Milwaukee having a Water Council that does centralized testing and has equipment that concentrates on water quality and other issues related to water.

Discussion took place on renting space, having membership fees, locations, centralized secretary for entire facility, etc.

Mr. West is willing to coordinate a meeting with the Loan Administration Board and the NMU Dean, along with the Invent class and NBA Market Research class. Boardmembers will get their availability to Treasurer Valentine to coordinate a date to go to Marquette. Northern Initiative will also participate in this meeting. He recommended the Loan Administration Board research different incubators.

Quarterly Loan Review

Treasurer Valentine stated Donalway Golf is continuing to make payments of \$150/week. Wickert Floral is 21 months in arrears and makes payments when urged to by the City of Escanaba. The Board was in agreement to have Treasurer Valentine contact Gordon Cashen on the seriousness of his arrears and if a payment plan is not

put in place and followed, they will be forced to take further action. Options will be presented to the Board at their next regular meeting.

Andy Crispigna thought they paid off their Crispigna loan and didn't make any payments for a few months. After further review, it was realized they owed 3-4 more payments and it was agreed/reconciled with Andy Crispigna and Treasurer Valentine.

A motion was made by Boardmember Beaudoin, seconded by Vice Chairman Economos, to accept the quarterly loan review. Ayes were unanimous.

Attorney Review of Michigan Meats Collection Effort

City Attorney, Russ Hall, reviewed the status of the Michigan Meats loan default. Attorney Hall advised that State Bank liquidated all personal property, and proceeds in the approximate amount of \$70,000 were applied toward the Bank's outstanding balance. Attorney Hall advised that he was made aware of the sale after it had already occurred, accordingly there was no opportunity for the City participate in the sale. Attorney Hall further advised that the building is listed for sale with an asking price of \$350,000. Mr. Hall advised that calls to the Dubord's attorney have not been returned. Attorney Hall will continue to pursue the matter.

Update on Fleet Maintenance

Treasurer Valentine stated the Fleet Maintenance project is still in the works and has been drawn out due to DEQ and Brownfield matters. At some point he will be coming back to the Board to reauthorize this project and believes there will be some small changes in the terms. Bay Bank is now the financial agent. There is a possibility of the City redeploying the money for a different purpose and may be at least another three months before any funds are advanced by the bank or the City. The dollar amount should be close to the same amount previously approved. The SBA is going to be involved in the project and is going to provide a 75% guarantee. A draft of the subordination agreement will be reviewed by Attorney Hall once received.

Discussed an old business plan being on file. It is believed that Fleet Maintenance is making some changes and updating such.

Update on Andrew's Diner

Treasurer Valentine stated the loan is current and project is moving ahead. There were some construction concerns that needed to be corrected and worked out with the property owner as Andy Crispigna is leasing the space.

General Public Comment – None.

Announcements

Attorney Russ Hall will look into the legality of having a quorum by televised communications.

Adjournment

A motion was made by Vice Chairman Economos, seconded by Boardmember Thomma to adjourn the meeting at 9:15 a.m.

Motion was approved unanimously.

APPROVED:

TIM KOBASIC, CHAIRMAN

KIMBERLY PETERSON, RECORDER