HARTFORD BUSINESS REVOLVING LOAN FUND/ HARTFORD 2020 VCDP REVOLVING LOAN FUND COMMITTEE SPECIAL MEETING NOTICE & AGENDA

Wednesday, July 17, 2024
8:30am
Room 312, Hartford Town Hall
171 Bridge Street, White River Junction, Vermont

You also can attend this meeting remotely
from your computer, tablet or smartphone
Public Meeting held on www.Zoom.us
Or by Phone at 1-929-436-2866
Zoom Meeting #: 850 5671 8248

AGENDA

1. Call to Order
2. Order of Agenda
3. Public Comment
4. Approval of the June 12, 2024 Meeting Minutes
5. Discussion of Interest Rates
6. Other business
7. Adjournment

For more information or questions, contact Erika Hoffman-Kiess or Mark Condon at 802-295-3710 or erika@gmedc.com / mcondon@gmedc.com

**HARTFORD BUSINESS REVOLVING LOAN FUND COMMITTEE/
HARTFORD VCDP REVOLVING LOAN FUND COMMITTEE**

Meeting Minutes

**June 12, 2024 at 8:30 a.m.
Hartford Town Hall, Room 312
171 Bridge Street, White River Junction, VT
And via Zoom and by Conference Call**

This meeting was conducted in compliance with the Vermont Open Meeting Law with electronic participation. The public was able to join the meeting from a computer, tablet or smartphone.

The HBRLF/ VDCP RLF Committee Members:
Crystal Pearson (term expires 6/26/2026)
Frank Klymn (term expires 2/21/2026)
Michael Gabriele (term expires 3/11/2027)
Jay Zanleoni – Chair (term expires 3/11/2027)

Members attending online/by phone: Jay Zanleoni - Chair, Michael Gabriele, Frank Klymn and Crystal Pearson

Others attending online/by phone: Erika Hoffman-Kiess, GMEDC Executive Director and Susan Buckholz, Hartford Selectboard Representative

Others present in person: Mark Condon, GMEDC Executive Assistant and Lori Hirshfield, Town of Hartford Department of Planning and Development Director.

With quorum met, Committee Chair Jay Zanleoni called the meeting to order at 8:33 a.m.

Jay asked if there were any other changes to the agenda. There were none.

Minutes

Frank Klymn made a **motion** to approve the minutes from the April 3, 2024 HBRLF/VCDP Committee Meeting. Crystal Pearson seconded the motion and the motion passed unanimously.

Executive Session: Review of the Confidential Loan Summary Report for February 2024 and Updates on any Potential Loan Applications

Michael Gabriele made a **motion** to go into Executive Session due to the proprietary nature of the information in the April 2024 Loan Summary Report and to receive an update on any potential loan applications. Frank Klymn seconded the motion, and the motion passed.

The Committee went into Executive Session at 8:35 a.m.

The Committee exited Executive Session at 8:57 a.m. and the following action was taken:

Michael Gabriele made a **motion** to approval a four-month loan deferral to John Farrow of the West Village Hartford Store, covering the months of October 2023 through January 2024 when ACH withdrawals had been paused, and extending the maturity date of the loan by four months to March 1, 2026. Crystal Pearson seconded the motion, which passed unanimously.

Committee Membership

The need for outreach to recruit new Committee members continues. Susan Buckholz agreed to make an announcement at the next Selectboard meeting that the Town is looking to recruit new members. It was suggested that the Hartford Area Chamber of Commerce also be notified. Lori stated that her staff could put together a recruitment poster. Word about the RLFs could also be spread during the downtown Vibrancy work.

Discussion of Potential Housing Programs

Lori reported that a new Housing and Development Specialist position was added to the Department of Planning and Development for the coming fiscal year, and hopes to have the position filled within the next couple of months. She added that one of the person's tasks would be assisting with use of the RLF funds for housing and economic development. It was noted that the VCDP-RLF funds have housing as one of the possibly uses. Also supporting a business's development of housing for its workforce would be eligible under the current HBRLF Guidelines. Lori noted that there was a housing expo on June 1st which had 80+ attendees. Many of them learned about Accessory Dwelling Units (ADUs) at last year's expo and came to this year's to help them make plans for developing an ADU. Three businesses have spoken to Lori about creating housing for their workforce. When projects come to Lori, she will bring them to the Committee.

The Committee generally agreed that employee housing would be on target for the RLF's mission to assist local businesses. Lori thought that it could be used to leverage other funds, such as conventional loans and grants such as VHIP. The Committee would need to scope out the process more before committing to these types of projects. Erika asked that GMEDC's administration contract be looked at given housing loans are different than the business loans that have been done.

Jay suggested that once the Housing Development Specialist is on board, Lori introduce the new person to him and Erika.

Discussion of Interest Rates

Currently, the Guidelines for both Hartford RLFs read as, "Interest rates will start at 3.25% or Wall Street Prime, whichever is higher, pending an overall risk assessment on the loan." Wall Street Prime is currently at 8.5%. This language was set in February 2021.

Jay suggested this language could be flipped to something like, “the rate will not be less than 5%.” The rate could then be adjusted based on risk and collateral. As the Town is not borrowing the funds to loan out, any interest rate is bringing in more money for the fund.

Jay asked that the Committee members think about how the rates could be advertised to promote use of the funds. It was questioned whether advertising different rates could be done prior to changing the language in the guidelines. There was discussion about the need to establish procedures/policy regarding the extenuating circumstances that would warrant a reduction in the stated interest rate. Mark Condon noted that when a potential borrower comes in, they receive a packet including the HBRLF Guidelines which show the current rate language.

Frank Klymn agreed that the RLFs need to be marketed as being a more attractive option than they are currently.

Susan Buckholz and Crystal Pearson both departed the meeting at 9:40 a.m.

Jay noted that this item has been on the agenda for a number of meetings and suggested a Special Meeting be held in July to wrap it up. The Committee members agreed to July 17th at 8:30 a.m. Mark will send out a calendar invite. Data to compare interest rates of other RLFs will be gathered prior to the meeting.

Other Business

Jay asked if there was any other business. There was not.

Adjournment

Frank Klymn made a motion to adjourn the meeting, Michael Gabriele seconded the motion and the motion passed unanimously.

The meeting adjourned at 9:46 a.m.