Motion: A. Dunham

Second: D. McAtee

-Ammendment: Show S. Hunt as excused

NCA LRC Approved 12/13/2018

**North Country Alliance Local Development Corporation**

**Loan Review Committee Meeting**

**October 11, 2018 at 2PM**

**Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Thursday, October 11, 2018 at 2 PM via conference call. Dial information 1-800-977-8002 Participant Code 368009#.

**Present: Ron Bacon, Al Dunham, Ross Pancoe, Tom Plastino, and Marijean Remington**

**Excused:**  Deb McAtee, Brian Gladwin, Ron Charette, and Steve Hunt

**Others:** Matt Siver (DANC), Dave Zembiec and Lyle Eaton (JCIDA)

**Call to Order:** The meeting was called to order at 2:01 PM by Tom Plastino (Chair)

1. **New Business:**
	1. Meeting Minutes (Approval of Minutes September 13, 2018)
		1. Motion: M. Remington
		2. Second: A. Dunham
		3. All Approved 10/11/2018
	2. Mace Chasm Farm – Request to extend loan and interest only payment through December 31, 2018 – M. Siver indicated that Essex County Soil and Water is still waiting on the reimbursement for the grant to pay off the NCA and based on his conversations with Dave at Essex County Soil and Water this is not a fault of Mace Chasm Farm. Dave estimated that the reimbursement should take place at the end of November beginning of December.
		1. Motion: A. Dunham
		2. Second: M. Remington
		3. All Approved: 10/11/2018
	3. Long Falls Paperboard - $225,000 for 5 years at WSJ Prime minus 1% with a floor of 5%. T. Plastino started the conversation and M. Siver gave a rough overview of the project. M. Siver indicated that Long Falls Paperboard principals were requesting a waiver of personal guarantees in addition to the waiver of corporate guarantee of Human Capital. M. Siver indicated that the request was based on information provided pre-bond deal although the request also involved subordination of the NCA/JCIDA/NCEDF to the bond deal itself. The committee discussed the exemption for personal guarantees and Dave Zembiec indicated that the company wanted to keep each of their businesses in a silo and did not want to expose themselves. The committee indicated that they were not comfortable with that request. M. Siver indicated that the funds requested from the JCIDA, NCA, and NCEDF were originally proposed as a need to acquire the mill, when this is not the case, as they are requesting funds to fix OSHA issues, improve the machinery, and start capital improvements. The committee held issue with the withholding of the identity of the strategic investor regardless of their agreement to subordinate to the NCA, JCIDA, and NCEDF. M. Remington stressed the importance of the OSHA violations and stressed caution in reference to this request as a result. Overall the committee took issue with the lack of personal guarantees, cross corporate guarantees, the unwillingness to identify the strategic investor in addition to questions such as; why would the public lenders not get paid off once the bond’s are issued? Will the funds from the JCIDA,NCA, and NCEDF be sufficient to remedy all the OSHA violations? The committee made a motion to table the request as presented.
		1. Motion: M. Remington
		2. Second: A. Dunham
		3. All Approved: 10/11/2018
2. **Adjournment:** The meeting was adjourned at 3:05 PM.

The next North Country Alliance Loan Review Committee meeting is scheduled to be held on November 8th, 2018 at 2 PM.