

**MINUTES
LOAN ADMINISTRATION BOARD MEETING
APRIL 24, 2014**

Pursuant to public notice, a special meeting of the Escanaba Loan Administration Board was held on Friday, December 20, 2013, at 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

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

Also Present: City Treasurer Robert Valentine and Executive Secretary Kim Peterson

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

Motion was made by Boardmember Dagenais, seconded by Boardmember Beaudoin to approve the meeting minutes of December 20, 2013. Motion was approved unanimously.

NEW BUSINESS

Appointment of Loan Committee Members for Northern Initiatives

Treasurer Valentine stated the appointments pertain to the CDBG Revolving Loan Fund, which was transferred to Northern Initiatives in Marquette. They will be appointing a separate loan committee to consider applications for CDBG RLF loans, and Escanaba is entitled to two representatives on that loan committee. The meetings are held over a conference call and an agenda packet will be e-mailed a day or two in advance. Meetings should be less than one hour.

Motion was made by Boardmember Economos, seconded by Boardmember Dagenais, to appointment Chairperson Tim Kobasic and Treasurer Bob Valentine to serve on the loan committee with Boardmember Roni Beaudoin being an alternate. Motion was approved unanimously.

Sviland Loan and Rate Commitment Request

Treasurer Valentine stated Matt and Beth Sviland submitted a request to receive from the City of Escanaba, a formal commitment letter, guaranteeing that their interest only loan will be refinanced over 15 years at no more than 3.25% when it balloons in 2018.

Discussed fixed rates being done in the past, but at a maximum of five years with prime plus one. Discussed entertaining this request closer to the seven year period for their loan, which would be in 2018. Discussed setting this precedent now and other borrowers coming before the Loan Administration Board wanting the same deal. There were a lot of unknowns to include collateral position, current occupancy, personal credit, financials, etc. It was unknown at what interest rates would be four years from now. Interest only payments have been made on time. The Sviland Loan utilized approximately 25% of the UDAG assets.

A motion was made by Boardmember Beaudoin, seconded by Boardmember Economos, to entertain Matt and Beth Sviland's request at the end of the seven year period or 2018. Motion was passed with Boardmember Dagenais abstaining.

Treasurer Valentine will send a letter to Matt and Beth Sviland on the status of their request.

Quarterly Loan Review

Treasurer Valentine stated Michigan Meats 1 and 2 are paying as agreed. Discussed an advertisement for Michigan Meats being for sale and Treasurer Valentine will make contact with Bill and Sharon Dubord to follow up with their intent.

Donalway Golf loan has no material change. There was a judgment obtained and payment of \$150 a week has been made on time. Al Waeghe still represents that he has buyers for his personal property. No further action to be taken at this time.

Heath loan is 12 months in arrears, but payments are being made with a balance of \$2,407.

Crispigna is paying both loans on time with no concern.

No changes in the Peacock loan with 6 months in arrears, but payments are being made as agreed upon.

Wickerts/Cashen Floral is in 21 months of arrears.

A motion was made by Boardmember Dagenais, seconded by Boardmember Beaudoin, to give Mr. Gordon Cashen 30 days to provide financial statements, along with a payment plan on paying his arrears, or further legal action would be considered. Motion was approved unanimously.

General Public Comment – None.

Announcements – None.

Adjournment

A motion was made by Boardmember Economos, seconded by Boardmember Beaudoin, to adjourn the meeting at 8:54 a.m.

Motion was approved unanimously.

APPROVED:

TIM KOBASIC, CHAIRPERSON

KIMBERLY PETERSON, RECORDER