

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

Pursuant to public notice, a scheduled meeting of the Escanaba Loan Administration Board was held on Thursday, January 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, and Chris Economos

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

Absent: Boardmember Jeanine Dagenais and Chairman Tim Kobasic

Vice - Chairperson Chris Economos called the meeting to order at 8:10 a.m.

**Approval/Adjustments to the Agenda**

None.

**Approval of Minutes from February 2, 2015**

**A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to accept the October 15, 2015 meeting minutes as submitted. Motion was approved unanimously.**

**NEW BUSINESS**

**1. Quarterly Loan Review**

Bob Valentine stated two (2) of the EDA loans, Michigan Meats and Donalway Golf, are still an issue. Donalway Golf continues to pay \$150 per week. Per Russ Hall, a judgment has been taken against the guarantors in each of the two cases. Attorney Hall agreed that he would perform a new debtor's exam on each of the guarantors to determine if there have been any changes to the financial status of the parties.

Bob Valentine reviewed the only outstanding CDBG loan, the House of Ludington, and reported that the borrower is paying as agreed.

Bob Valentine reviewed the UDGA portfolio and advised that the only questionable loan is the Cashen/Wickert's Floral loan. Mr. Cashen stated in writing he will continue to send \$500 per month, he will provide Mr. Valentine a copy of the 2014 taxes, and he has been in re-negotiations with some of his vendors and creditors to free up more funding resources.

Bob Valentine stated the Lofts on Ludington continue to pay quarterly as agreed.

Bob Valentine stated the first Crispigna's loan was paid off in October 2015 and the second Crispigna's loan is receiving payments as committed.

**2. Attorney Review of Donalway and Michigan Meats Loans**

City Attorney Russ Hall advised that judgments against the guarantors for Donalway Golf and Michigan Meats are in place. Michigan Meats sold their equipment and the proceeds went to State Bank. The City has a second lien on the mortgage. A foreclosure has not been pursued because proceeds would not be available.

**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.

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

Bob Valentine stated the EDA wants to terminate the EDA Revolving Loan fund due to 1) lack of utilization, and 2) a 100% default rate with the City. Bob Valentine recommends a voluntary termination or the EDA will force the City to terminate the program, causing the City to lose eligibility of participation in other EDA programs. Mr. Valentine is pursuing, with City Council approval, a RLF fund more flexible with reduced restrictions. A resolution will be going before City Council in February.

**5. Write Off of EDA Balances**

Bob Valentine stated the two (2) loan losses for Michigan Meats and Donalway Golf will not be shown as a valid receivable on the City's books. Both loans should be written off. This is his recommendation to the Board. The \$150 weekly payments provided by Donalway Golf would still be provided to the City into the RLF that has been seeded with the City's money.

**A motion was made by Boardmember Thomma, seconded by Boardmember Beaudoin, to write off the Michigan Meats and Donalway Golf loans. Motioned approved unanimously.**

**A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, per Mr. Valentine's recommendation, to recommend to City Council, termination of the EDA RLF. Motion approved unanimously.**

**6. Update on Outreach Efforts**

Bob Valentine advised that November 2015 letters were sent to commercial lenders within the community seeking financial partnerships to help strengthen and grow local businesses.

**7. Items From the Board**

None.

**General Public Comment**

None.

**Announcements**

None.

**Adjournment**

**A motion was made by Boardmember Thomma, seconded by Boardmember Beaudoin, to adjourn the meeting at 8:37 a.m. Motioned approved unanimously.**

APPROVED:

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TIM KOBASIC, CHAIRPERSON

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BUFFY L. SMITH, RECORDER