

**MINUTES
LOAN ADMINISTRATION BOARD MEETING
OCTOBER 23, 2014**

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, City Council Liaison Michael Sattem, Attorney Russ Hall and Executive Secretary Kim Peterson

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

New Boardmember Holly Thomma was introduced.

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

Motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to approve the meeting minutes of July 17, 2014. Motion was approved unanimously.

NEW BUSINESS

Quarterly Loan Review

Treasurer Valentine reviewed the EDA loan report.

Donalway guarantors continue to make weekly payments of \$150. This was agreed upon in lieu of garnishing guarantor's wages.

Boardmember Beaudoin questioned whether Kelly Cams/Hyslop should be listed under Amount Written Off. Treasurer Valentine agreed and will reflect said amount as written off.

Treasurer Valentine reviewed the CDBG loan report. These funds were transferred over to the State of Michigan being administered by Northern Initiatives. There are two outstanding loans which are P & B Associates and House of Ludington. P & B Associates had earlier inquired about additional funds for improvements related to a prospective tenant.

House of Ludington continues to make their \$500 monthly payment. House of Ludington continues to make all payments on time.

Treasurer Valentine reviewed the UDAG/DIAL loan report.

Wickert Floral has not been making regular payments despite repeated efforts toward correction of the default.

Superior Driving and Outdoors continue to make regular payments as agreed.

Matt Heath owes \$2,407 on his loan with approximately \$2,400 in late fees and interest. Attorney Hall stated Mr. Heath contacted him on a payoff amount, but nothing has been submitted. Discussed Attorney Hall garnishing his bank account or the possibility of garnishing Mr. Heath's mother. Attorney Hall will also look at garnishing his wages.

Boardmember Beaudoin questioned whether Beaner's/Wakefield should be listed in the Amount Written Off column. Treasurer Valentine agreed and the amount will be reflected as written off.

Cal Marcoe, guarantor on the MaMa Mias loan, filed Chapter 13 bankruptcy then converted to Chapter 7 bankruptcy. There was approximately \$25,000 for the bankruptcy estate but there were also tax obligations, two trustees and attorney fees, and he was allowed to keep approximately \$11,000. It would be unlikely if the City was going to collect any reimbursement.

Lofts on Ludington continue to make quarterly loan interest payments as agreed upon.

Andy Crispigna continues to make payments on his two loans as agreed upon.

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

Update on Fleet Maintenance

Treasurer Valentine stated the Fleet Maintenance project has not been funded yet. There were some brownfield concerns which were held up in Lansing which have since been resolved. Lead lender, MBank, backed out of the deal, and the company is actively pursuing a replacement.

Discussion took place on whether this project should be reviewed again by the Loan Administration Board. Treasurer Valentine stated he would agree to review again if something has changed to the terms with a new lender, total dollars, the proportion between the senior and junior lender, collateral etc.

A referral to Northern Initiatives has been made.

Update on Andrew's Diner

Treasurer Valentine stated there have been a number of delays. The roof collapsed and there was a significant amount of water damage. Engineering work needed to be done with new support columns installed. A new ceiling was installed with the carpeting being installed this week. The property owner did make all repairs at his cost. Andy Crispigna is anticipating an opening date of December 1, 2014.

Recent Inquiries

Treasurer Valentine stated Bridge’s Auto inquired about funding to purchase the former UPPCO building on Stephenson Avenue. He has not heard anything from him in a few weeks.

General Public Comment

Chairman Kobasic stated he attended a meeting where it was advised that the CDBG monies placed with Northern Initiatives are not being utilized.

He would like the City administration to pursue the incubator concept. Discussion took place on the type of businesses to draw into the incubator concept, location, management, etc. CUPPAD was discussed as managing such as they exist from fees.

Treasurer Valentine will make contact with Dennis West of Northern Initiatives determine his availability to attend the next quarterly LAB meeting.

It is the hope to have a formal proposal available to submit to the City Council to gain their support for an incubator concept in the City.

Announcements – None.

Adjournment

A motion was made by Boardmember Beaudoin, seconded by Vice Chairman Economos, to adjourn the meeting at 9:06 a.m.

Motion was approved unanimously.

APPROVED:

TIM KOBASIC, CHAIRMAN

KIMBERLY PETERSON, RECORDER