

MINUTES
LOAN ADMINISTRATION BOARD MEETING
JULY 17, 2014

Pursuant to public notice, a regular meeting of the Escanaba Loan Administration Board was held on Thursday, July 17, 2014, 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

Board Members Present: Vice Chairperson Chris Economos, Boardmembers Roni Beaudoin and Jeanine Dagenais

Board Member Absent: Chairman Tim Kobasic

Also Present: City Treasurer Robert Valentine, City Council Liaison Michael Sattem, Attorney Russ Hall and Executive Secretary Kim Peterson

Vice Chairperson Economos called the meeting to order at 8:05 a.m.

Motion was made by Boardmember Beaudoin, seconded by Boardmember Dagenais to approve the meeting agenda as written. Motion was approved unanimously.

Motion was made by Boardmember Dagenais, seconded by Boardmember Beaudoin to approve the meeting minutes of April 24, 2014. Motion was approved unanimously.

NEW BUSINESS

Quarterly Loan Review

Treasurer Valentine reviewed the EDA loan report.

Mr. and Mrs. Al Waeghe continue to make weekly payments of \$150 on time. Discussion took place on the payments going to principal or interest. Currently the payments are going to interest. Loan balance is \$269,000 at 3.25% interest with an approximate monthly interest rate of \$1,000.

Michigan Meats paid off their small loan in full on March 28, 2014. They currently still have another loan with a remaining balance of \$238,663.

Treasurer Valentine reviewed the CDBG loan report. These funds were transferred over to the State of Michigan being administered by Northern Initiatives.

House of Ludington continues to make all payments on time.

Treasurer Valentine reviewed the UDAG loan report.

Gordon Cashen of Wickert Floral previously made arrangements to pay \$500 bi-weekly as his loan was in arrears. Payments of \$500 were made on February 3rd, May 21st and June 6th. Treasurer Valentine stated Mr. Cashen stated the financial statement was on

its way and the \$500 bi-weekly payment plan was the payment plan but is not being followed. The Board suggested further action be taken to get payments made and to inform Mr. Cashen the Loan Administration Board was not happy with his non-payment and he needs to commit to an agreement.

Cal Marcoe filed Chapter 7 bankruptcy and approximately \$20,000 should be available to creditors, however, this could take 2 – 3 years to get any money.

Heath loan is 20 months in arrears with a balance of \$2,407. The agreement was \$150 a month and no attempt to make payments has been made as the last payment was late last year. Discussed demanding payment in full within fifteen days. Agreed to send a letter to Mr. Heath and his mother who is the co-signer seeking payment in full on such loan.

Update on Appointments

Reviewed board member term limits. City Council recently extended Chairperson Kobasic and Boardmember Beaudoin for another year or until 2015.

Update on Andrew's Diner

Treasurer Valentine stated Andrew's Diner is not open yet as the ceiling collapsed in the building and caused a significant delay. The property owner is making repairs and a timeframe has not been set.

Update on Fleet Maintenance

Treasurer Valentine stated the Fleet Maintenance loan hasn't closed yet as approval is still needed from the State of Michigan Department of Environmental Quality which is holding the project up. There is Brownfield financing and MBank was the original bank and this has been switched to another financial institute. Project is ongoing at this time.

Recent Inquiries

Auto Repair shop expressed interest in obtaining a loan as they are looking at purchasing a building in lieu of renting.

Andy Crispigna expressed interest in obtaining a RLF loan to purchase a pasta machine from his relatives in Iron Mountain who are retiring. Pasta machine is \$25,000 new and is being sold for \$6,000 - \$7,000. Mr. Crispigna's relative's in Iron Mountain are selling the machine.

Paul Paulson inquired as to the possibility of a second loan for building repairs to accommodate a prospective tenant. Planned repairs include a roof, partition walls, and utility upgrades. A loan application was sent and nothing has been heard since.

Discussed Northern Initiatives working under the State of Michigan and not funding loans under 5.99% according to their rules.

General Public Comment – None.

Announcements – None.

Adjournment

A motion was made by Boardmember Beaudoin, seconded by Boardmember Dagenais, to adjourn the meeting at 8:38 a.m.

Motion was approved unanimously.

APPROVED:

CHRIS ECONOMOS, VICE, CHAIRPERSON

KIMBERLY PETERSON, RECORDER