Motion: A. Dunham

Second: B. Gladwin

NCA LRC Approved 3/10/2023

**North Country Alliance Local Development Corporation**

**Loan Review Committee Meeting**

**February 8, 2023 at 10:00 AM**

**Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Wednesday February 8th, 2023 at 2:00 PM via WebEx. Meeting number (access code): 2633 224 7822. Tap to join from a mobile device (attendees only)

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**Present:** Ross Pancoe, Ron Bacon, Brian Gladwin, Steve Hunt, and Al Dunham,

**Excused:** Marijean Remington

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

**Call to Order:** The meeting was called to order at 10:02 AM by Brian Gladwin

1. **New Business:** 
   1. Approval of Minutes from January 17, 2023
      1. Motion: R. Bacon
      2. Second: S. Hunt
      3. Motion Approved 02/08/2023
2. **Loan Review Request – Adirondack Foothills, LLC. – Request for $150,000 for 5 years with a 10 year amortization and 12 months interest only at WSJ prime minus 1% with a floor of 5% fixed at closing.** M. Siver presented the loan request and gave an overview of the proposed project, sources and uses of funds, pro forma, personal financial statements for Robert Sligar and Corey Higgins, in addition to the collateral overview. D. Zembiec was on the call as the loan sponsor for the JCIDA and he indicated to the committee that he knows Mr. David Daily the proposed manager and Mr. Sligar well as Mr. Sligar has been a participant in many community organizations and D. Zembiec indicated that he had experience dealing with Mr. Daily on the Nice N Easy stores and D. Zembiec indicated that Mr. Daily rose up the ranks with his experience from managing a store to being more of a corporate manager and helping open various locations. B. Gladwin opened the meeting up to any questions to M. Siver and D. Zembiec and R. Bacon asked if Watertown Savings Bank was also doing a 12 month interest only period. M. Siver responded that Watertown Savings Bank is doing a 6 month interest only period for the request and R. Bacon thought that we should stick to the 6 month period to mirror the bank. Additionally, R. Bacon thought that a 10 year amortization for the request for working capital based on the collateral available was alittle long unless Mr. Sligar had additional collateral to pledge. R. Bacon asked if the valuations of the Life Insurance on the personal financial statements included the cash value available as their liquidation value might be significantly less than shown. M. Siver stated that the personal financial statements provided did not specify cash value in the policies. R. Bacon thought based on their personal statements that they may be able to pledge cash value of life insurance or additional properties that they own free and clear to help the light collateral. M. Siver mentioned that he was utilizing the minimum appraised value for collateral analysis and he believed that Watertown Savings Bank thought the appraisal would come in higher than the minimum value and give the NCA a 1:1 collateral value. D. Zembiec asked R. Bacon about the cash value in the life insurance versus the face value if the NCA is getting the life insurance assigned and R. Bacon on expanded that the cash value could be used to make up any shortfall in collateral. B. Gladwin asked if anyone else had comments on the collateral and R. Pancoe thought that it would be prudent to get additional collateral in light of R. Bacon’s comments and thought that the projections being too conservative in some instances can be detrimental. R. Bacon asked how the fuel was categorized on the historical statements provided versus the projections categorizing fuel in other income. M. Siver indicated that fuel revenue was included in regular sales for the former store and R. Bacon thought it would be helpful to have an apples to apples comparison in addition to differences in gallons from the historical figures versus the projected figures. He also asked who was the supplier for the fuel and M. Siver indicated that he did not know that answer and was not outlined in the materials he reviewed. B. Gladwin mentioned to the committee that he thought he was hearing concerns on collateral and projections with additional detail and thought based on the conversation that we potentially move to table the request for additional collateral and refined projections. R. Bacon agreed and thought that more knowledge on the fuel scenario would help. S. Hunt agreed about the additional collateral or security and with that said he also believes that the individuals do have a solid history working on these types of projects and the benefit here to the community is important as he thought that this is a vital service to the local community. D. Zembiec also mentioned that the community was a low mod housing community and this type of store with 24 hour fuel would be very beneficial. B. Gladwin mentioned that this project appears to be a good one in general for the community, however, exploring additional collateral and refinement of the fuel figures was important for any approval and he made a motion to table the request for that additional information and potentially additional collateral.
   * 1. **Motion to Table: B. Gladwin**
     2. **Second: S. Hunt**
     3. **NCA LRC Request Tabled for additional collateral and more detail on additional fuel. 2/8/2023**
3. **Adjournment:** 
   * 1. Motion: B. Gladwin
     2. Second: A. Dunham
     3. All approved 02/08/2023

The next North Country Alliance Loan Review Committee meeting is scheduled to be held as needed.